*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)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

The Board of Directors of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2020, together with comparative figures for the six months ended 30 June 2019. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

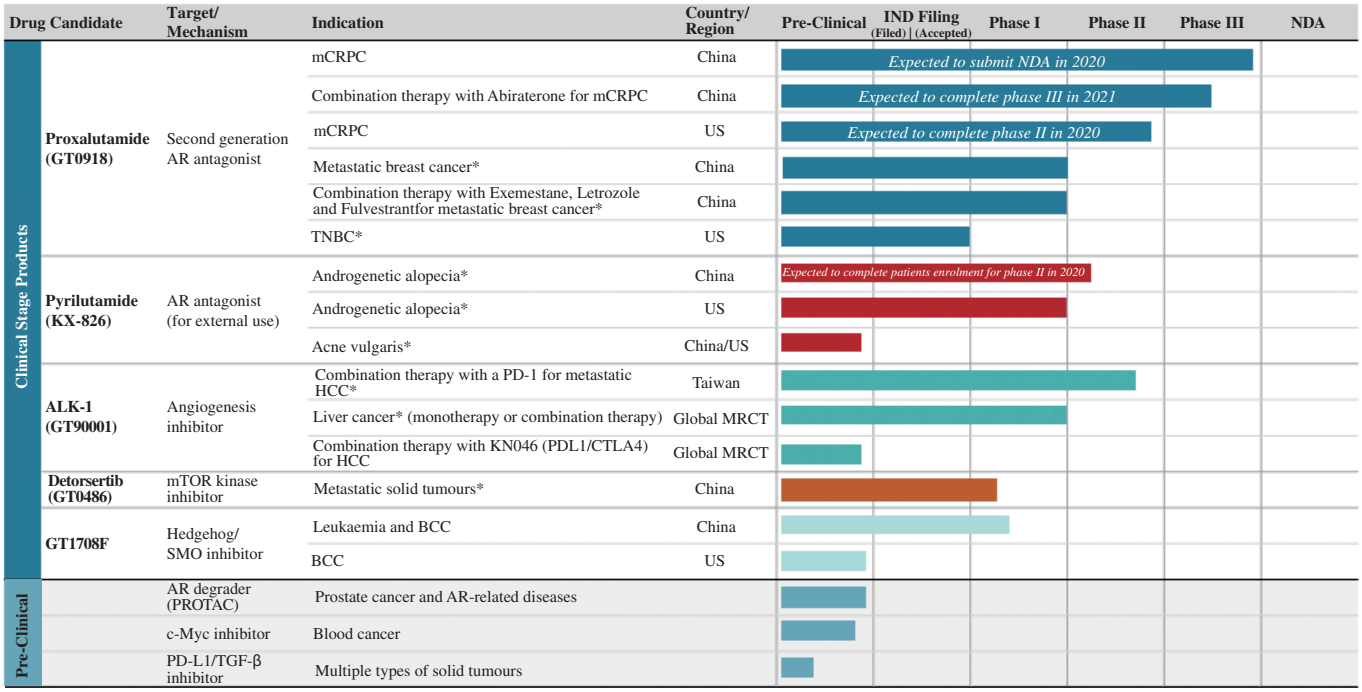
We are a clinical-stage novel drug developer in China focused on the proprietary R&D of potential first-in-class and best-in-class drugs for cancers and other androgen receptor-related, or AR-related diseases. Our lead drug candidate, Proxalutamide, is a potential best-in-class drug undergoing phase III clinical trials in China and phase II clinical trials in the United States for metastatic castration-resistant prostate cancer, or mCRPC as well as clinical trials for breast cancer.

Our portfolio of drug candidates addresses major cancer types and other AR-related diseases with large market potential. According to the Frost & Sullivan Report, prostate cancer was the second fastest growing cancer among major cancer types in China in terms of the growth rate of new cases from 2014 to 2018, and breast cancer was the most common type of cancer in women globally in 2018. The population of male patients aged 30 to 70 with androgenetic alopecia, a common form of hair loss and an AR-related disease, reached over 92.8 million in China and 31.1 million in the United States in 2018, 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. In respect of the development and commercialisation of our Core Products, we experienced slight delays in new patient enrolment for some of our on-going trials. We have not experienced during the six months ended 30 June 2020 and 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.

