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.

開拓藥業有限公司*

KINTOR PHARMACEUTICAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9939)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020; CHANGE OF JOINT COMPANY SECRETARY AND AUTHORIZED REPRESENTATIVE; WAIVER FROM STRICT COMPLIANCE WITH RULES 3.28 AND 8.17 OF THE LISTING RULES; AND GRANT OF RSU

The Board of Directors of the Company is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2020, together with comparative figures for the year ended 31 December 2019. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

FINANCIAL HIGHLIGHTS

The Group's research and development costs increased from RMB214.0 million for the year ended 31 December 2019 to RMB328.8 million for the year ended 31 December 2020, representing an increase of 53.6%, primarily due to we accelerated the clinical trials for Proxalutamide, one of our the Core Products, as it is approaching an NDA for the indication of COVID-19.

The Group had cash and cash equivalents and time deposits of RMB1,389.0 million as at 31 December 2020, including utilised bank facilities of RMB218.5 million. In addition, the Group also had unutilised bank facilities of RMB101.0 million as at 31 December 2020. The Group has sufficient cash on hand to support the advancement of the Group's clinical trials and research and development.

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Other income	**25,134**	19,018
Marketing costs	**(8,628)**	(336)
Administrative expenses	**(77,063)**	(32,763)
Research and development costs	**(328,764)**	(214,019)
Other losses – net	**(115,530)**	(587)
Operating loss	**(504,851)**	(228,687)
Finance costs – net	**(3,377)**	(3,890)
Loss before income tax	**(508,228)**	(232,577)
Income tax expense	**(73)**	–
Loss and total comprehensive loss for the year	**(508,301)**	(232,577)
Added:		
Listing expenses (one-time)	**20,761**	12,512
Share-based compensation expenses	**28,159**	–
Adjusted loss and total comprehensive loss for the year	**(459,381)**	(220,065)

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Non-current assets	**430,859**	332,763
Current assets	**1,420,616**	220,613
Cash and cash equivalents and time deposits	**1,388,995**	195,532
Non-current liabilities	**174,208**	41,129
Current liabilities	**169,333**	142,583
Total equity	**1,507,934**	369,664

BUSINESS HIGHLIGHTS

In 2020, the COVID-19 pandemic became a threat to the global health. We took active actions to minimise the negative impact of COVID-19 to our business and ensured our research and development plans were carried out as normal. In addition, we are actively exploring Proxalutamide as an effective drug for the treatment of COVID-19 patients with mild to moderate symptoms as well as hospitalised patients, including patients that require intensive care unit ("**ICU**") usage. We have received positive data from the investigator initiated trials of Proxalutamide for the treatment of COVID-19 in Brazil and we are actively advancing the self-sponsored studies in the United States, Brazil and other countries. Since the Listing Date on 22 May 2020, we have been making significant progress with respect to our drug pipeline and business operations, including the following milestones and achievements:

- On 20 June 2020, Suzhou Kintor and Beijing Jingdong Healthcare Company Limited* (北京京東健康有限公司) ("**JD Healthcare**") entered into a framework agreement pursuant to which the parties will embark on in-depth collaboration in respect of the sales and marketing of Pyrilutamide (KX-826) on the online pharmaceutical retail platform JD.com Pharmacy (yiyaojd.com) operated by JD Healthcare.

- On 7 July 2020, Suzhou Kintor and Applied Biology, Inc. ("**Applied Biology**") entered into a clinical trial research agreement, pursuant to which Suzhou Kintor engages Applied Biology to conduct research for Proxalutamide (GT0918) as a treatment for COVID-19.

- On 16 July 2020, we completed the protocol defined patients enrolment for Proxalutamide phase II clinical trials for metastatic castration-resistant prostate cancer, or mCRPC in the United States.

- On 3 August 2020, we completed the phase Ib clinical trials of Pyrilutamide (KX-826) in the United States.

- On 4 August 2020, we completed patients enrolment under the final trial protocol for Proxalutamide's monotherapy phase III clinical trials for mCRPC in the PRC.

- On 20 August 2020, Kintor Pharmaceutical (Guangdong) Co., Ltd. (開拓藥業(廣東)有限公司), a wholly-owned subsidiary of the Company, entered into an exclusive license agreement (the "**License Agreement**") with Gensun Biopharma Inc. ("**Gensun**"), pursuant to which the Group obtained from Gensun, among others, an exclusive license to conduct research, development, clinical trials, registration, manufacture and commercialisation of the product(s) with GS19 PLB-1C (the "**Compound**") (the "**Licensed Product(s)**") and to make, use, sell, offer for sale, import and export the Licensed Product(s) and otherwise exploit the licensed rights in the use of the Compound for the prevention, prophylaxis, treatment, cure or amelioration of any disease or medical condition in humans in Greater China (including the PRC, Hong Kong, Macao and Taiwan).

- On 20 August 2020, the clinical trial of Proxalutamide for the treatment of COVID-19 outpatients recorded the first patient enrolment for patients with mild to moderate symptoms in Brazil.

- On 17 September 2020, we obtained the approval for the IND application of Pyrilutamide (KX-826) gel formula for the indication of acne vulgaris from the NMPA.

- On 11 December 2020, we released the preliminary results obtained from the clinical trial of Proxalutamide for the treatment of COVID-19 outpatients, which showed positive efficacy results. As recommended by the regulatory authorities of Brazil, on 30 November 2020, we planned to recruit 168 female patients for the COVID-19 Clinical Trial.

- On 29 December 2020, we completed patients enrolment for Pyrilutamide (KX-826)'s phase II clinical trial for indication of androgenetic alopecia in the PRC.

- On 10 January 2021, we released the final results for male patients with mild to moderate symptoms from the clinical trial of Proxalutamide for the treatment of COVID-19 outpatients, which showed that Proxalutamide could significantly inhibit the transition of condition of male patients infected with COVID-19 from mild or moderate to severe and had good safety for short-term administration (15 days). On the same day, the Company released the interim results for female patients with mild to moderate symptoms from the clinical trial of Proxalutamide for the treatment of COVID-19 outpatients as of 7 January 2021, which showed that although the female patients have lower androgen and AR expression as compared to the male patients, Proxalutamide could still significantly inhibit the transition of condition of female patients infected with COVID-19 from mild or moderate to severe. None of the male patients and 1.7% of the female patients in the Proxalutamide arm were hospitalised. In addition, there was no ICU usage, mechanical ventilation usage or death for male or female patients in the Proxalutamide arm.

- The data collected in the phase II clinical trial of combination therapy of ALK-1 antibody GT90001 and PD-1 monoclonal antibody Nivolumab (Opdivo) for the second-line therapy of advanced HCC in Taiwan was released at the 2021 American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO-GI) held between 15 January to 17 January 2021. The results showed that among the 20 evaluable patients, eight patients (40.0%) were observed partial remission (PR).

- On 28 January 2021, we announced that the clinical trial of Proxalutamide for the treatment of hospitalised COVID-19 patients was approved by the Institutional Review Board ("**IRB**") of Brazil and we have received support from the Brazil government in terms of medical resources allocation. This clinical trial was accepted for accelerated review.

- On 1 February 2021, we announced that the IND application of GT20029, an AR degrader developed based on our PROTAC platform, for androgenetic alopecia and acne vulgaris indications was accepted by the CDE. To the best of the Directors' knowledge and believe, GT20029 is the first topical PROTAC drug which entered clinical stage around the world.

- On 11 February 2021, we announced that the IND application of GT90001 for a global multi-centre phase II clinical trial for combination treatment of ALK-1 antibody GT90001 and PD-1 monoclonal antibody Nivolumab for the second-line treatment of advanced HCC was approved by the U.S. FDA.

- On 22 February 2021, the clinical trial of Proxalutamide for the treatment of hospitalised COVID-19 patients in Brazil completed the enrolment of approximately 588 patients (actual enrolment of 590 patients).

- On 5 March 2021, we announced that we received the approval from the U.S. FDA for the application of Proxalutamide for the phase III clinical trial in the treatment of male COVID-19 patients with mild or moderate symptoms.

- On 11 March 2021, we released the results of the clinical trial of Proxalutamide for the treatment of hospitalised COVID-19 patients, which demonstrated that Proxalutamide met the primary endpoint at day 14, demonstrating a reduction of 4.01 in WHO COVID-19 ordinal scale from a baseline of 5.663 to 1.653 in the Proxalutamide arm versus a reduction of 0.25 from a baseline of 5.618 to 5.368 in the control arm with a p value <0.0001. Proxalutamide also demonstrated a reduction in mortality risk by 92% (3.7% vs 47.6%) and shortened median hospital length stay by 9 days (median hospital stay of 5 days vs 14 days).

For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the Company's prior announcements published on the websites of the Stock Exchange and the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

