This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

东曜药业

TOT BIOPHARM International Company Limited

東曜藥業股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1875)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS OF 2024 INTERIM RESULTS AND MILESTONES:

- For the first half of 2024, the Group's operating revenue was RMB520,603 thousand, representing a year-on-year increase of 59%. In particular, revenue from sales of products was RMB400,400 thousand, representing a year-on-year increase of 44%, mainly attributable to the continuous growth in sales volume of our core product, Pusintin® (Bevacizumab injection). Revenue from CDMO/CMO business reached RMB113,791 thousand, representing a year-on-year increase of 144%. With stable cash-generating capability, the Group's net cash flow from operating activities was RMB27,801 thousand for the first half of the year and continued to remain positive.

- The Group achieved remarkable results in its CDMO strategic transformation. Its sales of self-developed products also increased steadily. The Group's financial performance has turned from a loss to a profit, with a net profit reaching RMB31,559 thousand for the first half of the year.

- The Group's position in the biopharmaceutical CDMO market was further strengthened. In the first half of the year, the Company secured 20 new projects, 17 of which were ADC projects, cumulatively reaching a total of 115 projects. The Company also added two new pre-BLA projects, bringing the total number to eight, thereby securing commercial production in the future. The Group's contracted order backlog amounted to RMB184 million, representing a year-on-year increase of 104%. The number of visits by domestic and foreign customers has increased continuously, further strengthening the influence of the Group's brand.

- The Company's quality management system, which meets GMP standards in China, the United States and Europe, has been widely recognized by the industry domestically and internationally. As of 30 June 2024, the Group underwent more than 60 GMP audits cumulatively. This included passing the EU QP audit with zero defects on the first attempt, passing the official GMP audit directly on-site in Colombia, and passing the GMP audits in Indonesia, Egypt and other countries. Furthermore, the Group assisted its customers in completing inspections by their overseas partnering MNC pharmaceutical companies and other institutions on multiple occasions, and successfully collaborated with its customers in completing the licensing with high recognition.

- The capabilities of the CDMO talent team were further strengthened. In order to meet the rapid development of the CDMO business, the number of CDMO team members increased by 29% year-on-year to 492, accounting for 86% of the total number of staff of the Group. In order to strengthen the business focus of the Group, the number of ADC CDMO team members also increased by 27% year-on-year.

The board (the "**Board**") of directors (the "**Directors**") of TOT BIOPHARM International Company Limited (the "**Company**" or "**TOT BIOPHARM**") hereby announces the unaudited consolidated financial results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the six months ended 30 June 2024 together with comparative figures for the six months ended 30 June 2023 as set out in the section headed "Consolidated Financial Information" of this announcement.

CONSOLIDATED FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

		Unaudited	
		Six months ended 30 June	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*2*	**520,603**	328,063
Cost of revenue		**(143,695)**	(78,060)
Research and development expenses		**(46,059)**	(49,969)
Selling expenses		**(276,482)**	(197,376)
General and administrative expenses		**(32,105)**	(31,104)
Net impairment reversal on financial assets		**9,451**	480
Other income and gains – net		**1,545**	13,390
Operating profit/(loss)		**33,258**	(14,576)
Finance income		**2,182**	1,278
Finance costs		**(3,881)**	(2,261)
Finance costs – net		**(1,699)**	(983)
Share of profits of the joint venture accounted for using the equity method		**–**	397
Profit/(Loss) before income tax	*3*	**31,559**	(15,162)
Income tax expense	*4*	**–**	(1)
Profit/(Loss) for the period and attributable to the equity holders of the Company		**31,559**	(15,163)

	Note	Unaudited Six months ended 30 June 2024 RMB'000	2023 RMB'000
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange differences on translation		**1,523**	3,417
Other comprehensive income for the period, net of tax		**1,523**	3,417
Total comprehensive income/(loss) for the period and attributable to the equity holders of the Company		**33,082**	(11,746)
Earnings/(Loss) per share for the six months ended 30 June and attributable to the equity holders of the Company			
– Basic and diluted earnings/(loss) per share (RMB)	*5*	**0.04**	(0.02)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2024** ***RMB'000***	Audited 31 December 2023 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*6*	**708,971**	695,804
Prepayments for property, plant and equipment		**362**	1,803
Right-of-use assets	*6*	**13,522**	14,258
Investment properties		**2,585**	2,785
Intangible assets	*6*	**8,086**	8,839
Other non-current assets		**2,808**	9,437
		736,334	732,926
Current assets			
Inventories		**114,044**	126,009
Other current assets		**16,505**	49,410
Trade and other receivables	*7*	**118,619**	88,152
Prepayments		**18,706**	18,715
Contract assets		**104,096**	54,916
Restricted cash		**–**	4,373
Cash and cash equivalents		**348,350**	351,600
		720,320	693,175
Total assets		**1,456,654**	1,426,101
EQUITY			
Share capital	*8*	**2,297,499**	2,297,499
Other reserves		**78,114**	72,472
Accumulated losses		**(1,651,726)**	(1,683,285)
Capital and reserves attributable to the equity holders of the Company		**723,887**	686,686

	Note	**Unaudited 30 June 2024** ***RMB'000***	Audited 31 December 2023 *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings	*9*	**314,918**	302,685
Lease liabilities		**124**	194
Other non-current liabilities		**45,692**	54,050
		360,734	356,929
Current liabilities			
Borrowings	*9*	**68,090**	41,600
Trade and other payables	*10*	**279,313**	322,934
Contract liabilities		**19,164**	12,063
Lease liabilities		**749**	1,172
Other current liabilities		**4,717**	4,717
		372,033	382,486
Total liabilities		**732,767**	739,415
Total equity and liabilities		**1,456,654**	1,426,101
Net current assets		**348,287**	310,689
Total assets less current liabilities		**1,084,621**	1,043,615

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the condensed consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with HKAS 34 Interim Financial Reporting.