## Product Pipeline

Our pipeline of drug candidates includes a risk-balanced and diversified portfolio of products that strategically targets 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:




* Represents a potential first-in-class drug candidate for the relevant indication

## BUSINESS REVIEW

We had developed a pipeline of five drug candidates as of 30 June 2020, for which we had obtained approvals to commence clinical trials in China, the United States, Brazil and/or 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 and an inhibitor of the hedgehog signal translation pathway for which we received IND approval in February 2020 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 mCRPC and AR+ metastatic breast cancer.

  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 of 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 file the NDA application in the fourth quarter of 2020.

  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.

  As at 16 July 2020, the Group had completed the protocol defined patients enrolment for Proxalutamide phase II clinical trials in the US. The US 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. The enrolment of subjects completed in June 2020.

On 7 July 2020, Suzhou Kintor Pharmaceutical, Inc.* (蘇州開拓藥業股份有限公司) ("**Suzhou Kintor**"), a wholly-owned subsidiary of the Company, 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 the coronavirus disease (COVID-19) (the "**Clinical Trial**"). On 20 August 2020, the Clinical Trial recorded the first patient enrolment in Brazil. Please refer to the announcements of the Company dated 12 July 2020 and 21 August 2020, respectively for further information.

- ***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. We expect to commence first patient enrolment for Pyrilutamide's phase II clinical trials on androgenetic alopecia in the third quarter of 2020 in China. 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 fourth quarter of 2020.

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.

**Other Clinical Stage Products**

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

ALK-1 is a new anti-angiogenesis inhibitor, and ALK-1 is a new biological target spot globally. We are currently developing ALK-1 for the treatment of metastatic HCC. 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. ALK-1 can potentially be used in combination with PD-1 inhibitors or VEGF inhibitors for the treatment of a variety of solid tumours.

Our clinical research on ALK-1 has been 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). 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 as a combination therapy with Nivolumab, a PD-1, for metastatic HCC in Taiwan for patients who failed the first-line treatment of Sonafirab. We expect to finalise the CSR report and release the data in 2021.

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.

- ***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 in China for Detorsertib in August 2019. We expect to commence patient enrolment in the third quarter of 2020.

- ***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 expect to commence patients enrolment in the fourth quarter of 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.

  We plan to file the IND application with the U.S. FDA in the fourth quarter of 2020 for GT1708F's BCC indications.

**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 an AR degrader for the treatment of prostate cancer, 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.

AR degraders are considered a natural progression from AR inhibitors such as Proxalutamide, and have the potential to become a new generation of treatment for prostate cancers. We are in the discovery phase for the development of AR degraders for the treatment of prostate cancer and other AR-related diseases.

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 Biopharma Inc. ("**Gensun**"), an indirect subsidiary of Zelgen Biopharmaceuticals Co., Ltd. (蘇州澤璟生物製藥股份有限公司) ("**Zelgen**") which is listed on the Sci-Tech innovation board of the Shanghai Stock Exchange (STAR Market), pursuant to which we 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). 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, 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 progressed Proxalutamide to phase III clinical trials in China, expanded the indication of Proxalutamide to metastatic breast cancer, and have also developed Pyrilutamide for androgenetic alopecia and acne vulgaris.

Our R&D work is led by senior scientists, including Dr. TONG, supported by eight 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 six months ended 30 June 2019 and 2020, our research and development expenses were approximately RMB89.4 million and RMB148.4 million, respectively.

## FINANCIAL REVIEW

We currently have no drugs approved for commercial sale and have not generated any revenue from drug sales. We have never been profitable and have incurred operating losses in each year since our inception. Our loss and total comprehensive loss were RMB98.5 million and RMB195.4 million for the six months ended 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 RMB95.5 million and RMB163.7 million, respectively. Substantially all of our operating losses resulted from R&D costs and administrative expenses.