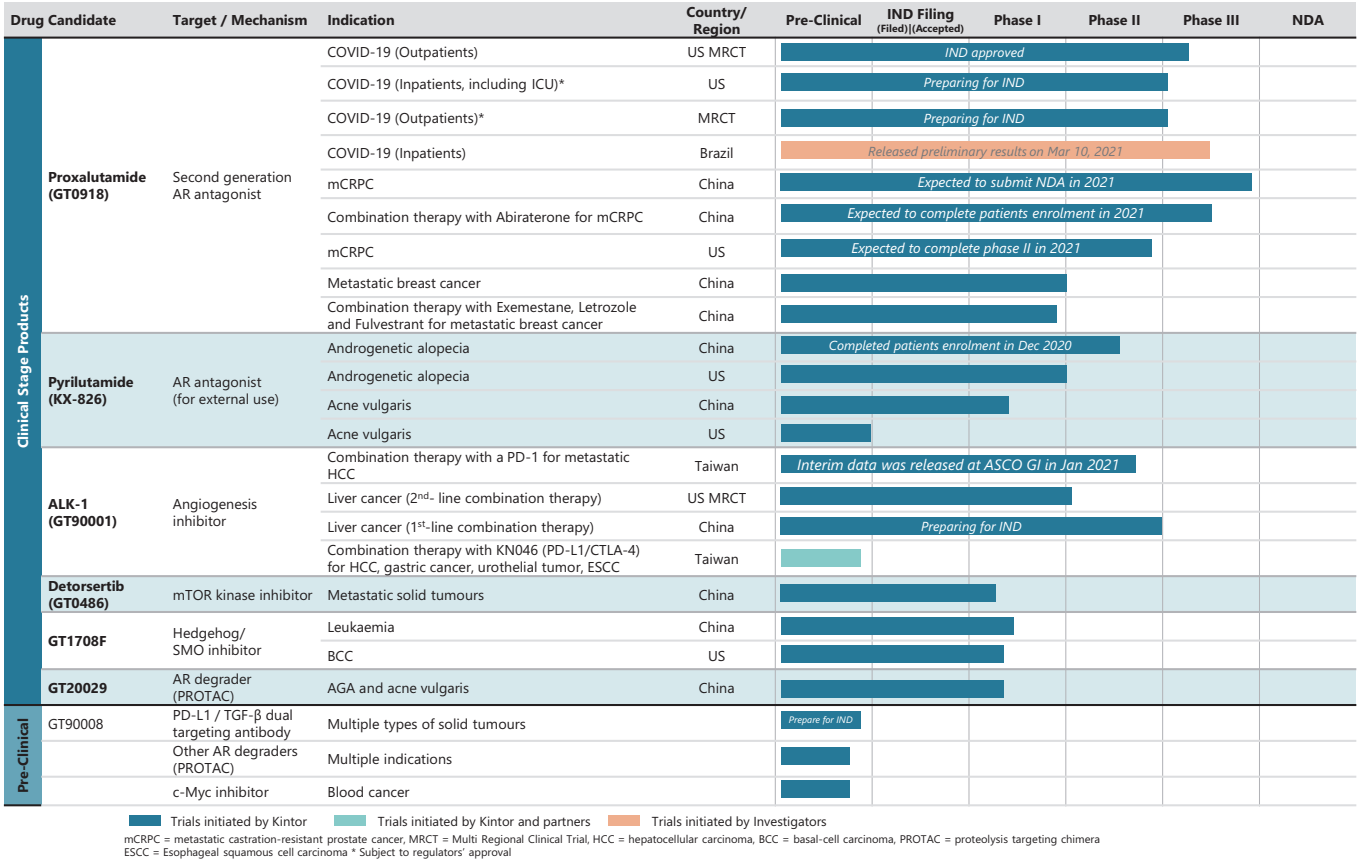
We are a clinical-stage novel drug developer in China focused on the unmet clinical needs, especially the treatment of androgen receptor-related, or AR-related diseases. We are committed to becoming a leader in the research, development and commercialisation of innovative therapies. Our leading drug candidate, Proxalutamide, is a potential best-in-class drug and one of our Core Products. We began our research on Proxalutamide for COVID-19 in 2020, which has demonstrated positive effects on patients with mild to moderate symptoms and hospitalised patients. We are conducting clinical trials of Proxalutamide in Brazil and phase III clinical trial the United States for the treatment of COVID-19. We are also applying for IND for Proxalutamide for the treatment of COVID-19 in China. We are also undergoing Proxalutamide phase III clinical trials in China and phase II clinical trials in the United States for mCRPC as well as phase Ic clinical trials for breast cancer in China. Pyrilutamide (KX-826) is a potential first-in-class small molecule AR antagonist and one of our Core Products. We are conducting Pyrilutamide phase II clinical trials for the indication of androgenetic alopecia in China and phase I clinical trials for the indication of acne vulgaris in China. ALK-1 (GT90001) a potential first-in-class antibody and one of our Core Products. It is in phase II clinical trials in Taiwan as a combination therapy with Nivolumab, a PD-1, for metastatic HCC (hepatocellular carcinoma). We are also conducting phase II global multi-centre clinical trial in the United States for GT90001 for the second-line combination therapy for liver cancer.

Our portfolio of drug candidates addresses COVID-19, major cancer types and other AR-related diseases with large market potential. Currently, there are more than 120 million patients diagnosed of COVID-19 in the world. According to the Frost & Sullivan Report, prostate cancer was the fastest growing cancer among major cancer types globally in terms of the growth rate of new cases from 2015 to 2019, and breast cancer was the second most common type of cancer globally in 2019. The population of patients with androgenetic alopecia, a common form of hair loss and an AR-related disease, reached over 133.7 million (105.6 million male patients and 28.1 million female patients) in China and 83.1 million (51.7 million male patients and 31.4 million female patients) in the United States in 2019, respectively, according to the Frost & Sullivan Report.

We are conducting multi-centre clinical trials for our drug candidates in the PRC, the United States, Brazil and Taiwan. We have employed various measures to mitigate the impact of the COVID-19 outbreak on our ongoing clinical trials, including supplying enrolled patients with study medication through courier and arranging for enrolled patients to conduct check-ups at alternative medical centres if the ones they generally visit become unavailable. We did not experience during the year ended 31 December 2020 and do not anticipate any material deviation from our drug development, manufacture and commercialisation plans, and the expected development progress of our Core Products has taken into account the temporary delays and disruptions on our ongoing clinical trials as a result of the COVID-19 outbreak.

Product Pipeline

Our pipeline of drug candidates includes a risk-balanced and diversified portfolio of products that strategically targets COVID-19 and major cancer types and other AR-related indications with substantial market potential. The following chart sets forth a summary of our drug candidates as well as their respective mechanism, indications and development progress:



mCRPC = metastatic castration-resistant prostate cancer, MRCT = Multi Regional Clinical Trial, HCC = hepatocellular carcinoma, BCC = basal-cell carcinoma, PROTAC = proteolysis targeting chimera ESCC = Esophageal squamous cell carcinoma * Subject to regulators' approval

BUSINESS REVIEW

We had developed a pipeline of six drug candidates as of 31 December 2020, for which we had obtained approvals to commence clinical trials in the PRC, the United States, Brazil and Taiwan. These clinical-stage drug candidates are composed of a phase III small molecule drug candidate, a phase II small molecule drug candidate, a phase II monoclonal antibody drug candidate, a phase I mTOR inhibitor drug candidate, a phase I inhibitor of the hedgehog signal translation pathway and a PROTAC AR degrader as follows:

Core Products

- ***Proxalutamide (GT0918)***

  Proxalutamide (GT0918) (普克魯胺) is a second generation AR antagonist with the potential to be a best-in-class drug. We are currently developing Proxalutamide for the treatment of COVID-19, mCRPC and AR+ metastatic breast cancer.

  On 7 July 2020, Suzhou Kintor and Applied Biology entered into a clinical trial research agreement, pursuant to which Suzhou Kintor engages Applied Biology to conduct research for Proxalutamide (GT0918) as a treatment for COVID-19. On 20 August 2020, the COVID-19 Clinical Trial recorded the first patient enrolment for patients with mild to moderate symptoms in Brazil. On 11 December 2020, we released the preliminary results obtained from the COVID-19 Clinical Trial, which showed positive efficacy results. As recommended by the regulatory authorities of Brazil, we recruited additional 168 female patients for the COVID-19 Clinical Trial. On 10 January 2021, we released the final results for male patients from the COVID-19 Clinical Trial, which showed that the hospitalisation rate, percentages of ICU usage, mechanical ventilation usage and death within 30 days in the Proxalutamide arm were 0%, 0%, 0% and 0%, respectively, compared to 27.3%, 14.1%, 10.2% and 1.6% of which in the control arm, indicating that Proxalutamide could significantly inhibit the transition of condition of male patients infected with COVID-19 from mild to severe and had good safety for short-term administration (15 days). On the same day, the Group released the interim results for female patients from the COVID-19 Clinical Trial as of 7 January 2021, which showed that the hospitalisation rate, percentages of ICU usage, mechanical ventilation usage and death in 30 days in the Proxalutamide arm were 1.7%, 0%, 0% and 0%, respectively, compared to 17.1%, 8.6%, 5.7% and 2.9% of which in the control arm, indicating that although the female patients have lower androgen and AR expression as compared to the male patients, Proxalutamide could still significantly inhibit the transition of condition of female patients infected with COVID-19 from mild or moderate to severe.

  On 28 January 2021, we announced that the clinical trial of Proxa-Rescue AndroCoV Trial of Proxalutamide for the treatment of hospitalised COVID-19 patients was approved by the IRB of Brazil and we have received support from the Brazil government in terms of medical resources allocation and this clinical trial was accepted for accelerated review. On 22 February 2021, the clinical trial for the treatment of hospitalised COVID-19 patients in Brazil completed the enrolment of approximately 588 patients. On 18 February 2021, we announced that we received the approval from the U.S. FDA for the application of Proxalutamide for the phase III clinical trial in the treatment of male COVID-19 patients with mild or moderate symptoms. On 11 March 2021, we released the results of the COVID-19 Clinical Trial for the treatment of hospitalised COVID-19 patients, which demonstrated that Proxalutamide met the primary endpoint at day 14, demonstrating a reduction of 4.01 in WHO COVID-19 ordinal

scale from a baseline of 5.663 to 1.653 in the Proxalutamide arm versus a reduction of 0.25 from a baseline of 5.618 to 5.368 in the control arm with a p value <0.0001. Proxalutamide also demonstrated a reduction in mortality risk by 92% (3.7% vs 47.6%) and shortened median hospital length stay by 9 days (median hospital stay of 5 days vs 14 days).

Please refer to the announcements of the Company dated 12 July 2020, 21 August 2020, 11 December 2020, 10 January 2021, 28 January 2021, 22 February 2021, 5 March 2021 and 11 March 2021, respectively for further information.

Our pre-clinical and clinical research on Proxalutamide for prostate cancer and AR+ breast cancer were recognised as a Science and Technology Major Project for "Major New Drugs Innovation and Development" ("重大新藥創製"科技重大專項) in 2011 and 2017, respectively.

We commenced pre-clinical research of Proxalutamide in April 2010. We received approval from the NMPA in 2015 to conduct phase I to phase III clinical trials for Proxalutamide for mCRPC in China, and Proxalutamide was classified as a key designated project and a key category of drug subject to a special accelerated review process by the CDE. We completed phase I and phase II clinical trials for Proxalutamide for mCRPC in China in 2016 and 2017, respectively. We commenced phase III clinical trials of Proxalutamide for mCRPC in China in May 2018. As at 4 August 2020, the Group completed patients enrolment under the final trial protocol for Proxalutamide's phase III clinical trials for mCRPC in China and plan to submit the NDA to the NMPA for Proxalutamide in 2021 based on the final analysis of primary endpoint of overall survival (OS).