The interim report does not include all of the notes normally included in annual consolidated financial statements. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023.

The financial information relating to the year ended 31 December 2023 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2024 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

2 SEGMENT AND REVENUE INFORMATION

(a) Description of segments and principal activities

The Group is mainly engaged in the research and development, manufacturing, selling of anti-tumor drugs, CDMO/CMO business and license-out of self-developed biological drugs. The outcome of the Group's research and development activities will be given preference to be used by the Group for its own commercialization. There is one team managing and operating all revenue streams. Accordingly, management considers there is only one segment and hence no segment information is presented.

(b) The amount of each category of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time:		
– Sales of goods	**400,400**	277,881
– Commission revenue	**5,339**	3,391
– CMO	**4,527**	20,492
– Others	**867**	109
Over time:		
– CDMO	**109,264**	26,054
– Others	**206**	136
	520,603	328,063

(c) The following table presents the analysis of contract assets and contract liabilities related to the above-mentioned arrangements.

	30 June	31 December
	2024	2023
	RMB'000	*RMB'000*
Contract assets:		
– CDMO	**102,473**	54,260
– Sales commission	**1,623**	760
Loss allowance	**–**	(104)
	104,096	54,916
Contract liabilities:		
– CDMO/CMO *(i)*	**(17,105)**	(10,944)
– Sales of goods	**(2,059)**	(1,119)
	(19,164)	(12,063)

(i) Contract liabilities arise from CDMO and CMO which are recognized when the advances are received before the services are rendered to customers.

(d) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities.

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Revenue recognized that was included in the balance of contract liabilities at the beginning of the period		
– Service revenue – CDMO/CMO	**3,434**	17,227
– Sales of goods	**899**	1,138
	4,333	18,365

(e) Unfulfilled long-term contracts

In January 2017, the Group entered into an agreement with a pharmaceutical company for licensing one of its bio-pharmaceutical know-how to the customer for development and commercialization for a period of 10 years.

The license contract includes an upfront fee, certain development-milestone payments and commercial-milestone payments of RMB84,500,000 (including tax) in aggregate. The contract also includes sales-based royalties. The Group has received the upfront payment and development milestone payments of RMB55,500,000 (including tax) in total as at 30 June 2024. For the six months ended 30 June 2024, there was no development milestone and commercial milestone achieved by the Group (For the six months ended 30 June 2023: there was no development milestone and commercial milestone achieved by the Group). The Group is entitled to receive up to an aggregate of RMB29,000,000 (including tax) upon the achievement of additional development and commercial milestones.

In January 2022, the Group entered into an agreement with a pharmaceutical company for licensing one of its biological antibody drugs to the customer for development and commercialization in certain overseas regions (the "**Cooperation Area**") for 10 years after the date of obtaining the marketing authorization by the first regulatory authority in the Cooperation Area.

The license contract includes an upfront fee and certain development milestone payments of RMB30,000,000 (including tax) in aggregate. The contract also includes sales-based royalties. The Group has received the upfront payment and development milestone payments of RMB25,000,000 (including tax) in total as at 30 June 2024. For the six months ended 30 June 2024, there was no development milestone and commercial milestone achieved by the Group (For the six months ended 30 June 2023: no development milestone and commercial milestone achieved). The Group is further entitled to receive up to an aggregate of RMB5,000,000 (including tax) upon the achievement of additional specified milestones related to the development and regulatory approval of the biological antibody drugs.

Contract duration of CDMO/CMO services are generally for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(f) Geographical information

Geographical information of revenue and non-current assets other than financial assets for the six months ended 30 June 2024 and 2023 is as follows:

	Six months ended 30 June			
	2024		2023	
	Revenue	**Non-current assets**	Revenue	Non-current assets
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Mainland China	**520,603**	**736,334**	328,063	671,034
Others	**–**	**–**	–	314
	520,603	**736,334**	328,063	671,348

3 PROFIT/(LOSS) BEFORE INCOME TAX

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Profit/(Loss) before taxation has been arrived at after charging:		
– Promotion and advertisement expenses	**268,526**	190,576
– Employee benefit expenses	**96,742**	80,899
– Clinical trials (exclude employee benefit expenses)	**(672)**	5,674
– R&D materials and consumables	**2,540**	2,828
– Depreciation and amortisation charge	**30,571**	18,672

4 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
Current income tax expenses		
– Adjustment for current income tax of prior year	**–**	1
Deferred income tax expense	**–**	–
	–	1

Income tax expenses is recognized based on the management's estimate of the annual income tax rate expected for the full financial year.

5 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the loss of the Group attributable to owners of the Company by weighted average number of ordinary shares issued during the period.

	Six months ended 30 June	
	2024	2023
Earnings/(loss) attributable to equity holders of the Company (RMB'000)	**31,559**	(15,163)
Weighted average number of ordinary shares in issue (thousand)	**725,197**	725,197
Basic earnings/(loss) per share (RMB)	**0.04**	(0.02)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2024, the Company had two categories of potential ordinary shares: the stock options granted to employees and restricted share award scheme (For the six months ended 30 June 2023: same). The diluted earnings per share and the basic earnings per share are RMB0.04.