### *Revenue*

We did not generate any revenue for the six months ended 30 June 2020 and the six months ended 30 June 2019.

### *Cost of Sales*

We did not record any cost of sales for the six months ended 30 June 2020 and the six months ended 30 June 2019.

### *Gross Profit*

We did not record any gross profit for the six months ended 30 June 2020 and the six months ended 30 June 2019.

### *Distribution and Marketing Costs*

Our distribution and marketing costs primarily consisted of salaries and other benefits of our sales and marketing team. Our distribution and marketing costs increased from nil for the six months ended 30 June 2019 to RMB3.6 million for the six months ended 30 June 2020, which was mainly attributable to the establishment and expansion of our sales and marketing team in preparation for Proxalutamide's commercialisation.

***Other Income***

Our other income primarily consisted of interest income from bank balances and government grants. Our other income increased by RMB0.4 million or 10.7% from RMB4.1 million for the six months ended 30 June 2019 to RMB4.5 million for the six months ended 30 June 2020, which was mainly attributable to an RMB1.8 million increase in interest income from bank balances primarily as a result of the increase of our bank balances during the Reporting Period, partially offset by (i) an RMB0.8 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.

***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 and rental expenses for our other leased offices not accounted for as right-of-use assets.

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

| | **For the six months ended 30 June** | | | |
|---|---|---|---|---|
| | **2020** | | 2019 | |
| | ***RMB'000 (unaudited)*** | ***%*** | *RMB'000 (unaudited)* | *%* |
| Employee benefit expenses | **9,743** | **21.6** | 2,972 | 24.5 |
| Add: share-based compensation expenses | **3,894** | **8.7** | – | – |
| Employee benefit expenses (including share-based compensation expenses) | **13,637** | **30.3** | 2,972 | 24.5 |
| Utilities and office expenses | **5,878** | **13.1** | 3,570 | 29.5 |
| Depreciation and amortization | **1,229** | **2.7** | 1,187 | 9.8 |
| Listing expenses | **20,761** | **46.1** | 3,043 | 25.1 |
| Others | **3,511** | **7.8** | 1,341 | 11.1 |
| **Total** | **45,016** | **100.0** | 12,113 | 100.0 |

Our administrative expenses increased by RMB32.9 million or 271.6% from RMB12.1 million for the six months ended 30 June 2019 to RMB45.0 million for the six months ended 30 June 2020, which was mainly attributable to (i) an RMB10.7 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 RMB2.3 million increase in utilities and office expenses in line with the expansion of our operations; (iii) an RMB17.7 million increase in Listing expenses; and (iv) an RMB2.2 million increase in other administrative expenses primarily relating to the increase of our recruitment related activities expenses and professional advisory expenses such as taxation, intangible property valuation and intellectual property maintenance.

***R&D Costs***

Our R&D costs during the Reporting Period primarily consisted of (i) clinical research expenses, which primarily consisted of fees paid to 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 clinical 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 periods indicated:

| | **For the six months ended 30 June** | | | |
|---|---|---|---|---|
| | **2020** | | 2019 | |
| | ***RMB'000 (unaudited)*** | ***%*** | *RMB'000 (unaudited)* | *%* |
| Clinical research expenses | **54,531** | **36.7** | 47,727 | 53.4 |
| Materials and consumables expenses | **40,371** | **27.2** | 11,134 | 12.5 |
| Employee benefit expenses | **25,304** | **17.1** | 15,950 | 17.8 |
| Add: share-based compensation expenses | **6,548** | **4.4** | – | – |
| Employee benefit expenses (including share-based compensation expenses) | **31,852** | **21.5** | 15,950 | 17.8 |
| Third party contracting fees | **18,833** | **12.7** | 11,488 | 12.8 |
| Others | **2,788** | **1.9** | 3,128 | 3.5 |
| **Total** | **148,375** | **100.0** | 89,427 | 100.0 |

Our R&D costs for Proxalutamide were RMB54.7 million and RMB76.1 million for the six months ended 30 June 2019 and 2020, respectively, and our R&D costs for Pyrilutamide were RMB8.0 million and RMB16.7 million in 2019 and 2020, respectively (excluding ancillary R&D costs which are not product-specific).