We received approval from the CDE in 2018 to conduct Phase III clinical trials for Proxalutamide in combination therapy with Abiraterone for mCRPC as a first-line combination therapy and the phase III clinical trials are undergoing in China. We plan to complete the patients enrolment in 2021.

As at 16 July 2020, the Group had completed the protocol defined patients enrolment for Proxalutamide phase II clinical trials for mCRPC in the United States and we plan to complete the phase II clinical trials in 2021. The United States phase I clinical trials of Proxalutamide were completed in May 2019. The results showed that Proxalutamide was generally well tolerated in mCRPC patients progressed after the treatment with existing drugs such as Enzalutamide and Abiraterone.

We are carrying out an open and multi-centre phase Ic clinical trial to evaluate the safety, pharmacokinetic characteristics and initial efficacy of Proxalutamide in combination with Exemestane, Letrozole and Fulvestrant in patients with AR+ metastatic breast cancer.

- ***Pyrilutamide (KX-826)***

  Pyrilutamide (KX-826) (福瑞他恩) is an AR antagonist. We are currently developing Pyrilutamide as a potential first-in-class topical drug for the treatment of androgenic alopecia and acne vulgaris. We commenced pre-clinical research of Pyrilutamide in July 2011. We received IND approval for Pyrilutamide for androgenetic alopecia in China and the United States in April 2018 and June 2018, respectively. We commenced relevant phase I clinical trials in China and the United States in December 2018 and January 2019, respectively. On 29 December 2020, we completed the enrolment of 120 patients for Pyrilutamide (KX-826)'s phase II clinical trial for indication of androgenetic alopecia in China. We expect to release data for this phase II clinical trial in 2021 and commence the preparation for a phase III clinical trial. On 3 August 2020, we completed the phase Ib clinical trials of Pyrilutamide in the United States. We are analysing and evaluating the data collected in the phase Ib clinical trials of Pyrilutamide in the United States and expect to finalise the clinical study report (CSR) and release the data in the first half of 2021.

  On 20 June 2020, Suzhou Kintor and JD Healthcare entered into a framework agreement pursuant to which the parties will embark on in-depth collaboration in respect of the sales and marketing of Pyrilutamide (KX-826) on the online pharmaceutical retail platform JD.com Pharmacy (yiyaojd.com) operated by JD Healthcare.

  On 17 September 2020, we obtained the approval for the IND application of Pyrilutamide (KX-826) gel formula for the indication of acne vulgaris from the NMPA. We expect to commence the first patient enrolment for Pyrilutamide gel's acne vulgaris indication by the second quarter of 2021.

- ***ALK-1 (GT90001)***

  ALK-1 (GT90001) is a new anti-angiogenesis inhibitor and a new biological target spot globally. We are currently developing ALK-1 for the treatment of metastatic HCC and a variety of solid tumours. In 2018, we obtained an exclusive global licence from Pfizer to develop and commercialise ALK-1 for oncological indications.

  ALK-1 has the potential to become the first fully human monoclonal antibody therapeutic drug for ALK-1 target. It can potentially be used in combination with PD-1 inhibitors or VEGF inhibitors for the treatment of a variety of solid tumours.

  Pfizer completed two phase I clinical trials for ALK-1 for advanced solid tumours, including HCC, as a monotherapy in the United States and Italy, as well as in South Korea and Japan. We are undergoing phase II clinical trials for our ALK-1 antibody GT90001 as a combination therapy with PD-1 monoclonal antibody Nivolumab (Opdivo), for metastatic HCC in Taiwan for patients who failed the first-line treatment of Sorafenib or Lenvatinib.

  On 30 July 2020, we entered into a partnership agreement with Jiangsu Alphamab Biopharmaceuticals Co., Ltd., a wholly-owned subsidiary of Alphamab Oncology (stock code: 9966), to jointly develop the combination therapy of PD-L1/CTLA-4 bispecific antibody KN046 and ALK-1 monoclonal antibody GT90001 in HCC globally.

On 9 December 2020, we released the positive data collected in phase II clinical trial of combination therapy of GT90001 antibody and Nivolumab (Opdivo) antibody for the second line therapy of advanced HCC in Taiwan, which showed positive efficacy and safety results. The data collected in this phase II clinical trial was released at the 2021 American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO-GI) held between 15 January to 17 January, 2021. The results showed that among the 20 evaluable patients, eight patients (40.0%) were observed partial remission (PR). The side effects were well tolerated and manageable.

On 18 February 2021, we announced that the IND application of the combination therapy of ALK-1 monoclonal antibody GT90001 and Nivolumab for a global multi-centre phase II clinical trial for the second-line treatment of advanced HCC was approved by the U.S. FDA. The primary endpoint of this phase II clinical trial is to assess the objective respond rate (ORR) as evaluated by an independent review committee according to RECIST v1.1.

Other Clinical Stage Products

- ***Detorsertib (GT0486)***

  Detorsertib (GT0486) (迪拓賽替) is an inhibitor of the PI3K/mTOR signalling pathway and a second generation mTOR inhibitor. We are currently developing GT0486 primarily for the treatment of metastatic solid tumours such as breast cancer, prostate cancer and HCC. We received the IND approval from the NMPA for Detorsertib in August 2019 and recorded the first patient enrolment on 18 February 2021.

- ***Hedgehog/SMO Inhibitor (GT1708F)***

  Hedgehog/SMO Inhibitor (GT1708F) is an inhibitor of the hedgehog signal transduction pathway. We are currently developing GT1708F primarily for the treatment of leukaemia and BCC. We obtained IND approval for GT1708F from the NMPA in February 2020 and recorded the first patients enrolment on 27 November 2020. We also obtained IND approval for GT1708F in the United States on 23 November 2020. In connection with the development of GT1708F, we entered into a technology transfer agreement with Suzhou Yunxuan Pharmaceutical Co., Ltd. (蘇州雲軒醫藥科技有限公司) on 14 December 2016 and a supplemental agreement on 13 June 2019. Please refer to "Business – Our Licensing Arrangements – Yunxuan Technology Transfer Agreement" in the Prospectus for further details of the contractual arrangements.

- ***AR degrader (GT20029)***

  AR degrader is considered a natural progression from AR inhibitors such as Proxalutamide, and has the potential to become a new generation of treatment for prostate cancers. GT20029 is a topical AR degrader developed by using the Group's in-house PROTAC platform. The IND application of GT20029 for androgenetic alopecia and acne vulgaris indications has been accepted by the CDE of the NMPA. To the best of the Directors' knowledge and believe, GT20029 is the first topical PROTAC drug which entered clinical stage around the world. The Group is also preparing the IND application for GT20029 in the United States.

  Please refer to the announcement of the Company dated 1 February 2021 for further information.

Pre-Clinical Stage Products

In addition to the drug candidates described above, we are also in the discovery phase for the development of other potential drug candidates, including compound of other targets out of PROTAC platform (such as a c-Myc inhibitor for the treatment of blood cancer) and a dual-target antibody of PD-L1 and TGF-β for the treatment of a variety of solid tumours.

In connection with the development of c-Myc inhibitor, we entered into a technology transfer agreement with Peking University on 2 January 2019. Please refer to "Business – Our Licensing Arrangements – Peking University Technology Transfer Agreement" in the Prospectus for further details of the contractual arrangements.

On 20 August 2020, we entered into an exclusive license agreement with Gensun, pursuant to which we obtained from Gensun, among others, an exclusive license to conduct research, development, clinical trials, registration, manufacture and commercialisation of the Licensed Product(s) and to make, use, sell, offer for sale, import and export the Licensed Product(s) and otherwise exploit the licensed rights in the use of the Compound for the prevention, prophylaxis, treatment, cure or amelioration of any disease or medical condition in humans in Greater China (including the PRC, Hong Kong, Macao and Taiwan). The Compound is a dual-target antibody composed of an antagonist antibody of PD-L1 and the extracellular domain of TGF-β with high activity in inhibiting PD-L1 and TGF-β simultaneously. The Compound has the potential in the treatment of a variety of solid tumours, including non-small cell lung cancer, biliary tract cancer, triple negative breast cancer and HPV-associated tumours such as cervical cancer and has the potential to become a best-in-class drug. Please refer to the announcement of the Company dated 20 August 2020 for further information.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR DRUG CANDIDATES SUCCESSFULLY

RESEARCH AND DEVELOPMENT

We have established an integrated R&D platform to support our drug development programmes from drug discovery to clinical trials. We conduct proprietary laboratory research to identify and select new compounds as our potential drug candidates, and we manage our drug development process primarily using our internal R&D resources to ensure that the process meets the quality standards we have set internally.

Through the development of Proxalutamide and Pyrilutamide, one of our Core Products, we have accumulated significant expertise in AR-related know-how and have developed a leading AR technology platform. We believe we have accumulated industry-leading expertise in the field of AR signalling pathway, molecule design and PK/PD modelling. Leveraging our AR technology platform, we have successfully (i) discovered that Proxalutamide is an effective novel drug for the treatment of COVID-19; (ii) progressed Proxalutamide to phase III clinical trials in China; (iii) expanded the indication of Proxalutamide to metastatic breast cancer; and (iv) developed Pyrilutamide for androgenetic alopecia and acne vulgaris.

Our R&D work is led by senior scientists, including Dr. TONG, supported by six other returnee scientists who have accumulated decades of pharmaceutical R&D and entrepreneurship experience in reputable pharma and biotech companies in the United States and who together provide us with combined expertise covering small molecule, biologics, compound design and commercialisation.

For the years ended 31 December 2019 and 2020, our research and development expenses were approximately RMB214.0 million and RMB328.8 million, respectively.

COMMERCIALISATION AND MANUFACTURING

As at the date of this announcement, we have no commercialised any products. We plan to conduct the sales and marketing and subsequent commercialisation preparation works of our Core Products primarily using our internal sales and marketing team. As of 31 December 2020, we had built a sales and marketing team of 14 members.