6 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

	Property, plant and equipment *RMB'000*	**Intangible assets** *RMB'000*	**Right-of-use assets** *RMB'000*
Six months ended 30 June 2024			
Opening net book amount as at 1 January 2024	**695,804**	**8,839**	**14,258**
Additions	**42,324**	**523**	**491**
Depreciation and amortisation charge	**(28,502)**	**(1,276)**	**(793)**
Disposals	**(655)**	**–**	**(434)**
Closing net book amount as at 30 June 2024	**708,971**	**8,086**	**13,522**

	Property, plant and equipment *RMB'000*	Intangible assets *RMB'000*	Right-of-use assets *RMB'000*
Six months ended 30 June 2023			
Opening net book amount as at 1 January 2023	465,328	4,648	15,007
Additions	151,173	188	1,636
Depreciation and amortisation charge	(16,583)	(845)	(1,244)
Disposals	(57)	–	(618)
Net exchange differences	12	–	–
Closing net book amount as at 30 June 2023	599,873	3,991	14,781

7 TRADE AND OTHER RECEIVABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Trade receivables *(a)*	**118,416**	85,964
Other receivables *(b)*	**2,762**	6,977
Less: provision for impairment of trade receivables	**(59)**	(175)
Less: provision for impairment of other receivables	**(2,500)**	(4,614)
Trade and other receivables	**118,619**	88,152

(a) Trade receivables

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Trade receivables	**118,416**	85,964

Customers are generally granted with credit terms ranging from 45 to 90 days.

As of 30 June 2024 and 31 December 2023, the ageing analysis of the trade receivables based on invoice date is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Within 30 days	**91,378**	54,628
31 days to 90 days	**26,683**	31,213
91 days to 180 days	**348**	116
1 year to 2 years	**–**	7
2 year to 3 years	**7**	–
	118,416	85,964

The carrying amounts of the Group's trade receivables are denominated in RMB and approximate their fair values.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables mentioned above.

(b) Other receivables

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Deposits	**2,500**	6,764
Others	**262**	213
Other receivables	**2,762**	6,977

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
RMB	**121,178**	88,677
NTD	**–**	4,300
	121,178	92,977

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

The carrying amounts of the Group's other receivables approximate their fair values.

8 SHARE CAPITAL

	Number of ordinary shares	**Share capital** *RMB'000*
As at 1 January 2023 (Audited) and 31 December 2023 (Audited)	772,787,887	2,297,499
As at 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	772,787,887	2,297,499

As at 30 June 2024 and 31 December 2023, a total of 47,590,948 ordinary shares are within the Company's control until the shares are vested to the participants and hence are considered as treasury shares in substance.

9 BORROWINGS

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Current		
– Unsecured bank borrowings *(Note (a))*	**68,090**	41,600
Non-current		
– Unsecured bank borrowings *(Note (b))*	**314,918**	302,685
	383,008	344,285

Note (a): As at 30 June 2024, bank loans will be repayable within one year and bear annual interest rate ranging from 2.64% to 4.05% (As at 31 December 2023: from 2.95% to 4.00%).

Note (b): As at 30 June 2024, bank loans will be repayable over one year and bear annual interest rate ranging from 3.30% to 4.05% (As at 31 December 2023: from 3.50% to 4.20%).

As at 30 June 2024 and 31 December 2023, the Group has the following undrawn bank facilities:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Bank facilities	**323,892**	265,715

As at 30 June 2024 and 31 December 2023, the Group's bank borrowings were repayable as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Within 1 year	**68,090**	41,600
Between 1 and 2 years	**159,800**	94,730
Between 2 and 5 years	**39,960**	131,041
Over 5 years	**115,158**	76,914
	383,008	344,285

The weighted average effective interest rates at each balance sheet date were as follows:

	30 June 2024	31 December 2023
Bank borrowings	**3.81%**	3.83%

The carrying amounts of the Group's borrowings are denominated in RMB.

The fair values of borrowings equal to their carrying amounts as the discounting impact is not significant.

10 TRADE AND OTHER PAYABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Accrued promotion expenses	**189,441**	193,297
Trade payables	**30,317**	35,710
Staff salaries and welfare payables	**21,079**	28,668
Payables for purchase of property, plant and equipment	**15,759**	42,859
Deposits payables	**3,750**	800
Tax payable	**1,537**	1,659
Refund liabilities	**280**	170
Others	**17,150**	19,771
	279,313	322,934

As at 30 June 2024 and 31 December 2023, the ageing analysis of trade payables based on invoice date are as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Within 3 months	**25,042**	33,990
3 months to 6 months	**4,738**	1,287
6 months to 12 months	**207**	255
1 year to 2 years	**245**	178
2 years to 3 years	**85**	–
	30,317	35,710

The Group's trade and other payables are denominated in the following currencies:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
– RMB	**277,101**	320,984
– USD	**1,257**	1,400
– HKD	**691**	101
– NTD	**239**	449
– EUR	**25**	–
	279,313	322,934

11 DIVIDEND

No dividend has been paid or declared by the Company during the six months ended 30 June 2024 (Year ended 31 December 2023: Nil).

12 COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at each balance sheet date, but not yet incurred are as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Property, plant and equipment	**47,330**	82,600

MANAGEMENT DISCUSSION AND ANALYSIS OF CERTAIN ASPECTS OF OUR BUSINESS

I. BUSINESS REVIEW

As a CDMO service company providing one-stop services for the development and production of antibody and ADC drugs, TOT BIOPHARM has leveraged its extensive practical experience across the entire value chain of drug development, from research and development, process engineering, clinical trials, registration filings to commercial production, together with its established technology platform and robust quality system, to establish a comprehensive antibody/ADC technology platform with core conjugation expertise, scalable technological advantages as well as proprietary analytical capabilities for critical quality attributes. This ensures its high-quality product development of its products. Meanwhile, the Company's one-stop CDMO services adhering to the highest quality system standards, coupled with its track record of high-standard delivery across over a hundred projects, have gained strong recognition from its customers. The rising number of customer visits has laid a solid foundation for the Company's robust CDMO revenue growth in the future. In terms of sales of self-developed products, the Company's core product Pusintin® (bevacizumab injection) has continued to penetrate the market and has gained a favourable reputation in the market under a differentiated sales strategy, laying a solid foundation for the sustainable development of the Company. In terms of business expansion in overseas markets, the Company expects to obtain approval in the first country and initiate commercial sales in the second half of the year, injecting new momentum for the long-term growth of the Company.