Our R&D costs increased by RMB58.9 million or 65.9% from RMB89.4 million for the six months ended 30 June 2019 to RMB148.4 million for the six months ended 30 June 2020, which was mainly attributable to (i) an RMB6.8 million increase in clinical research expenses primarily paid to hospitals where we conducted clinical trials; (ii) an RMB29.2 million increase in materials and consumables expenses primarily resulting from (1) the purchase of branded Abiraterone for our Proxalutamide phase III clinical trials (combination therapy with Abiraterone for mCRPC) in China; and (2) 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 RMB15.9 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 RMB7.3 million increase in third party contracting fees primarily consisting of fees paid to CROs and CMOs.

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) the hiring of additional R&D staff to support our growing needs of innovative drugs' discovery and development.

***Other (Losses)/Gains – Net***

We had other losses of RMB1.0 million for the six months ended 30 June 2020 primarily as a result of net foreign exchange losses due to exchange rates movement. We had other gains of RMB0.1 million for the six months ended 30 June 2019 primarily as a result of net foreign exchange gains.

***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 increased by RMB0.8 million or 73.2% from RMB1.1 million for the six months ended 30 June 2019 to RMB2.0 million for the six months ended 30 June 2020, which was mainly attributable to the increase of our bank borrowings and the depreciation of USD and HKD against RMB from the Listing Date to the end of the Reporting period.

***Income Tax Expenses***

We did not have any income tax expenses for the six months ended 30 June 2019 and the six months ended 30 June 2020 as we incurred net tax losses.

***Net Loss for the Reporting Period***

Our net loss increased by RMB96.9 million or 98.4% from RMB98.5 million for the six months ended 30 June 2019 to RMB195.4 million for the six months ended 30 June 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 Listing expenses and share-based compensation 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 period to adjusted loss and total comprehensive loss for the period during the periods indicated:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| | ***(unaudited)*** | *(unaudited)* |
| Loss and total comprehensive loss for the period | **(195,447)** | (98,505) |
| Added: | | |
| *Listing expenses (one-time)* | **20,761** | 3,043 |
| *Share-based compensation expenses* | **10,998** | – |
| Adjusted loss and total comprehensive loss for the period | **(163,688)** | (95,462) |

**Employees and Renumeration Policies**

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

| | As of 30 June 2020 | |
|---|---|---|
| | Number of employees | as a percentage of total |
| Core management | 11 | 6.4% |
| Clinical | 30 | 17.4% |
| Chemistry | 15 | 8.7% |
| Biology | 12 | 7.0% |
| Pharmacokinetics | 3 | 1.7% |
| Antibody | 6 | 3.5% |
| Formulation | 5 | 2.9% |
| Analytical development | 11 | 6.4% |
| Manufacturing planning | 9 | 5.2% |
| Quality | 7 | 4.1% |
| Environment, health and safety | 2 | 1.2% |
| Quality control | 9 | 5.2% |
| Manufacturing | 7 | 4.1% |
| Commercial | 11 | 6.4% |
| Registration | 5 | 2.9% |
| Project management | 7 | 4.1% |
| Administration | 12 | 7.0% |
| Finance | 8 | 4.7% |
| Investor relations | 2 | 1.2% |
| **Total** | 172 | 100.0% |

As at 30 June 2020, the Group had a total of 172 full time employees, among whom, 167 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 consisted of deposits with banks and cash on hand. As of 30 June 2020, cash and cash equivalents increased by RMB1,596.6 million from RMB195.5 million as of 31 December 2019 to RMB1,792.2 million. The increase was primarily resulted from the net proceeds from the Global Offering.