We plan to use our own manufacturing facilities in Suzhou and Pinghu in China for the manufacture of APIs and final products for Proxalutamide and Pyrilutamide. On 28 August 2020, our manufacturing and R&D facility in Suzhou commenced operation in preparation for the production of Proxalutamide. In November 2020, our Suzhou facility was granted the Pharmaceutical Production License issued by Jiangsu Medical Products Administration. Our manufacturing facilities in Pinghu are currently in the project design stage. We expect the construction of our manufacturing facilities in Pinghu will commence in the third quarter of 2021 and we expect the construction of our facilities in Pinghu will be completed by the end of 2022.

IMPACT OF COVID-19

We are conducting multi-centre clinical trials for our drug candidates in the PRC, the United States and Taiwan. We have employed various measures to mitigate the impact of the COVID-19 outbreak on our ongoing clinical trials, including supplying enrolled patients with study medication through courier and arranging for enrolled patients to conduct check-ups at alternative medical centres if the ones they generally visit become unavailable. We currently do not anticipate any material deviation from our drug development, manufacturing and commercialisation plans, and the expected development progress of our Core Products has taken into account the temporary delays and disruptions on our ongoing clinical trials as a result of the COVID-19 outbreak. However, the COVID-19 pandemic is with limited precedent, and it is therefore not possible to predict the impact that it will ultimately have on our business or our industry. There is no assurance, however, that the COVID-19 outbreak will not further escalate or have a material adverse effect on our results of operations.

The Directors confirm that, save as disclosed above, there has been no material adverse change in our financial, operational or trading positions or prospects since 1 January 2020, and that no material unexpected or adverse changes have occurred since the date of the issue of the relevant regulatory approvals for our drug candidates.

Assuming that (i) there will be no other sources of funding except for cash on hand, unutilised banking facilities; (ii) there will be no cash generated from sales of products; and (iii) we will progress our drug development plan and incur R&D expenditures, as well as expand other aspects of our operations including manufacturing and sales and marketing, as currently contemplated as if we were in a cash-rich situation, we expect to be able to maintain viability for at least 24 months following the date of this announcement.

Following the outbreak of COVID-19, the Company found that Proxalutamide could limit the expression of ACE-2 and TMPRSS2, which play a critical role for SARS-CoV-2 to bind and enter host cells in the lung. We are conducting clinical trials of Proxalutamide for the treatment of COVID-19 in Brazil and the United States and we are also applying for IND for Proxalutamide for the treatment of COVID-19 in China. To minimise the impact of the COVID-19 outbreak, we have also implemented company-wide self-protection policies for employees to either working remotely (where necessary) or onsite with protective masks and sanitisation.

FINANCIAL REVIEW

Overview

We currently have no drugs approved for commercial sale and we did not generate any revenue from drug sales for the year ended 31 December 2020. We have never been profitable and have incurred operating losses in each year since our inception. For the year ended 31 December 2020, we recorded other income of RMB25.1 million, representing an increase of 32.2% as compared with RMB19.0 million for the year ended 31 December 2019. Our loss and total comprehensive loss were RMB232.6 million and RMB508.3 million for the years ended 31 December 2019 and 2020, respectively. Our adjusted loss and total comprehensive loss for the same period after adding back the Listing expenses and share-based compensation expenses for the Employee Incentive Scheme were RMB220.1 million and RMB459.4 million, respectively. Our marketing costs were RMB0.3 million and RMB8.6 million for the years ended 31 December 2019 and 2020, respectively. Our administrative expenses were RMB32.8 million and RMB77.1 million for the years ended 31 December 2019 and 2020, respectively. Our R&D costs were RMB214.0 million and RMB328.8 million for the years ended 31 December 2019 and 2020, respectively. Our other losses were RMB0.6 million and RMB115.5 million for the years ended 31 December 2019 and 2020, respectively. Our finance costs were RMB3.9 million and RMB3.4 million for the years ended 31 December 2019 and 2020, respectively.

Other Income

Our other income primarily consisted of interest income from bank balances and government grants. Our other income increased by RMB6.1 million or 32.2% from RMB19.0 million for the year ended 31 December 2019 to RMB25.1 million for the year ended 31 December 2020, which was mainly attributable to (i) an RMB6.7 million increase in interest income from bank balances primarily as a result of the increase of our bank balances during the Reporting Period as we received proceeds from the Global Offering; and (ii) an RMB2.3 million increase in interest income from time deposits primarily as a result of the increase of our time deposits for the unused proceeds from the Global Offering, partially offset by (i) an RMB2.3 million decrease in government grants in relation to our R&D activities mainly because the government grants were recognised when related cost was incurred and the criteria was fulfilled and (ii) an RMB0.6 million decrease in interest income from financial assets measured at amortised cost as the purchase agreement of the financial assets ended in April 2019 and we did not purchase any such financial assets in 2020.

Marketing Costs

Our marketing costs primarily consisted of (i) salaries and other benefits of our sales and marketing team; and (ii) administrative expenses including business trip expenses and other business development expenses. Our marketing costs increased from RMB0.3 million for the year ended 31 December 2019 to RMB8.6 million for the year ended 31 December 2020, which was mainly attributable to the establishment and expansion of our sales and marketing team in preparation for Proxalutamide's commercialisation. As of 31 December 2020, we had a sales and marketing team of 14 members.

Administrative Expenses

Our administrative expenses during the Reporting Period primarily consisted of (i) employee benefit expenses, which primarily consisted of compensation for management and administrative personnel (including share-based compensation expenses relating to the Employee Incentive Scheme); (ii) utilities and office expenses for our leased offices and laboratories; (iii) depreciation and amortization, which primarily consisted of depreciation of right-of-use assets in relation to our leased properties for administrative use and amortization of computer software; (iv) Listing expenses in connection with the preparation for Listing; and (v) other miscellaneous administrative expenses such as professional advisory expenses, recruitment related activities expenses, bank charges, rental expenses for our other leased offices not accounted for as right-of-use assets and other general administrative expenses.

The following table sets forth a breakdown of our administrative expenses, by amount and as a percentage of our total administrative expenses, for the years indicated:

	For the year ended			
	2020		2019	
	RMB'000	***%***	*RMB'000*	*%*
Employee benefit expenses	**24,035**	**31.2**	7,955	24.3
Add: share-based compensation expenses	**7,832**	**10.2**	–	–
Employee benefit expenses (including share-based compensation expenses)	**31,867**	**41.4**	7,955	24.3
Utilities and office expenses	**10,318**	**13.4**	6,609	20.2
Depreciation and amortization	**3,259**	**4.2**	2,111	6.4
Listing expenses	**20,761**	**26.9**	12,512	38.2
Others	**10,858**	**14.1**	3,576	10.9
Total	**77,063**	**100.0**	32,763	100.0

Our administrative expenses increased by RMB44.3 million or 135.2% from RMB32.8 million for the year ended 31 December 2019 to RMB77.1 million for the year ended 31 December 2020, which was mainly attributable to (i) an RMB23.9 million increase in employee benefit expenses primarily resulting from new recruitments and hiring of senior management in line with the fast development of our business and the grant of RSUs to senior management and employees with administrative functions as we adopted the Employee Incentive Scheme on 31 March 2020; (ii) an RMB3.7 million increase in utilities and office expenses in line with the expansion of our operations; (iii) an RMB8.2 million increase in Listing expenses; and (iv) an RMB7.3 million increase in other administrative expenses primarily relating to the increase of our recruitment related activities expenses, the moving-in expenses for our facility in Suzhou and professional advisory expenses such as taxation, intangible property valuation and intellectual property maintenance.

Research and Development Costs

Our R&D costs during the Reporting Period primarily consisted of (i) clinical research expenses, which primarily consisted of fees paid to CROs for clinical trials and the hospitals in which we conducted our clinical trials; (ii) materials and consumables expenses in connection with our R&D; (iii) employee benefit expenses, which primarily consisted of compensation to R&D personnel (including the share-based compensation expenses for the Employee Incentive Scheme); (iv) third party contracting fees, which primarily consisted of fees paid to CROs and CMOs for purpose of preclinical trials; and (v) other R&D costs, which primarily consisted of utilities and office expenses in relation to R&D use, depreciation of right-of-use assets in relation to our leased properties for R&D use and depreciation of our laboratory equipment.

The following table sets forth a breakdown of our R&D costs, by amount and as a percentage of our total R&D costs, for the years indicated:

	For the year ended			
	2020		2019	
	RMB'000	***%***	*RMB'000*	*%*
Employee benefit expenses	**48,440**	**14.7**	34,809	16.3
Add: share-based compensation expenses	**20,327**	**6.2**	–	–
Employee benefit expenses (including share-based compensation expenses)	**68,767**	**20.9**	34,809	16.3
Clinical research expenses	**104,702**	**31.8**	101,719	47.5
Materials and consumables expenses	**88,223**	**26.8**	35,208	16.5
Third party contracting fees	**59,267**	**18.0**	36,556	17.1
Others	**7,805**	**2.5**	5,727	2.6
Total	**328,764**	**100.0**	214,019	100.0

Our R&D costs for Proxalutamide were RMB136.0 million and RMB165.2 million for the year ended 31 December 2019 and 2020, respectively, and our R&D costs for Pyrilutamide were RMB17.7 million and RMB34.8 million in 2019 and 2020, respectively (excluding ancillary R&D costs which are not product-specific).

Our R&D costs increased by RMB114.7 million or 53.6% from RMB214.0 million for the year ended 31 December 2019 to RMB328.8 million for the year ended 31 December 2020, which was mainly attributable to (i) an RMB3.0 million increase in clinical research expenses primarily paid to CROs for clinical trials and hospitals where we conducted clinical trials; (ii) an RMB53.0 million increase in materials and consumables expenses primarily resulting from (1) the purchases of active pharmaceutical ingredients (APIs) for the production of Proxalutamide and Pyrilutamide used in our clinical trials; (2) the purchase of branded Abiraterone for our Proxalutamide phase III clinical trials (combination therapy with Abiraterone for mCRPC) in China; and (3) the purchase of materials for the R&D of ALK-1 under the strategic cooperation framework agreement we entered into with CMAB BioPharma (Suzhou) Inc. on 19 August 2019; (iii) an RMB34.0 million increase in R&D employee benefit expenses primarily due to the expansion of our R&D personnel and the grant of RSUs to certain of our R&D employees under the Employee Incentive Scheme; and (iv) an RMB22.7 million increase in third party contracting fees primarily consisting of fees paid to CROs and CMOs for preclinical trials.