For the six months ended 30 June 2024:

- The Group's revenue amounted to RMB520,603 thousand, representing a year-on-year increase of 59%. In particular, revenue from sales of products was RMB400,400 thousand, representing a year-on-year increase of 44%, which was mainly attributable to continuous growth in sales volume of Pusintin® (Bevacizumab injection), our core product. Revenue from CDMO/CMO business amounted to RMB113,791 thousand, representing a year-on-year increase of 144%. With stable cash-generating capability, the net cash from operating activities remained positive for two and a half years and amounted to RMB27,801 thousand for the first half of 2024.

- The Group achieved remarkable results in its CDMO strategic transformation. Its sales of self-developed products also increased steadily. The Group's financial performance has turned from a loss to a profit, with a net profit reaching RMB31,559 thousand for the first half of the year.

- The CDMO business demonstrated strong growth potential. In the first half of the year, the Company secured 20 new projects, 17 of which were ADC projects, cumulatively reaching a total of 115 projects. In the first half of the year, the Company successfully secured two pre-BLA projects, bringing the total number to eight, fully demonstrating the Company's outstanding capability in late-stage CDMO commercialization projects and further strengthening its potential for future revenue expectations. The Group's contracted order backlog amounted to RMB184 million, representing a year-on-year increase of 104%.

II. DEVELOPMENT AND COMPETITIVE ADVANTAGES OF CDMO BUSINESS OF TOT BIOPHARM

1. Highlights of CDMO Performance for the First Half of the Year

In the first half of 2024, TOT BIOPHARM continued to adhere to its customer-centric philosophy. It leveraged its one-stop production platform to meet the diverse needs of customers across different stages of research and development, leading to a significant increase in performance. For the six months ended 30 June 2024, revenue from CDMO/CMO was RMB113,791 thousand, representing a year-on-year increase of 144%, of which revenue from ADC projects (including antibody production) accounted for 88%. Leveraging its outstanding commercial production capacity and project experience, the Company quickly undertook late-stage clinical projects and accelerated cash flow conversion. In the first half of the year, 20 newly added projects were secured, of which 17 were ADC projects. As of 30 June 2024, there were a total of 8 pre-BLA projects, and 2 pre-BLA projects were newly added in the first half of the year.

Due to the high quality of project delivery results, the Company has seen a continuous increase in the number of customer visits, with the number of visits in the first half of the year increasing by 100% year-on-year. Among them, multinational pharmaceutical companies have all given positive feedback during their visits, widely recognizing the Company's quality system. Positive customer and regulatory audit results have validated the Company's capabilities in providing services from clinical stage to commercial production stage, and the number of audits in the first half of the year increased by 200% year-on-year.

2. The Company's Differentiated Competitiveness in CDMO

– *2.1 "One-base, end-to-end" antibody and ADC industrialization platform*

TOT BIOPHARM, with the establishment of a "one-stop, one-base, end-to-end" antibody and ADC service platform, has become one of the internationally leading CDMO service companies that can offer one-stop service from development to commercialization of antibody and ADC. Its services covered the whole life cycle of drug development, providing comprehensive services from antibody process, conjugation process, drug product process development, analytical method development and validation, research and development and pilot production to commercial-scale production. In general, for XDC projects, we were able to significantly reduce the industry standard duration from antibody DNA sequencing to IND application to an average of less than 15 months, accelerating our customers' research and development of drugs.

TOT BIOPHARM's headquarters and integrated commercial production workshops are located in Suzhou Industrial Park. With the support of the Suzhou government and provincial and municipal regulatory authorities, privileged geographical location, established supply chain, stable customer base and excellent talent pool, the Company can meet the needs of the whole process of biological drugs and ADC drugs from early development to commercial production, and ensure stable supply.

– ***2.2 Technology platform with continuous iteration***

TOT BIOPHARM continued to build the most competitive ADC CDMO technology platform. In July 2023, the Company entered into in-depth strategic cooperation with GlycanLink (糖嶺生物) to jointly develop an ADC site-specific conjugation technology platform – GL-DisacLink®, with an aim to accelerate the development and commercialization of customers' innovative drug conjugates. In terms of CDMO service, TOT BIOPHARM can apply the technology of such platform to drug conjugate related services and further promote the process optimization and commercial amplification of the technology with GlycanLink (糖嶺生物). To date, the technology has accumulated preliminary in vivo evaluation data and completed the initial feasibility validation for commercial application. TOT BIOPHARM's XDC early-stage research service includes not only the pilot production of samples using conventional conjugation technology, but also the pilot production of sample conjugates using GL-DisacLink® technology. By extending the service from ADC process development to front-end and early vertical integration with the CMC stage, TOT BIOPHARM can provide customers with a more efficient and more certain development process.

– ***2.3 Quality management system complying with GMP standards in China, the United States and Europe***

"Quality first, continuous improvement and providing customers with high quality products and services" is the quality policy of TOT BIOPHARM. It is the Company's core strategic goal to continuously build and maintain an effective pharmaceutical quality management system that complies with the standards of the National Medical Products Administration ("**NMPA**") in China, those of FDA in the US and those of GMP in the EU. Established based on ICHQ10 and six major systems of FDA and in compliance with the principle of ALOCA+ on data integrity, the Company's quality management system meets the requirements in relation to project application and commercial production in China/the US/the EU. Widely recognized by the industry at home and abroad, the Company's high-standard quality management system and high-satisfaction project delivery have passed many production site inspections by relevant drug regulatory authorities and GMP compliance inspections in many countries, as well as several GMP inspections by customers and third-party consulting agencies. As of 30 June 2024, the Company received more than 60 GMP audits in total. Among them, the Company passed the EU QP Audit with zero defects on the first attempt, directly passed the official GMP audit on-site in Colombia, and passed the GMP audits in Indonesia, Egypt and other countries. Furthermore, the Company assisted its customers in completing inspections by their overseas partnering MNC pharmaceutical companies and other institutions on multiple occasions, and successfully collaborated with its customers in completing the licensing with high recognition. In addition, the Company attaches great importance to data integrity to protect the rights and interests of customers and partners, and has invested heavily in its quality system, especially in the implementation of information systems, including the Document Management System (DMS), Enterprise Resource Planning (ERP), Environmental Monitoring System (EMS), VAISALA System and Laboratory Information Management System (LIMS), which have greatly reduced the risk of data integrity and improved the overall compliance status of the Company. At the same time, the Company has placed a high priority on continuous investment in quality systems, including talent recruitment and employee training in quality systems.