As of 30 June 2020, we had utilised bank facilities of RMB208.2 million and unutilised bank facilities of RMB146.9 million.

***Significant Investments, Material Acquisitions or Disposals***

As of 30 June 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 periods indicated:

| | **For the six months ended 30 June** | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| | ***(unaudited)*** | *(unaudited)* |
| Cash used in operations | **(160,903)** | (88,338) |
| Net interest paid | **(1,322)** | (1,305) |
| Net cash used in operating activities | **(162,225)** | (89,643) |
| Net cash (used in)/generated from investing activities | **(33,032)** | 7,386 |
| Net cash generated from financing activities | **1,792,803** | 7,109 |
| Net increase/(decrease) in cash and cash equivalents | **1,597,546** | (75,148) |
| Cash and cash equivalent at the beginning of the period | **195,532** | 137,513 |
| Exchange losses on cash and cash equivalents | **(919)** | – |
| Cash and cash equivalent at the end of the period | **1,792,159** | 62,365 |

***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 six months ended 30 June 2020, our net cash used in operating activities was RMB162.2 million, consisting of RMB160.9 million of cash used in operations, interest paid on borrowings of RMB3.3 million and interest received on bank balances of RMB2.0 million.

During the six months ended 30 June 2019, our net cash used in operating activities was RMB89.6 million, consisting of RMB88.3 million of cash used in operations, interest paid on borrowings of RMB2.0 million and interest received on bank balances of RMB0.7 million.

***Net Cash (used in)/generated 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 six months ended 30 June 2020, our net cash used in investing activities was RMB33.0 million, which primarily consisted of purchase of property, plant and equipment for our Suzhou plant.

During the six months ended 30 June 2019, our net cash generated from investing activities was RMB7.4 million, which primarily consisted of (i) purchase of property, plant and equipment of RMB22.7 million for our Suzhou plant; (ii) purchase of structured deposits of RMB55.0 million; (iii) intangible assets of RMB3.0 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 RMB32.5 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 six months ended 30 June 2020, our net cash generated from financing activities was RMB1,792.8 million, which primarily consisted of (i) proceeds from borrowings of RMB179.4 million and (ii) proceeds from the Global Offering of RMB1,649.9 million, partially offset by (i) payment of lease liabilities of RMB1.4 million mainly relating to rental payment for our offices; (ii) repayments of borrowings of RMB29.9 million and (iii) payment for Listing expenses of RMB5.2 million.

During the six months ended 30 June 2019, our net cash generated from financing activities was RMB7.1 million, which primarily consisted of (i) proceeds from borrowings of RMB29.9 million and (ii) capital contribution from equity holders of RMB40.7 million mainly relating to the Reorganisation, partially offset by (i) payment of lease liabilities of RMB1.4 million mainly relating to rental payment for our offices; (ii) repayment of borrowings of RMB21.0 million; (iii) payment for Listing expenses of RMB0.3 million and (iv) capital reduction from equity holders of RMB40.8 million mainly relating to the Reorganisation.

**Financial position**

Our net current assets increased from RMB78.0 million as of 31 December 2019 to RMB1,569.1 million as of 30 June 2020. Current assets increased from RMB220.6 million as of 31 December 2019 to RMB1,807.2 million as of 30 June 2020, primarily due to the net proceeds we received from the Global Offering in May 2020.

**Significant change in accounting policy**

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

**Indebtedness**

As of 30 June 2020, the balance of our bank borrowings consisted of short-term bank borrowings of RMB108.7 million which were unsecured and unguaranteed and long-term bank borrowings of RMB99.5 million (of which RMB1.0 million is repayable within one year) which were secured by certain land use right and construction in progress. As of 30 June 2020, we had unutilised bank facilities of RMB146.9 million.

**Certain Financial Ratio**

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

| | **As of 30 June 2020** | As of 31 December 2019 |
|---|---|---|
| Current ratio[(1)] | **7.59** | 1.55 |

*Note:*

(1) Current ratio is total current assets as of period-end as a percentage of total current liabilities as of period-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. We currently do not hedge or consider it is necessary to hedge any of these risks.