The increase in R&D costs primarily resulting from the advancement of our clinical trials for (i) phase III clinical trials for Proxalutamide monotherapy and combination therapy with Abiraterone for mCRPC in China; (ii) phase Ib clinical trials for Pyrilutamide in the United States; (iii) phase II clinical trials for ALK-1 in Taiwan; (iv) clinical trials for Proxalutamide for the treatment of COVID-19 in Brazil; (v) clinical trials for Pyrilutamide for the treatment of acne vulgaris in China; (vi) phase II clinical trials for Pyrilutamide for the treatment of androgenetic alopecia in China; and (vii) the hiring of additional R&D staff to support our growing needs of innovative drugs' discovery and development.

Other Losses – Net

We had other losses of RMB115.5million for the year ended 31 December 2020 primarily as a result of net foreign exchange losses due to exchange rates movement. We had other losses of RMB0.6 million for the year ended 31 December 2019.

Finance Costs – Net

Our finance costs during the Reporting Period primarily consisted of (i) the interest we paid on our borrowings and (ii) net exchange losses on bank deposits in foreign currencies. Our finance costs decreased by RMB0.5 million or 13.2% from RMB3.9 million for the year ended 31 December 2019 to RMB3.4 million for the year ended 31 December 2020, which was mainly attributable to the increase of our bank borrowings.

Income Tax Expenses

We did not have any income tax expenses for the year ended 31 December 2019 as we incurred net tax losses. We record income tax expenses of RMB73,000 for the year ended 31 December 2020, primarily due to the US$0.1 million service fee received by Kintor US from Suzhou Kintor for the purpose of general R&D was recognised as revenue.

Net Loss for the Reporting Period

Our net loss increased by RMB275.7 million or 118.6% from RMB232.6 million for the year ended 31 December 2019 to RMB508.3 million for the year ended 31 December 2020.

Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss and total comprehensive loss for the Reporting Period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss and total comprehensive loss for the Reporting Period represents the loss and total comprehensive loss for the Reporting Period excluding the effect of certain non-cash items and one-time events, namely the share-based compensation expenses and the Listing expenses. The term adjusted loss and total comprehensive loss for the Reporting Period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and it should not be considered in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures reflect the Group's normal operating results by eliminating impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparison of operating performance form period to period and company to company to the extent applicable.

The table below sets forth a reconciliation of the loss and total comprehensive loss for the year to adjusted loss and total comprehensive loss for the years indicated:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Loss and total comprehensive loss for the year	**(508,301)**	(232,577)
Added:		
Listing expenses (one-time)	**20,761**	12,512
Share-based compensation expenses	**28,159**	–
Adjusted loss and total comprehensive loss for the year	**(459,381)**	(220,065)

Employees and Renumeration Policies

The following table sets forth a breakdown of our employees by function:

	As of 31 December 2020	
	Number of employees	as a percentage of total
Core management	8	4.0%
Clinical	40	19.8%
R&D	62	30.7%
Manufacturing	38	18.8%
Commercial	14	6.9%
Project management	8	4.0%
Others	32	15.6%
Total	202	100.0%

As at 31 December 2020, the Group had a total of 202 full time employees, among whom, 197 were based in China, 3 were based in the United States, and 2 was based in Hong Kong. We generally formulate our employees' remuneration package to include basic salary, position-specific salary, performance-based remuneration, project-based remuneration and various allowances. We conduct periodic performance reviews for our employees. We have also adopted the Employee Incentive Scheme to retain and incentivise our key management and staff.

Liquidity and Capital Resources

Our cash and cash equivalents and time deposits primarily consisted of deposits with banks and cash on hand. As of 31 December 2020, cash and cash equivalents and time deposits increased by RMB1,193.5 million from RMB195.5 million as of 31 December 2019 to RMB1,389.0 million. The increase was primarily resulted from the net proceeds from the Global Offering.

As of 31 December 2020, we had utilised bank facilities of RMB218.5 million and unutilised bank facilities of RMB101.0 million.

Significant Investments, Material Acquisitions or Disposals

As of 31 December 2020, there were no significant investments held by the Company nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Cash Flow

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated:

	For the year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Cash used in operations before changes in working capital	**(367,528)**	(226,071)
Changes in working capital	**(12,877)**	145
Net interest paid	**(404)**	(2,116)
Income tax paid	**(73)**	–
Net cash used in operating activities	**(380,882)**	(228,042)
Net cash used in investing activities	**(439,728)**	(7,013)
Net cash generated from financing activities	**1,780,298**	295,852
Net increase in cash and cash equivalents	**959,688**	60,797
Cash and cash equivalent at the beginning of the year	**195,532**	137,513
Exchange losses on cash and cash equivalents	**(90,531)**	(2,778)
Cash and cash equivalent at the end of the year	**1,064,689**	195,532

Net Cash Used in Operating Activities

During the Reporting Period, we derived our cash inflows from operating activities primary from government grants. Our net cash used in operating activities mainly consisted of R&D expenses and administrative expenses.

During the year ended 31 December 2020, our net cash used in operating activities was RMB380.9 million, primarily consisting of RMB380.4 million of cash used in operations, interest paid on borrowings of RMB7.6 million and interest received on bank balances of RMB7.2 million.

During the year ended 31 December 2019, our net cash used in operating activities was RMB228.0 million, consisting of RMB225.9 million of cash used in operations, interest paid on borrowings of RMB3.6 million and interest received on bank balances of RMB1.5 million.

Net Cash used in from Investing Activities

During the Reporting Period, our cash flows relating to investing activities primarily reflected purchases of technical know-how and purchases of property, plant and equipment, in license of intangible assets and purchase of financial products.

During the year ended 31 December 2020, our net cash used in investing activities was RMB439.7 million, which primarily consisted of (i) purchase of property, plant and equipment of RMB69.0 million for our Suzhou plant; (ii) purchase of intangible assets of RMB27.1 million for the exclusive license we obtained from Gensun to conduct research, development, clinical trials, registration, manufacture and commercialisation of the Licensed Product(s); (iii) purchases of time deposits with maturities of over three months of RMB480.9 million with the unused proceeds from the Global Offering; and (iv) purchases of financial assets at fair value through profit or loss of RMB252.8 million for investments in wealth management products, dual currency wealth management products and foreign exchange forward contracts; partially offset by (i) proceeds from time deposits with maturities of over three months of RMB134.1 million and (ii) proceeds from disposal of financial assets at fair value through profit or loss of RMB254.4 million for redemption of investments in wealth management products, dual currency wealth management products and foreign exchange forward contracts.

During the year ended 31 December 2019, our net cash generated from investing activities was RMB7.0 million, which primarily consisted of (i) purchase of property, plant and equipment of RMB67.2 million for our Suzhou plant; (ii) purchase of structured deposits of RMB55.0 million; (iii) intangible assets of RMB6.9 million resulting from our in licensing of c-Myc inhibitor from Peking University, partially offset by (i) proceeds received upon maturity of certain structured deposits of RMB55.6 million; and (ii) proceeds from restricted cash release of RMB66.5 million resulting from our repayment of bank borrowings.

Net Cash Generated from Financing Activities

During the Reporting Period, our cash flows relating to financing activities primarily reflected proceeds from the Global Offering and bank borrowings.

During the year ended 31 December 2020, our net cash generated from financing activities was RMB1,780.3 million, which primarily consisted of (i) proceeds from borrowings of RMB239.0 million and (ii) proceeds from the Global Offering of RMB1,652.7 million, partially offset by (i) payment of lease liabilities of RMB3.1 million mainly relating to rental payment for our offices; (ii) repayments of borrowings of RMB79.2 million; and (iii) payment for Listing expenses of RMB29.1 million.

During the year ended 31 December 2019, our net cash generated from financing activities was RMB295.9 million, which primarily consisted of (i) proceeds from Series D investment of RMB307.0 million and (ii) proceeds from borrowings of RMB58.7 million, partially offset by (i) repayment of borrowings of RMB65.0 million, (ii) payment of lease liabilities of RMB2.8 million and (iii) payment of listing expenses of RMB2.0 million.

Financial Position

Our net current assets increased from RMB78.0 million as of 31 December 2019 to RMB1,251.3 million as of 31 December 2020. Current assets increased from RMB220.6 million as of 31 December 2019 to RMB1,420.6 million as of 31 December 2020, primarily due to the net proceeds we received from the Global Offering in 2020.

Significant Change in Accounting Policy

There was no significant change in accounting policy during the Reporting Period.

Indebtedness

As of 31 December 2020, the balance of our bank borrowings consisted of short-term bank borrowings of RMB79.9 million which were unsecured and unguaranteed and long-term bank borrowings of RMB138.6 million which were secured by certain land use right, buildings and construction in progress. In the balance of our bank borrowings, RMB83.6 million is repayable within one year or on demand. As of 31 December 2020, we had unutilised bank facilities of RMB101.0 million.

Certain Financial Ratio

The following table sets forth certain financial ratio as of the balance sheet dates indicated:

	As of 31 December 2020	As of 31 December 2019
Current ratio[(1)]	**838.9%**	154.7%
Gearing ratio[(2)]	**11.8%**	10.6%

Notes:

(1) Current ratio is total current assets as of year-end as a percentage of total current liabilities as of year-end.

(2) Gearing ratio is total debt as of year-end as a percentage of total assets as of year-end.

Financial Risks

We are exposed to various types of financial and market risks, including foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The Group currently does not have a foreign currency hedging policy. However, management of the Group continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Foreign Exchange Risk

The Group's exposure to foreign exchange risk as at 31 December 2020 mainly came from cash at bank denominated in USD and HKD which were primarily consisted of the proceeds we received in the Global Offering.

Cash flow and Fair Value Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates. We have no significant interest-bearing assets and liabilities, except for lease liabilities, cash and cash equivalents, time deposits and borrowings. Those carried at floating rates expose us to cash flow interest rate risk whereas those carried at fixed rates expose us to fair value interest rate risk.

Our interest rate risk mainly arises from borrowings. Borrowings obtained at fixed rates expose us to fair value interest rate risk. As of 31 December 2020, our borrowings carried at fixed rates, which exposed the Group to fair value interest rate risk.

Our management does not anticipate significant impact to interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

Credit Risk

We are exposed to credit risk in relation to our trade and other receivables, cash and cash equivalents, time deposits and short-term investment products. The carrying amounts of trade and other receivables, cash and cash equivalents, time deposits and short-term investment products represent our maximum exposure to credit risk in relation to financial assets.