The Company has recruited several key personnel with global perspectives, including the chief technology officer and the vice president of quality. All of them possess extensive experience in working for multinational companies. These key personnel have brought global perspectives to the CDMO business of TOT BIOPHARM and have become advocates for the compliance of the quality system. Meanwhile, the Company has always emphasized the importance of employee training, which includes quality leadership training, compliance awareness training, and specific operation of quality system such as inspections (deviations, audit findings, etc.), data integrity, and process validation. Employee training in quality systems has enhanced employees' awareness of GMP compliance. They have integrated compliance behaviors into daily business operations. As a result, the Company is able to provide higher quality biological drugs to benefit patients worldwide.

– ***2.4 Flexible and diverse production capacity***

Currently, the Company has four complete commercial production lines (two for antibodies, two for ADC) for international leading brands, including five workshops for drug substances and four workshops for drug products. Specifically, the Company has an annual production capacity for 300,000L of antibody drug substances and 30 million vials of drug products for antibodies. The Company has an annual production capacity for 960kg of drug substances and over 5.3 million vials of drug products for ADC. Following the capacity expansion milestones achieved in 2023, the Company has further built up a talent pipeline of experienced CDMO professionals to provide strong support for its projects. The Company has completed the production of drug substances and drug products for dozens of ADC projects. Under the premise of ensuring product quality, the Company has further improved the production capacity and optimized the production technology, with all projects delivered on time. This has earned the Company high recognition from its customers and strengthened its customer relationships. Following the completion and operation of our second high-end commercial production line for ADC drug products, the Company has completed dozens of batches of projects, including several pre-BLA projects. The Company has a leading ranking among biological drug CDMO industry players in China, and is also a leading one-stop ADC CDMO provider in China with unparalleled production capacity.

– ***2.5 Further strengthened capabilities of CDMO team***

With a team of research and development and commercialization talents with international expertise and rich industry experience, TOT BIOPHARM is committed to building an open and inclusive talent development platform adhering to a business-oriented approach. The Company is continuously optimizing the talent structure to meet the needs of the rapid development of CDMO business, and accumulating strength for the long-term development of the Company. The Company has a mature and stable core CDMO team, consisting of talents with extensive industry experience in fields such as biopharmaceutical process development, commercial production, quality, and regulatory filing. The core members of the senior management of the Company, with an average of over 15 years of extensive management experience in well-known multinational companies, are familiar with the pharmaceutical laws and regulations of Europe, the United States and China, as well as emerging countries. In line with the rapid development of the Company's CDMO business, as of 30 June 2024, the number of CDMO team members were expanded to 492, representing a year-on-year increase of 29%, and accounting for 86% of the total number of staff of the Group. In order to strengthen the business focus of the Group, the number of ADC CDMO team members also increased by 27% year-on-year, with 84% of the ADC R&D personnel holding master's or doctoral degrees, highlighting the Company's significant achievements in attracting and cultivating high-end research and development talents. In addition, the Company has maintained a production position fill rate exceeding 95%, with efficient and stable production operations. For the critical ADC technical positions, the fill rate reached 90%, driving continuous technological innovation. Through planned training and promotion, the Company systematically attracted and retained professional talents to strengthen the cohesion and competitiveness, and provide strong talent base for the long-term development of the Company.

– *2.6 Corporate reputation*

Leveraging its advantageous background in research and development of new drugs for decades, TOT BIOPHARM is equipped with the practical experience in the whole project process from drug research and development to commercial production and launch, and has successfully expanded the biopharmaceutical CDMO business, gaining trust and recognition from industry partners. TOT BIOPHARM, as a former customer, can complete project delivery efficiently with high quality based on in-depth understanding of customer needs and practical solutions. TOT BIOPHARM has completed a number of late-stage clinical pre-BLA projects, which fully demonstrated its strong research and development and production capacity for late-stage clinical and commercialization projects, and laid a solid foundation for the medium – and long-term business development of the Company.

III. LAUNCHED PRODUCTS AND R&D PIPELINE

1. Overall Marketing Strategy of Products

In the first half of the year, TOT BIOPHARM continued to focus on biopharmaceutical CDMO, concentrating on its core business. By streamlining pipelines, the Group's research and development expenses of new drugs continued to decrease. TOT BIOPHARM actively promoted the sales of launched products, effectively improving the cash flow of the Company and turning into profit from loss.

In March 2022, we entered into an agreement with Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Limited (兆科(廣州)眼科藥物有限公司) ("**Zhaoke Guangzhou**"), a wholly-owned subsidiary of Zhaoke Ophthalmology Limited (兆科眼科有限公司) ("**Zhaoke Ophthalmology**"), in respect of the commercial licensing of TAB014 (which is used for the treatment of wet (neovascular) age-related macular degeneration (wAMD)), pursuant to which Zhaoke Guangzhou was authorised to act as the marketing authorization holder (MAH) of TAB014 in China (including Hong Kong and Macau regions) and be responsible for the Phase III clinical trial. According to an announcement published by Zhaoke Ophthalmology in October 2023, the enrolment of patients for the Phase III clinical trial of TAB014 was completed ahead of schedule on 16 September 2023. TOT BIOPHARM will continue to be responsible for the commercial-scale production of TAB014 in the future.