***Foreign Exchange Risk***

The Group's exposure to foreign exchange risk as at 30 June 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, restricted cash 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 30 June 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, restricted cash and short-term investment products. The carrying amounts of trade and other receivables, cash and cash equivalents, restricted cash 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, restricted cash 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. We expect that trade receivables are exposed to negligible credit risk.

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 RMB1,569.1 million as of 30 June 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 unaudited condensed consolidated results of the Group for the six months ended 30 June 2020, with comparative figures for the corresponding period in the previous year as follows:

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | *Note* | **For the six months ended 30 June 2020** ***RMB'000*** ***(Unaudited)*** | For the six months ended 30 June 2019 *RMB'000* *(Unaudited)* |
|---|---|---|---|
| Revenue | | **–** | – |
| Cost of sales | | **–** | – |
| **Gross profit** | | **–** | – |
| Other income | *6* | **4,497** | 4,064 |
| Distribution and marketing costs | | **(3,595)** | – |
| Administrative expenses | | **(45,016)** | (12,113) |
| Research and development costs | | **(148,375)** | (89,427) |
| Other (losses)/gains – net | *8* | **(973)** | 117 |
| **Operating loss** | *7* | **(193,462)** | (97,359) |
| Finance costs – net | *9* | **(1,985)** | (1,146) |
| **Loss before income tax** | | **(195,447)** | (98,505) |
| Income tax expense | *10* | **–** | – |
| **Loss and total comprehensive loss for the period attributable to the equity holders of the Company** | | **(195,447)** | (98,505) |
| **Basic and diluted loss per share attributable to the equity holders of the Company (in RMB)** | *12* | **(0.72)** | (0.43) |

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Note | **As at 30 June 2020** ***RMB'000*** ***(Unaudited)*** | As at 31 December 2019 *RMB'000* *(Audited)* |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | *13* | **140,422** | 98,369 |
| Intangible assets | *13* | **179,270** | 179,299 |
| Right-of-use assets | *13* | **12,811** | 14,412 |
| Other non-current assets | | **37,417** | 40,683 |
| | | **369,920** | 332,763 |
| **Current assets** | | | |
| Other receivables, deposits and prepayments | | **15,044** | 25,081 |
| Cash and cash equivalents | | **1,792,159** | 195,532 |
| | | **1,807,203** | 220,613 |
| **Total assets** | | **2,177,123** | 553,376 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Borrowings | *14* | **98,500** | – |
| Lease liabilities | | **936** | 2,311 |
| Deferred income tax liabilities | | **38,818** | 38,818 |
| | | **138,254** | 41,129 |

| | Note | As at 30 June 2020 RMB'000 (Unaudited) | As at 31 December 2019 RMB'000 (Audited) |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and other payables | *15* | **124,810** | 79,999 |
| Borrowings | *14* | **109,700** | 58,700 |
| Lease liabilities | | **3,048** | 3,086 |
| Deferred income | | **517** | 798 |
| | | **238,075** | 142,583 |
| **Total liabilities** | | **376,329** | 183,712 |
| **Equity** | | | |
| **Equity attributable to the equity holders of the Company** | | | |
| Share capital | *16* | **261** | 17 |
| Shares held for the Employee Incentive Scheme | *17* | **(17)** | – |
| Reserves | *18* | **1,800,550** | 369,647 |
| **Total equity** | | **1,800,794** | 369,664 |
| **Total equity and liabilities** | | **2,177,123** | 553,376 |