We expect that there is no significant credit risk associated with cash and cash equivalents, time deposits and short-term investment products since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Our management does not expect that there will be any significant losses from non-performance by these counterparties.

We account for credit losses, if any, using an expected credit losses model which utilises assumptions and estimates regarding expected future credit losses. We apply the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. As at 31 December 2020, the Group had no balance in respect of trade receivables. Thus no loss allowance provision for trade receivables was recognised during the year ended 31 December 2020.

We have assessed that during the Reporting Period, other receivables have not had a significant increase in credit risk since their initial recognition. Therefore, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by our management. We do not expect any losses from non-performance by the counterparties of other receivables and have not recognised any loss allowance provision for other receivables.

Liquidity Risk

We finance our working capital requirements through the issue of new shares, borrowings and government grants. Our management monitors rolling forecasts of our liquidity reserve on the basis of expected cash flow.

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents and the ability to apply for credit facilities if necessary. We had net current assets of RMB1,251.3 million as of 31 December 2020. We are able to meet our financial obligations and fund our R&D activities through our cash on hand and consecutive capital raising activities.

FINANCIAL INFORMATION

The Board announces the consolidated annual results of the Group for the year ended 31 December 2020, with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2020	2019
		RMB'000	*RMB'000*
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other income		**25,134**	19,018
Marketing costs	*4*	**(8,628)**	(336)
Administrative expenses	*4*	**(77,063)**	(32,763)
Research and development costs	*4*	**(328,764)**	(214,019)
Other losses – net	*5*	**(115,530)**	(587)
Operating loss			
Finance costs – net		**(3,377)**	(3,890)
Loss before income tax			
Income tax expense	*6*	**(73)**	–
Loss and total comprehensive loss for the year attributable to the equity holders of the Company		**(508,301)**	(232,577)
Basic and diluted loss per share for loss attributable to the equity holders of the Company (in RMB)	*8*	**(1.64)**	(0.97)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December	
		2020	2019
		RMB'000	*RMB'000*
Assets			
Non-current assets			
Property, plant and equipment		**174,612**	98,369
Intangible assets		**209,760**	179,299
Right-of-use assets		**12,068**	14,412
Other non-current assets		**34,419**	40,683
		430,859	332,763
Current assets			
Other receivables, deposits and prepayments	*9*	**31,621**	25,081
Time deposits		**323,407**	–
Cash and cash equivalents		**1,065,588**	195,532
		1,420,616	220,613
Total assets		**1,851,475**	553,376
Liabilities			
Non-current liabilities			
Borrowings		**134,900**	–
Lease liabilities		**490**	2,311
Deferred income tax liabilities		**38,818**	38,818
		174,208	41,129

	Note	As at 31 December 2020 RMB'000	2019 RMB'000
Current liabilities			
Trade and other payables	*10*	**81,409**	79,999
Borrowings		**83,600**	58,700
Lease liabilities		**2,713**	3,086
Deferred income		**361**	798
Amounts due to related parties		**1,250**	–
		169,333	142,583
Total liabilities		**343,541**	183,712
Equity			
Equity attributable to the equity holders of the Company			
Share capital		**261**	17
Shares held for the Employee Incentive Scheme		**(17)**	–
Reserves		**1,507,690**	369,647
Total equity		**1,507,934**	369,664
Total equity and liabilities		**1,851,475**	553,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1 GENERAL INFORMATION

1.1 General information

Kintor Pharmaceutical Limited (the "**Company**") was incorporated on 16 May 2018 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, "**the Group**") are principally engaged in research and development of innovative medicine products.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 22 May 2020 (the "**Listing**").

The consolidated financial statements are presented in Renminbi ("**RMB**") thousands, unless otherwise stated.

1.2 Reorganisation

The Group underwent a group reorganisation (the "**Reorganisation**"), pursuant to which the companies engaged in the Listing Business were transferred to the Company. The Reorganisation mainly involved the followings:

(a) Incorporation of the Company

The Company was incorporated in the Cayman Islands on 16 May 2018.

In 2018, the resolution of equity holders' meeting of Suzhou Kintor Pharmaceuticals, Inc. ("**Suzhou Kintor**") determined the reorganisation scheme. As part of the reorganisation scheme, the Group would recapitalize Suzhou Kintor and acquire Suzhou Koshine Biomedic, Inc. ("**Suzhou Koshine**").

(b) Recapitalization of Suzhou Kintor

In 2019, the Company issued and allotted a total number of 21,919,442 ordinary shares to the then equity owners of Suzhou Kintor in consideration of and in exchange for their respective shareholding in Suzhou Kintor.

As at 31 May 2019, Suzhou Kintor obtained the approval of modifications filing for foreign investment enterprises and changed its equity owners to Kintor Science Limited and Oriza Flight International Limited. Since then, Suzhou Kintor became a wholly-owned subsidiary of the Group.

(c) Acquisition of Suzhou Koshine

(i) Pursuant to the resolution of equity holders' meeting of Suzhou Kintor and the share swap agreement between the equity holders of Suzhou Koshine and the Company, the Group would acquire the 54% equity interest in Suzhou Koshine at a consideration of RMB62,161,560 which are settled by issuance of 606,654 shares of the Company and the remaining 46% equity interest in Suzhou Koshine at a consideration of RMB52,952,440 to be settled by issuance of 516,780 shares of the Company.

(ii) In November 2018, the Group obtained the control of 100% equity interest in Suzhou Koshine, among which 54% equity interest was at a consideration of RMB62,161,560 settled by issuance of 606,654 shares of the Company and the transfer of shares was completed on 5 November 2018; the consideration for the 46% equity interest was settled in March 2019 at a consideration of RMB52,952,440 by issuance of 516,780 shares of the Company to the 46% equity holders of Suzhou Koshine.

In June 2019, the Reorganisation was completed.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"). The consolidated financial statements has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss (FVPL) which are carried at fair value. The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies.

(a) New standards and interpretations adopted by the Group

The Group has adopted the following amendment to standards and interpretations which are mandatory for the year ended 31 December 2020:

Standards	Key requirements	Effective for accounting periods beginning on or after
Amendments to IFRS 3	Definition of a Business	1 January 2020
Amendments to IAS 1 and IAS 8	Definition of Material	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to IFRS 7, IFRS 9 and IAS 39	Interest rate benchmark reform	1 January 2020
Amendments to IFRS 16	Covid-19-related Rent Concessions	1 June 2020

These new standards and interpretations did not have material impact on the financial performance and position of the Group and did not require retrospective adjustments.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to existing standards and interpretations that are relevant to the Group have been issued but are not yet effective for the financial year beginning on 1 January 2020 and have not been early adopted by the Group. These new standards and amendments are set out below:

Standards	Key requirements	Effective for accounting periods beginning on or after
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16	2018-2020 annual improvement cycle	1 January 2022

The Group has already commenced an assessment of the impact of these new or revised standards and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective.

3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

During the years ended 31 December 2020 and 2019, the Group has been focusing on research and development of innovative medicine products. Accordingly, the management considers that the Group is operated and managed as a single operating segment and hence no segment information is presented.

4 EXPENSES BY NATURE

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Employee benefit expenses	**107,361**	43,100
Clinical research expenses	**104,702**	101,719
Materials and consumables used	**88,223**	35,208
Outsourced research and development costs	**58,511**	34,360
Listing expenses	**20,761**	12,512
Utilities and office expenses	**16,514**	8,963
Depreciation of property, plant and equipment	**3,417**	1,808
Depreciation of right-of-use assets	**3,117**	2,969
Less: amounts capitalised in property, plant and equipment	**(199)**	(198)
	2,918	2,771
Auditors' remuneration	**2,849**	35
Professional fees	**2,010**	532
Rental expenses	**989**	715
Medical expert consultation fees	**756**	2,196
Bank charges	**187**	645
Amortisation of intangible assets	**166**	69
Others	**5,091**	2,485
Total research and development costs, marketing costs, and administrative expenses	**414,455**	247,118

5 OTHER LOSSES – NET

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Gains on disposal of financial assets at fair value through profit or loss	**(2,132)**	–
Net foreign exchange losses on operating activities	**2,445**	8
Net foreign exchange losses on cash and cash equivalents	**90,531**	–
Net foreign exchange losses on investing activities	**25,318**	–
(Gains)/losses on disposal of property, plant and equipment	**(597)**	2
Gains on disposal of right-of-use assets	**(40)**	–
Others	**5**	577
	115,530	587

6 INCOME TAX EXPENSE

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Current income tax expense		
– Underprovision in prior year	**73**	–
Deferred income tax expense	**–**	–
	73	–

(i) Income tax expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains.

Hong Kong

Kintor Science Limited, Koshine Pharmaceuticals Limited and Kintor Pharmaceuticals Hong Kong Limited were incorporated in Hong Kong in 2018 and are subject to Hong Kong profits tax at the rate of 16.5% (2019:16.5%). Since these companies did not have assessable profits during the years ended 31 December 2020 and 2019, no Hong Kong profits tax has been provided.

United States of America

Kintor Pharmaceuticals Inc. was incorporated in the United States of America in 2018 and is subject to federal and state income tax rate of 23.5% (2019:23.5%).

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% (2019:25%) on the taxable income.

The income tax on the Group's losses before income tax differs from the theoretical amount that would arise using the enacted tax rate in the PRC applicable to the Group as follows:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Loss before income tax	**(508,228)**	(232,577)
Tax calculated at the applicable tax rate of 25%	**(127,057)**	(58,144)
Difference in overseas tax rates	**39,076**	–
Tax losses not recognised as deferred tax assets	**124,357**	90,549
Temporary differences not recognised as deferred tax assets	**(18)**	860
Utilisation of previously unrecognised tax losses	**–**	(33)
Super deduction in respect of research and development expenditures	**(41,789)**	(33,567)
Expenses not deductible for income tax purposes	**7,585**	335
Income not subject to taxation	**(2,870)**	–
Difference of prior year income tax annual filing	**789**	–
Income tax expense	**73**	–

7 DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 December 2020 and 2019.

8 LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the years ended 31 December 2020 and 2019.

In determining the weighted average number of ordinary shares in issue during the years ended 31 December 2020 and 2019, the capitalisation issue of 249,337,890 shares, pursuant to the shareholders' resolution dated 30 April 2020, was retrospectively adjusted. Out of aforementioned 249,337,890 shares arising from the capitalization issue, 23,613,590 shares held for the employee incentive scheme (including 21,252,231 shares arising from the relevant capitalization issue) was not taken account into in determining the weighted average number of ordinary shares in issue during the years ended 31 December 2020 and 2019. 23,042,876 ordinary shares of the Company, which were issued and allotted by the Company in connection with the Reorganisation before the relevant capitalization issue, have been treated as if these ordinary shares were in issue since 1 January 2019 in determining the weighted average number of ordinary shares in issue during the year ended 31 December 2019.