Type	Drug Candidate	Indication(s)	Preclinical	Clinical Phase I	Clinical Phase II	Clinical Phase III	NDA	Launched
Antibody drug conjugate	TAE020 (new target)	Acute myeloid leukemia						
Monoclonal antibody	TAB014 (anti-VEGF)	Wet age-related macular degeneration (wAMD)				ZHAOKE 兆科		
						IND authorized by FDA to directly enter Clinical Phase III		
	TAC020 (new target)	Various solid tumors	Co-development					

Drug Name	Indication(s)	Product Specification	Launched
Pusintin® (Bevacizumab Injection)	Advanced, metastatic or recurrent non-squamous non-small cell lung cancer (nsNSCLC); metastatic colorectal cancer (mCRC); recurrent glioblastoma multiforme (GBM); epithelial ovarian cancer (OC), fallopian tube cancer or primary peritoneal cancer; cervical cancer (CC); hepatocellular carcinoma (HCC)	100mg(4mL)/bottle	Approved for launch by NMPA on 30 November 2021
Tazian® (Temozolomide Capsule)	Newly diagnosed glioblastoma multiforme, initially combined with radiotherapy, and then as maintenance therapy; glioblastoma multiforme or anaplastic astrocytoma that recurs or progresses after conventional treatment.	20mg x 5 capsules/bottle; 100mg x 5 capsules/bottle	Approved for launch by NMPA on 31 May 2021

Note: In response to the Company's strategic adjustment to focus on the development of ADC CDMO business, the Company decided to terminate the sales agency of Megaxia® in China and completed the return of the relevant rights and interests in the first half of 2024. The related deposits and other payments have been fully recovered.

Cautionary statement required by Rule 18A.05 of the Listing Rules: The Company cannot guarantee that it will be able to successfully develop and ultimately market its drug candidates. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the securities of the Company.

2. Marketing Strategy of Launched Products

– *Pusintin® (Bevacizumab injection)*

– *Indications: Non-small cell lung cancer; metastatic colorectal cancer; recurrent glioblastoma multiforme; epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer; cervical cancer; and hepatocellular carcinoma*

Pusintin®, the core product of the Company in the field of anti-tumor treatment, was approved for launch in 2021. As of 30 June 2024, Pusintin® has been approved for the treatment of six indications that can be treated with the originator drug Avastin® approved in mainland China. The special mechanism of bevacizumab enables it to cover a number of cancer treatments, and the market potential for bevacizumab has continued to grow, making it a major category of biological drugs valued at over RMB10.0 billion. According to the statistics and estimates of Frost & Sullivan, the global market size of bevacizumab is expected to reach nearly RMB49.0 billion in 2030, with a CAGR of 7.6% from 2021 to 2030, and the market size of bevacizumab in China is expected to increase to RMB18.4 billion in 2030, with a CAGR of 8.3% from 2021 to 2030. Pusintin® was successfully listed on the 2022 National Reimbursement Drug List as a Class B drug, which significantly improved the affordability and drug accessibility for patients, and the market demand continued to grow. Through close cooperation with Jiangxi Jixin Pharmaceutical Co., Ltd. (江西濟鑫醫藥有限公司) ("**Jixin Pharmaceutical**"), the Company continued to expand the market share of Pusintin®.

In the first half of 2024, the Company continued to implement its differentiated marketing strategies and further consolidated its market position. In the first half of the year, the sales of the drug increased 49% year-on-year due to our differentiated positioning. In terms of overseas markets, we actively promoted the registration filing for the launch of the drug in overseas markets. As of 30 June 2024, we have initiated the registration application in 31 overseas countries, and the registration application documents have been accepted by 17 countries. We expect to obtain the first approval from an overseas country in the second half of the year to penetrate overseas markets.

– ***Tazian® (Temozolomide capsule)***

  – *Indications: Glioblastoma; and anaplastic astrocytoma*

    Tazian® was approved for launch by the NMPA on 31 May 2021 for the treatment of newly diagnosed glioblastoma or anaplastic astrocytoma. Temozolomide capsules were included in the fourth batch of national centralized procurement catalogue in 2021. In 2022, Tazian® was successfully selected for renewal in the centralized procurement of several allied provinces. As of 30 June 2024, the Company has become the supplier in the renewal of centralized procurement by Jiangsu Province, Hebei Province, Beijing, Guangdong Province and Jiangxi Province since the Company was selected as the supplier in ongoing centralized procurement.

IV. INDUSTRY-LEADING LARGE-SCALE AND FLEXIBLE PRODUCTION CAPACITY

1. Commercial Production Bases

TOT BIOPHARM's production base is built to a high standard, with a robust quality management system and commercialization capabilities that comply with international GMP standards. The Company currently has one of the few commercial production lines in China that can produce antibody and ADC drug substances/drug products. It is also one of the few CDMO service companies in the world with a comprehensive industry chain for antibody-drug conjugates. The production base is equipped with a number of complete upstream and downstream production lines. The total production capacity of antibody bioreactors exceeds 20,000L. The workshop for ADC drug substances is equipped with a number of 100L to 500L coupling reaction kettles, reaching a conjugation scale of 5kg/batch. In addition, the GMP-compliant ADC drug product workshops have a capacity of 6,000 to 50,000 vials/batch, equipped with state-of-the-art production equipment to meet the scale requirements of different project stages.

Furthermore, the ADC workshops and filling lines are designed to meet light-shielding requirements, enabling the Company to handle a wider range of bioconjugates drug project needs.