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Share capital *RMB'000* *(Note 16)* | Combined capital *RMB'000* *(Notes 16 and 18)* | Capital accumulation reserve *RMB'000* *(Notes 17 and 18)* | Shares held for the Employee Incentive Scheme *RMB'000* *(Note 17)* | Accumulated losses *RMB'000* *(Note 18)* | Total equity *RMB'000* |
|---|---|---|---|---|---|---|
| (Unaudited) | | | | | | |
| Balance at 1 January 2020 | **17** | **–** | **788,726** | **–** | **(419,079)** | **369,664** |
| Loss and total comprehensive loss for the period | **–** | **–** | **–** | **–** | **(195,447)** | **(195,447)** |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Issue of shares of the Company *(Note 18)* | **227** | **–** | **1,615,352** | **–** | **–** | **1,615,579** |
| Shares issued by the Company to the 2020 Employee Incentive Scheme (as defined in Note 17) | **17** | **–** | **–** | **(17)** | **–** | **–** |
| Share-based payments *(Note 17)* | **–** | **–** | **10,998** | **–** | **–** | **10,998** |
| | **244** | **–** | **1,626,350** | **(17)** | **–** | **1,626,577** |
| Balance at 30 June 2020 | **261** | **–** | **2,415,076** | **(17)** | **(614,526)** | **1,800,794** |
| (Unaudited) | | | | | | |
| Balance at 1 January 2019 | –* | 16,685 | 421,494 | – | (186,502) | 251,677 |
| Loss and total comprehensive loss for the period | – | – | – | – | (98,505) | (98,505) |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Shares issued by the Company to swap for shares in Suzhou Kintor in connection with the Reorganisation *(Note 18 (c))* | 15 | (16,685) | 57,384 | – | – | 40,714 |
| | 15 | (16,685) | 57,384 | – | – | 40,714 |
| Balance at 30 June 2019 | 15 | – | 478,878 | – | (285,007) | 193,886 |

* The amount is less than RMB1,000

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Note | **For the six months ended 30 June 2020** ***RMB'000*** ***(Unaudited)*** | For the six months ended 30 June 2019 *RMB'000* *(Unaudited)* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash used in operations | | **(160,903)** | (88,338) |
| Interest paid | | **(3,313)** | (1,958) |
| Interest received | *6* | **1,991** | 653 |
| Net cash used in operating activities | | **(162,225)** | (89,643) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(32,976)** | (22,726) |
| Purchases of financial assets measured at amortized cost | *6* | **–** | (55,000) |
| Proceeds from disposal of financial assets measured at amortized cost | | **–** | 55,578 |
| Purchase of intangible assets | *13* | **(56)** | (3,000) |
| Proceeds from restricted cash | | **–** | 32,534 |
| Net cash (used in)/generated from investing activities | | **(33,032)** | 7,386 |
| **Cash flows from financing activities** | | | |
| Principal elements of lease liabilities | | **(1,355)** | (1,422) |
| Proceeds from borrowings | | **179,400** | 29,900 |
| Repayments of borrowings | | **(29,900)** | (21,000) |
| Payment for listing expenses | | **(5,245)** | (319) |
| Proceeds from issue of shares of the Company | | **1,649,903** | – |
| Capital contribution from equity holders | | **–** | 40,714 |
| Capital reduction from equity holders | | **–** | (40,764) |
| Net cash generated from financing activities | | **1,792,803** | 7,109 |
| **Net increase/(decrease) in cash and cash equivalents** | | **1,597,546** | (75,148) |
| Cash and cash equivalents at the beginning of the period | | **195,532** | 137,513 |
| Exchange losses on cash and cash equivalents | | **(919)** | – |
| **Cash and cash equivalents at the end of the period** | | **1,792,159** | 62,365 |

**Major non-cash transactions**

There were no major non-cash transactions for the six months ended 30 June 2020. During the six months ended 30 June 2019, the principal non-cash transactions were the issuance of 516,780 shares and 21,919,442 shares of the Company with a par value of US$0.0001 each to the equity holders of Suzhou Koshine Biomedica, Inc. ("**Suzhou Koshine**") and Suzhou Kintor Pharmaceuticals, Inc. ("**Suzhou Kintor**") respectively, and the addition of right-of-use assets of RMB3,375,000 as disclosed in Note 13.