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Loss for the year	**(508,301)**	(232,577)
Weighted average number of ordinary shares in issue (in thousand)	**309,350**	239,361
Basic loss per share (in RMB)	**(1.64)**	(0.97)

Diluted loss per share

Diluted loss per share is same as basic loss per share as there is no dilutive potential ordinary shares during the years ended 31 December 2020 and 2019.

9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Prepayments to suppliers	**25,432**	16,767
Listing expenses		
–Deferred	**–**	6,387
–Prepaid	**–**	370
Deposits	**4,127**	1,280
Advances to employees	**1,507**	220
Others	**555**	57
	31,621	25,081

As at 31 December 2020 and 2019, the carrying amounts of other receivables and deposits were denominated in RMB and approximated their fair values.

10 TRADE AND OTHER PAYABLES

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Payables for materials and consumbles *(Note (a))*	**130**	947
Payables for service suppliers *(Note (a))*	**28,681**	22,420
Payables for property, plant and equipment	**28,513**	37,092
Salary and staff welfare payables	**13,321**	9,689
Payables for intangible asset	**3,500**	–
Payables for audit services	**2,800**	–
Payables for listing expenses	**2,030**	8,370
Payables for value-added tax and other taxes	**1,179**	769
Payables for interest expenses	**261**	76
Others	**994**	636
	81,409	79,999

As at 31 December 2020 and 2019, all trade and other payables of the Group were non-interest bearing, and their fair value approximated their carrying amounts due to their short maturities.

(a) As at 31 December 2020 and 2019, the ageing analysis of payables for materials and consumbles and payables for service suppliers based on invoice date are as follows:

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
–Within 1 year	**28,811**	23,367

FUTURE AND OUTLOOK

Our vision is to focus on a large number of indications of unmet clinical needs, and actively explore the research, development and commercialisation of novel treatment methods of small molecules linked with macromolecules. In response to the global spread of the COVID-19 pandemic, we will make our best effort to promote the commercialisation of Proxalutamide and make it a comprehensive, effective and safe treatment for COVID-19 in clinical use as soon as possible, making our contribution to the combat against COVID-19.

To accomplish that mission, we plan continue to advance the clinical development, regulatory approvals and commercial launch of Proxalutamide in China and strategically progress the clinical development and commercialisation of Proxalutamide in the United States and expand its indications. Since July 2020, we have been progressing on our clinical trials of Proxalutamide for the treatment of COVID-19. According to the clinical data we have collected, the efficacy and safety profiles of Proxalutamide in the treatment of patients with COVID-19 are outstanding. We strive to launch Proxalutamide to the market for COVID-19 treatment as soon as possible, and help people around the globe to defeat COVID-19. We also plan to leverage our expertise in AR-related research and continue our clinical development of Pyrilutamide for androgenetic alopecia and acne vulgaris in both China and the United States. Also, we plan to capitalise on our exclusive global license from Pfizer to develop our ALK-1 as a potential first-in-class drug, as well as our exclusive Greater China license from Gensun to develop PD-L1/TGF-β as a potential best-in-class drug, in combination therapies with a variety of antibodies or bispecific antibodies for the treatment of various solid tumours and leveraging the expertise of our biologics R&D personnel to enhance our biologics R&D capabilities. We also plan to further leverage our PROTAC platform in development of small molecule drugs such as GT20029 and seeking innovative drug strategies of applying PROTAC molecule in local treatment.

In order to support our continuous growth, we plan to continue our investment in R&D infrastructure and talent to advance the clinical development of our clinical-stage drug candidates as well as the pre-clinical development of our existing and future drug candidates. We also plan to seek collaboration opportunities in various aspects of our drug development process, including pre-clinical technology, clinical combination therapies and commercialisation.

COMPLIANCE WITH THE CG CODE

The Company has applied the principles and code provisions as set out in the CG Code contained in Appendix 14 to the Listing Rules. During the period from the Listing Date to 31 December 2020, the Board is of the opinion that the Company has complied with all the code provisions under the CG Code apart from the deviation stated below.

Under code provision A.2.1 of the CG Code, the responsibilities between the chairman and chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. TONG currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in Dr. TONG has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors and that our Board comprises three independent non-executive Directors out of nine Directors, and we believe there is sufficient check and balance in our Board; (ii) Dr. TONG and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of our Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both our Board and senior management levels. Finally, our Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for and communication within our Group. Our Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Group has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by Directors as its own code of conduct.

Specific enquiries have been made of all the Directors and they have confirmed that they have complied with the Model Code throughout the period from the Listing Date to the date of this announcement.

The Group's employees, who are likely to be in possession of inside information of the Group, are subject to the Model Code. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company throughout the period from the Listing Date to the date of this announcement.

USE OF PROCEEDS

With the Shares of the Company listed on the Stock Exchange on 22 May 2020, the net proceeds from the Global Offering were approximately HK$1,717.3 million (the "**IPO proceeds**"), which will be utilised for the purposes as set out in our Prospectus. As of 31 December 2020, IPO proceeds of HK$379.7 million has been utilised and we expect to utilize the balance of the IPO proceeds by June 2022.

As at 31 December 2020, details of intended application of net proceeds are set out as follow:

	Approximate % of total net proceeds *%*	**Planned use of actual net proceeds** *HKD'million*	**Utilized net proceeds up to 31 December 2020** *HKD'million*	**Proceeds unused** *HKD'million*	**Expected timeline for utilizing the remaining balance of net proceeds from the Global Offering**[(1)]
Development and commercialisation of Proxalutamide	42.0	721.3	135.3	586.0	Expected to be fully utilized by 30 June 2022
Development and commercialisation of Pyrilutamide	28.0	480.8	20.1	460.7	Expected to be fully utilized by 30 June 2022
Our ongoing and planned clinical trials for our other clinical-stage drug candidates	14.0	240.4	23.1	217.3	Expected to be fully utilized by 30 June 2022
The R&D of pre-clinical stage drug candidates	6.0	103.1	53.9	49.2	Expected to be fully utilized by 30 June 2022
Working capital and general corporate purposes	10.0	171.7	147.3	24.4	Expected to be fully utilized by 30 June 2022
Total	100.0	1,717.3	379.7	1,337.6	

Note:

(1) The Company intends to use the remaining unused net proceeds in the coming years in accordance with the purpose set out in the Prospectus. The Company will continue to evaluate the Group's business objectives and will change or modify the plans against the changing market conditions to suit the business growth of the Group. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

The Company does not intend to change the purpose of the IPO proceeds as set out in the Prospectus and will gradually utilise the residual amount of the IPO proceeds in accordance with their intended purpose.

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

During the period from the Listing Date to 31 December 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CHANGE OF DIRECTORS AND COMPOSITION OF BOARD COMMITTEES

With effect from 17 July 2020, Ms. Xiaoyan CHEN has resigned as a non-executive Director and Mr. Wei ZHANG has been appointed as a non-executive Director.

With effect from 27 October 2020, Ms. Yaling WU has been appointed as a non-executive Director and Prof. Liang TONG has been appointed by the Board as an independent non-executive Director.

With effect from 28 December 2020, Dr. Chuangxing GUO has resigned as a non-executive Director and Dr. John Fenyu JIN has resigned as an independent non-executive Director, a member of the Remuneration Committee and a member of the Nomination Committee.

With effect from December 28, 2020, Prof. Liang TONG, an independent non-executive Director, has been appointed as a member of the Remuneration Committee and Dr. Michael Min XU, an independent non-executive Director, has been appointed as a member of the Nomination Committee.

SUBSEQUENT EVENTS

Save as disclosed in this announcement, as of the date of this announcement, there was no other significant event subsequent to 31 December 2020.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive Directors, namely, Mr. Wallace Wai Yim YEUNG and Dr. Michael Min XU and one non-executive Director, namely, Dr. Bing CHEN. The chairman of the Audit Committee is Mr. Wallace Wai Yim YEUNG. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2020. The Audit Committee has also discussed with the management and the independent auditors of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited annual results for the year ended 31 December 2020) of the Group. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of comprehensive income and consolidated statement of financial position and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 31 December 2020.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the Company's website (**www.kintor.com.cn**). The annual report for the year ended 31 December 2020 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in April 2021.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their continuous support and contribution to the Group.

CHANGE OF JOINT COMPANY SECRETARY AND AUTHORIZED REPRESENTATIVE

The Board announces that Ms. Ching Man YEUNG ("**Ms. YEUNG**") has tendered her resignation as the joint company secretary of the Company (the "**Joint Company Secretary**") and an authorized representative of the Company (the "**Authorized Representative**") under the Listing Rules with effect from 26 March 2021.

Ms. YEUNG confirmed that she has no disagreement with the Board and there is no matter relating to her resignation that needs to be brought to the attention of the Stock Exchange and the Shareholders.

The Board further announces that Ms. Wing Han Sharon LEUNG ("**Ms. LEUNG**") has been appointed as a Joint Company Secretary and the Authorized Representative with effect from 26 March 2021.

The biographical details of Ms. LEUNG are set out as follows:

Ms. LEUNG, is a vice president of SWCS Corporate Services Group (Hong Kong) Limited. She has over 13 years of experience in finance, accounting and company secretarial matters. Ms. LEUNG holds a bachelor's degree of business administration in accounting and a master's degree of laws in international corporate and financial law. She is a fellow member of the Chartered Governance Institute and the Hong Kong Institute of Chartered Secretaries. She is also a member of the Hong Kong Institute of Certified Public Accountants.