V. FUTURE PROSPECTS

In the first half of 2024, multiple biological drugs represented by ADC drugs were featured at the ASCO conference. Among the posters presented, more than 100 were related to ADC drugs. The boom in biological drugs has created significant demand for outsourcing services. Biotechnology companies, facing limited production capacity and stringent regulatory requirements for commercialization of late-stage drugs, will seek experienced outsourcing service providers specializing in biological drugs. With decades of accumulated experience in drug research and development and production and outstanding concrete delivery results, TOT BIOPHARM has continuously attracted investments from customers and partners. The deep trust and goodwill established between the Company and its partners has made the Company the first choice for most customers in China.

Looking ahead to the second half of the year, the Company will continue to focus on biopharmaceutical CDMO and advance the implementation of additional projects. We are confident that, with our complete drug development experience, cutting-edge innovative technology platform, internationalized quality system and one-stop production base covering research and development to industrialization, we will help more customers develop promising innovative biological drugs. This will further strengthen our brand influence and expand our market share, thus consolidating TOT BIOPHARM's leading position in the biopharmaceutical CDMO market.

MANAGEMENT DISCUSSION AND ANALYSIS OF CERTAIN FINANCIAL ITEMS

OVERVIEW

For the first half of 2024, the Group recorded an operating revenue of RMB520,603 thousand, representing an increase of RMB192,540 thousand, or 59%, from RMB328,063 thousand for the same period in 2023. For the first half of 2024, the net profit of the Group was RMB31,559 thousand, as compared to a net loss of RMB15,163 thousand for the same period in 2023, turning into profit from loss. The Group's research and development expenses for the first half of 2024 were RMB46,059 thousand, as compared to RMB49,969 thousand for the same period in 2023. The Group's general and administrative expenses for the first half of 2024 were RMB32,105 thousand, as compared to RMB31,104 thousand for the same period in 2023. The Group's selling expenses for the first half of 2024 were RMB276,482 thousand, as compared to RMB197,376 thousand for the same period in 2023.

OPERATING REVENUE AND COSTS

The Group's diversified revenue mainly includes sales revenue, revenue for providing CDMO/CMO services, etc.

The Group's revenue from product sales for the first half of 2024 was RMB400,400 thousand, representing an increase of RMB122,519 thousand, or 44%, from RMB277,881 thousand for the same period in 2023, which was mainly due to the steady increase in the sales volume of our core product, Pusintin®, while the corresponding operating costs also increased accordingly.

The Group's revenue from CDMO/CMO business for the first half of 2024 was RMB113,791 thousand, representing a significant increase of RMB67,245 thousand, or 144%, from RMB46,546 thousand for the same period in 2023, primarily attributable to the significant increase of CDMO/CMO business segment in the current period, while the costs for raw materials, labor and production, etc. also increased accordingly.

RESEARCH AND DEVELOPMENT EXPENSES

The Group's research and development expenses primarily consist of expenses related to clinical trial research for pipeline product candidates, and expenses related to the enhancement of the Group's CDMO technology platform.

The Group's research and development expenses for the first half of 2024 were RMB46,059 thousand, representing a decrease of RMB3,910 thousand from RMB49,969 thousand for the same period in 2023, which was mainly attributable to the optimization of product pipelines that resulted in a convergence of research and development resources.

SELLING EXPENSES

The Group's selling expenses primarily consist of expenses for marketing and promotion activities, salaries and benefits for business development and marketing staff, conference fees, and travelling expenses, etc.

The Group's selling expenses for the first half of 2024 were RMB276,482 thousand, representing an increase of RMB79,106 thousand from RMB197,376 thousand for the same period in 2023, which was mainly attributable to the increase in sales of self-developed products, the increase in marketing and promotion expenses resulting therefrom, and the increase in CDMO business development personnel.

GENERAL AND ADMINISTRATIVE EXPENSES

The Group's general and administrative expenses primarily consist of salaries and benefits for management and administrative staff, legal advisory fees, and expenses for professional services related to audit and tax, etc.

The Group's general and administrative expenses for the first half of 2024 were RMB32,105 thousand, representing an increase of RMB1,001 thousand from RMB31,104 thousand for the same period in 2023.

NET IMPAIRMENT REVERSAL ON FINANCIAL ASSETS

The Group's net impairment reversal on financial assets mainly include bad debt reversal for trade and other receivables, other current and non-current assets, etc.

The Group's net impairment reversal on financial assets for the first half of 2024 was RMB9,451 thousand, representing an increase of RMB8,971 thousand from RMB480 thousand for the same period in 2023, which was mainly attributable to the recovery of amounts from previous years, which led to the reversal of impairment losses provided.

OTHER INCOME AND GAINS – NET

The Group's net other income and gains for the first half of 2024 was RMB1,545 thousand, representing a decrease of RMB11,845 thousand from RMB13,390 thousand for the same period in 2023, which was mainly attributable to government grants and the impact of fluctuations in foreign currency.

FINANCE INCOME

The Group's finance income is primarily interest income on bank deposits.

The Group's finance income for the first half of 2024 was RMB2,182 thousand, representing an increase of RMB904 thousand from RMB1,278 thousand for the same period in 2023, which was mainly attributable to the optimization of fund allocation.

FINANCE COSTS

The Group's finance costs are primarily interest expenses on bank borrowings for satisfying operational needs and capital expenditures for capacity enhancement, etc.

The Group's finance costs for the first half of 2024 were RMB3,881 thousand, representing an increase of RMB1,620 thousand from RMB2,261 thousand for the same period in 2023, mainly due to the increase in loans following the milestone payments made in construction projects.

INCOME TAX EXPENSE

No income tax expense was incurred for the first half of 2024, and the Group's income tax expense for the same period in 2023 was RMB1 thousand.

PROFIT FOR THE PERIOD

As a result of the above as a whole, the net profit for the first half of 2024 was RMB31,559 thousand, as compared to a net loss of RMB15,163 thousand for the same period in 2023, turning into profit from loss.