WAIVER FROM STRICT COMPLIANCE WITH RULES 3.28 AND 8.17 OF THE LISTING RULES

Reference is made to the waiver (the "**Waiver**") granted to the Company by the Stock Exchange from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules in respect of the eligibility of Dr. Jie CHEN ("**Dr. CHEN**") to act as a Joint Company Secretary for a three-year period from the date of the Company's listing (i.e. 22 May 2020) to 21 May 2023 (the "**Waiver Period**"), on the condition that Dr. CHEN would be assisted by Ms. YEUNG, who possesses the qualifications required under Rule 3.28 of the Listing Rules, during the Waiver Period. Relevant details of the Waiver were disclosed in the section headed "Waivers From Compliance With The Listing Rules And Exemptions From Compliance With The Companies (Winding Up And Miscellaneous Provisions) Ordinance" of the Prospectus.

Given the condition of the Waiver could no longer be fulfilled following the resignation of Ms. YEUNG, the Company has applied to the Stock Exchange and has already been granted with a new waiver (the "**New Waiver**") by the Stock Exchange from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for the remaining period of the Waiver Period (i.e. from 26 March 2021 to 21 May 2023) (the "**New Waiver Period**") in relation to the eligibility of Dr. CHEN to act as a Joint Company Secretary, on the conditions that:

(i) Dr. CHEN will be assisted by Ms. LEUNG during the New Waiver Period;

(ii) the Company shall notify the Stock Exchange at the end of the New Waiver Period for the Stock Ex-change to revisit the situation. The Stock Exchange expects that, after the end of the New Waiver Period, the Company will be able to demonstrate that Dr. CHEN, having had the benefit of Ms. LEUNG's assistance during the New Waiver Period, has attained the relevant experience and is capable of discharging the functions of company secretary under Rule 3.28 of the Listing Rules such that a further waiver will not be necessary; and

(iii) the Company will announce the details of the New Waiver, including its reasons and conditions.

The above disclosure aims to satisfy condition (iii) set out above.

The New Waiver will be revoked immediately if and when Ms. LEUNG ceases to provide assistance to Dr. CHEN.

The Board would like to take this opportunity to express its gratitude to Ms. YEUNG for her valuable contribution to the Company during her tenure of service, and to welcome Ms. LEUNG on her new appointment.

GRANT OF RSU

On 26 March 2021, the Board approved to grant 3,509,000 RSUs, representing approximately 0.9% of the total issued share capital of the Company as of the date of this announcement, to 19 Grantees in accordance with the terms of the Employee Incentive Scheme on 31 March 2021.

For the RSUs to be granted on 31 March 2021 to 19 Grantees pursuant to the Employee Incentive Scheme, they shall (unless the Board shall otherwise determine and so notify the Participant in writing) vest as follows:

(a) as to approximately 50% of the RSUs on 31 March 2023;

(b) as to approximately 25% of the RSUs on 31 March 2024; and

(c) as to approximately 25% of the RSUs on 31 March 2025.

None of the Grantees is a Director or otherwise a core connected person (shall have the meanings given to such term in the Listing Rules) of the Company.

DEFINITIONS

In this announcement, unless the context otherwise require, the following expressions shall have the following meaning:

"Abiraterone"	a synthetic, steroidal CYP17A1 inhibitor and the active metabolite of abiraterone acetate, an ester and prodrug of abiraterone that is used in the treatment of prostate cancer
"ALK-1"	activin receptor-like kinase-1, an antagonistic mediator of lateral transforming growth factor-beta/ALK-5 signalling, also known as GT90001
"ALK-5"	the transforming growth factor-beta type I receptor kinase, an attractive target for intervention in transforming growth factor-beta signalling due to its druggability as well as its centrality and specificity in the pathway
"AR"	androgen receptor
"AR+"	androgen receptor positive
"Audit Committee"	the audit committee of the Board
"BCC"	basal-cell carcinoma
"Board" or "Board of Directors"	the board of directors of the Company
"c-Myc"	MYC proto-oncogene, bHLH transcription factor, a protein that codes for transcription factors
"CDE"	the Centre for Drug Evaluation of the NMPA
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules

"China" or "PRC"	The People's Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macao and Taiwan
"CMO(s)"	a company that offers manufacturing services, with volume capabilities ranging from small amounts for preclinical R&D to larger volumes necessary for clinical trials purposes and commercialisation
"Company"	Kintor Pharmaceutical Limited, formerly known as KTKM Holdings Inc., an exempted company with limited liability incorporated in the Cayman Islands on 16 May 2018 whose Shares are listed on the Main Board of the Stock Exchange with stock code 9939
"Core Products"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this announcement, our Core Products consists of Proxalutamide (GT0918), Pyrilutamide (KX-826) and ALK-1 (GT90001)
"COVID-19"	coronavirus disease 2019
"CRO(s)"	contract research organisation(s), a company hired by another company or research centre to take over certain parts of running a clinical trial. The company may design, manage, and monitor the trial, and analyse the results
"CTLA-4"	a protein receptor that functions as an immune checkpoint and downregulates immune responses
"Detorsertib" or "GT0486"	an inhibitor of the PI3K/mTOR signalling pathway and a second generation mTOR inhibitor under development by our Group primarily for the treatment of metastatic solid tumours such as breast cancer, prostate cancer and liver cancer
"Director(s)"	director(s) of the Company
"Dr. TONG"	Dr. Youzhi TONG, one of the co-founders, as executive Director, chairman and chief executive officer of the Company
"Employee Incentive Scheme"	the employee incentive scheme of our Company approved and adopted by our Board on 31 March 2020
"Frost & Sullivan Report"	an independent market research report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent third party in January 2021
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Grantees"	the employees of the Group who were granted RSUs in accordance with the Employee Incentive Scheme on 26 March 2021.

"Group"	the Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"HCC"	hepatocellular carcinoma, a common type of liver cancer
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"HKD" or "HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board
"IND"	investigational new drug
"Kintor US"	Kintor Pharmaceuticals, Inc., an wholly-owned subsidiary of the Company incorporated under the laws of the State of Delaware
"KN046"	a bispecific antibodies (bsAb) immune checkpoint inhibitor simultaneously targeting two clinically-validated immune checkpoints, PD-L1 and CTLA-4
"leukaemia"	a group of cancers that usually begin in the bone marrow and result in high numbers of abnormal white blood cells
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	the date, Friday, 22 May 2020, from which the Shares are listed and dealings therein were first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Macao"	The Macao Special Administrative Region of the PRC
"mCRPC"	the acronym of metastatic castration-resistant prostate cancer
"Model Code"	the Model Code for Securities Transactions by Directors of Listed issuers as set out in Appendix 10 to the Listing Rules
"mTOR"	mammalian target of rapamycin, a critical effector in cell-signalling pathways commonly deregulated in human cancers
"NDA"	new drug application
"Nivolumab"	a human immunoglobulin G4 (IgG4) monoclonal antibody, which targets the negative immunoregulatory human cell surface receptor programmed death-1 (PD1, PCD1,) with immune checkpoint inhibitory and antineoplastic activities

"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration according to the Institutional Reform Plan of the State Council
"Nomination Committee"	Nomination committee of the Board
"PD"	Pharmacodynamics
"PD-1"	programmed cell death protein 1, a protein in humans is encoded by the programmed cell death 1 (PDCD1) gene
"PD-L1"	programmed cell death-ligand 1, part of an immune checkpoint system that is essential for preventing autoimmunity and cancer
"Pfizer"	Pfizer, Inc., a corporation organised and existing under the laws of the State of Delaware, United States, and a research-based global biopharmaceutical company
"PI3K"	the acronym of Phosphoinositide 3-kinase, a family of enzymes involved in cellular functions such as cell growth, proliferation, differentiation, motility, survival, and intracellular trafficking, which in turn are involved in cancer
"PK"	Pharmacokinetics
"Prospectus"	the prospectus of the Company dated 12 May 2020
"PROTAC"	Proteolysis Targeting Chimera, a small molecule composed of (i) a recruiting element for a protein of interest; (ii) an E3 ubiquitin ligase recruiting element; and (iii) a linker bounding (i) and (ii)
"Proxalutamide" or "GT0918"	a small molecule second generation AR antagonist under development by our Group for the treatment of mCRPC and AR+ metastatic breast cancer
"Pyrilutamide" or "KX-826"	an AR antagonist under development by our Group as a topical drug for the treatment of androgenetic alopecia and acne vulgaris
"R&D"	research and development
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC
"Remuneration Committee"	Remuneration committee of the Board
"Reorganisation"	the reorganisation of our Group in preparation of the Listing
"Reporting Period"	the year ended 31 December 2020

"RSU"	a restricted share unit award granted to a participant under the Employee Incentive Scheme that is subject to such terms and conditions as set forth in the rules of the Employee Incentive Scheme, and each restricted share unit represents one underlying Share
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company, currently of nominal value US$0.0001 each
"Shareholder(s)"	holder(s) of the Shares
"SMO"	smoothened, a Class Frizzled G protein-coupled receptor that is a component of the hedgehog signalling pathway
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou Kintor"	Suzhou Kintor Pharmaceutical, Inc.* (蘇州開拓藥業股份有限公司), a wholly-owned subsidiary of the Company
"TGF-β"	a regulatory cytokine that has multifunctional properties that can enhance or inhibit many cellular functions, including interfering with the production of other cytokines and enhancing collagen deposition
"U.S. FDA"	Food and Drug Administration of the United States
"United States" or "US"	the United States of America
"USD" or "US$"	United States dollars, the lawful currency of the United States
"VEGF"	vasoactive endothelial growth factor, a potent angiogenic factor and was first described as an essential growth factor for vascular endothelial cells
"WHO"	World Health Organization

"we", "us" or "our"	the Company and, unless the context indicates otherwise, its subsidiaries

By order of the Board
KINTOR PHARMACEUTICAL LIMITED
Dr. Youzhi Tong
Executive Director

Hong Kong, 26 March 2021

As of the date of this announcement, the executive Director is Dr. Youzhi Tong; the non-executive Directors are Mr. Gang Lu, Mr. Jie Chen, Dr. Bing Chen and Mr. Wei Zhang; and Ms. Yaling Wu; and the independent non-executive Directors are Dr. Michael Min Xu, Mr. Wallace Wai Yim Yeung and Prof. Liang Tong.

- *For identification purpose only*