NET ASSETS

The Group's net assets as of 30 June 2024 were RMB723,887 thousand, representing an increase of RMB37,201 thousand from RMB686,686 thousand as of the end of 2023, which was mainly attributable to the net profit during the current period.

CASH MOVEMENT AND SOURCE OF FUNDS

As at 30 June 2024, the Group's cash and cash equivalents were RMB348,350 thousand, representing a decrease of RMB3,250 thousand from RMB351,600 thousand as at the end of 2023. Such change was mainly attributable to the following reasons:

During the first half of 2024, the Group's net cash inflows for operating activities were RMB27,801 thousand, representing a decrease of RMB34,612 thousand from RMB62,413 thousand for the same period in 2023, which was mainly attributable to the changes in the above-mentioned operating expenses, and the increase in accounts receivable and contract assets related to the progress of customer projects due to the growth of CDMO business. The Group's net cash outflows for investing activities for the current period were RMB68,784 thousand, representing a decrease of RMB15,964 thousand from RMB84,748 thousand for the same period in 2023, which was mainly attributable to the nearing completion of the construction of the Global Research and Development Service Center. The Group's net cash inflows for financing activities were RMB36,209 thousand, representing an increase of RMB2,124 thousand from RMB34,085 thousand for the same period in 2023, which was mainly attributable to the reasonable allocation of internal funds and bank loans in response to the progress of construction projects, which was a result of the optimization of capital structure.

OTHER INFORMATION

REVIEW BY AUDIT AND CONNECTED TRANSACTIONS REVIEW COMMITTEE

The Audit and Connected Transactions Review Committee of the Company has reviewed the financial reporting processes, risk management and internal control systems of the Group and the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024, and is of the opinion that these statements have complied with the applicable accounting standards, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and legal requirements, and that adequate disclosure has been made.

DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024.

COMPLIANCE WITH THE CODE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that during the six months ended 30 June 2024, the Company has complied with all the applicable code provisions as set out in Part 2 of the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code"**) as set out in Appendix C3 to the Listing Rules.

The Company has made specific enquiry of all the Directors and the Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2024 and up to the date of this announcement.

USE OF NET PROCEEDS FROM THE SUBSCRIPTIONS

On 31 May 2022, the Company entered into subscription agreements with Center Laboratories, Inc. (晟德大藥廠股份有限公司) (4123.TW) ("**Centerlab**") and Vivo (Suzhou) Health Industry Investment Fund (Limited Partnership) (維梧(蘇州)健康產業投資基金(有限合夥)) ("**Vivo Suzhou Fund**") respectively, pursuant to which Centerlab and Vivo Suzhou Fund conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue to them a total of 150,000,000 shares (the "**Subscription Shares"**) at the subscription price of HKD3.15 per share (the "**Subscriptions**").

The subscription agreements and transactions contemplated thereunder were subject to, among other things, the approval by the independent shareholders of the Company at the extraordinary general meeting held on 22 July 2022, and the Listing Committee of the Stock Exchange approving the listing of, and the permission to deal in, the Subscription Shares.

On 29 July 2022, all conditions precedent under each of the subscription agreements were satisfied and completion of the Subscriptions took place in full, pursuant to which (i) Centerlab was allotted and issued 33,750,000 shares; and (ii) Vivo Suzhou Fund was allotted and issued 116,250,000 shares.

The gross proceeds from the Subscriptions were approximately HKD472,500,000 (equivalent to approximately RMB405,788 thousand), and the net proceeds from the Subscriptions after the deduction of the relevant fees and expenses were approximately HKD471,116,000 (equivalent to approximately RMB404,593 thousand) (the "**Net Proceeds**")

Details of the Subscriptions were set out in the announcements of the Company dated 31 May 2022, 22 June 2022, 30 June 2022 and 29 July 2022 and the circular of the Company dated 5 July 2022 (the "**Circular**").

On 15 March 2024, the Board resolved to change the proposed applications of a certain portion of the then unused Net Proceeds. Details of such changes were set out in the 2023 annual results announcement of the Company dated 15 March 2024 (the "**2023 Annual Results Announcement**").

During the six months ended 30 June 2024, part of the Net Proceeds were utilized in accordance with the proposed applications as set out in the paragraph headed "Letter from the Board – Connected Transactions Involving the Subscriptions – Use of Proceeds" in the Circular and the section headed "Other Information – Use of Net Proceeds from the Subscriptions and Change in Use of Unused Net Proceeds" in the 2023 Annual Results Announcement.

During the six months ended 30 June 2024, such Net Proceeds amounting to approximately RMB43,841 thousand were used, and the unused amount of the Net Proceeds was approximately RMB66,515 thousand as at 30 June 2024. The unused Net Proceeds were kept by the Group as deposits with licensed commercial banks. Such unused Net Proceeds are intended to be applied in accordance with the proposed applications as set out in the Circular.

A breakdown of the use of the aforesaid Net Proceeds during the six months ended 30 June 2024 and an expected timeline for the use of the unused portion will be disclosed in the 2024 interim report of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2024.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Company (www.totbiopharm.com.cn) and the Stock Exchange (www.hkexnews.hk). The 2024 interim report of the Company will be made available on the same websites in due course.

By order of the Board
TOT BIOPHARM International Company Limited
Dr. Liu, Jun
Chief Executive Officer and Executive Director

Hong Kong, 13 August 2024

As at the date of this announcement, the executive director of the Company is Dr. Liu, Jun; the non-executive directors of the Company are Mr. Fu, Shan, Ms. Yeh-Huang, Chun-Ying and Dr. Liu, Weidong; and the independent non-executive directors of the Company are Ms. Hu, Lan, Mr. Chang, Hong-Jen and Dr. Wang, De Qian.