# II NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION AND REORGANISATION

### 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 "**Listing Business**").

This condensed consolidated interim financial information is presented in Renminbi ("**RMB**") thousands, unless otherwise stated. This condensed consolidated interim financial information has not been audited.

### 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. As at 30 June 2019, the Reorganisation was completed. For details of the Reorganisation, please refer to the accountant's report included in the Company's Prospectus dated 12 May 2020 (the "**Accountant's Report**").

## 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2020 has been prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the historical financial information of the Company for the years ended 31 December 2018 and 2019 as set out in the prospectus of the Company dated 12 May 2020, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

## 3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the Historical Financial Information of the Company for the years ended 31 December 2018 and 2019, as described in the accountant's report dated 12 May 2020.

**(a) New standards and interpretations adopted by the Group**

The following new standards and interpretations have been adopted by the Group for the first time for the financial period beginning on or after 1 January 2020:

| Standards | Key requirements |
|---|---|
| IFRS 3 (Amendments) | Definition of a Business |
| IAS 1 and IAS 8 (Amendments) | Definition of material |
| Conceptual Framework for Financial Reporting 2018 | |
| Amendment to IFRS 9 and IFRS 7 | Interest rate benchmark reform |
| IFRS 16 (Amendments) | Covid-19-related Rent Concessions |

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 |
| IFRS 10 and IAS 28 (Amendments) | 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 2022 |
| IAS 16 (Amendments) | Property, Plant and Equipment: Proceeds before intended use | 1 January 2022 |
| IAS 37 (Amendments) | Onerous Contracts – Cost of Fulfilling a Contract | 1 January 2022 |
| IFRS 3 (Amendments) | 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.

**4 Estimates**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's Historical Financial Information for the years ended 31 December 2018 and 2019 included in the Accountant's Report dated on 12 May 2020.

## 5 FINANCIAL RISK MANAGEMENT

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's Historical Financial Information for the years ended 31 December 2018 and 2019 included in the Accountant's Report dated on 12 May 2020.

There have been no changes in the risk management functions since 31 December 2019.

### 5.2 Fair value estimation

As at 30 June 2020 and 31 December 2019, the Group had no assets and liabilities measured at fair value.

## 6 OTHER INCOME

| | **For the six months ended 30 June 2020** ***RMB'000*** ***(Unaudited)*** | For the six months ended 30 June 2019 *RMB'000* *(Unaudited)* |
|---|---|---|
| Interest income from bank balances | **2,448** | 653 |
| Government grants *(Note (a))* | **2,024** | 2,833 |
| Interest income from financial assets measured at amortized cost *(Note (b))* | **–** | 578 |
| Others | **25** | – |
| | **4,497** | 4,064 |

(a) The government grants and subsidies related to income have been received to compensate for the expenses of the Group's research and development. Some of the grants related to income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. These grants related to income were recognised in profit or loss when related costs are subsequently incurred and the Group received government acknowledge of compliance.

(b) The financial assets measured at amortized cost represent investments in structured deposits issued by a bank with fixed rates. In January 2019, Suzhou Kintor purchased a financial asset measured at amortized cost of RMB55,000,000 with a duration of 90 days at an interest rate of 4.2% per annum. In April 2019, the financial asset measured at amortized cost was redeemed.

Based on the contract terms, the structured deposits with bank are with fixed return rate and not linked with any derivative, therefore they were classified as financial assets measured at amortized cost under IFRS 9 as the Group intended to hold the financial assets to collect contractual cash flows, which represented the solely payment of principal and interest. As of each balance sheet date, such investments have been fully settled and collected.

## 7 OPERATING LOSS

Operating loss is stated after charging the following:

| | **For the six months ended 30 June 2020** ***RMB'000*** ***(Unaudited)*** | For the six months ended 30 June 2019 *RMB'000* *(Unaudited)* |
|---|---|---|
| Clinical research expenses | **54,531** | 47,727 |
| Employee benefit expenses | **48,930** | 18,922 |
| Materials and consumables expenses | **40,371** | 11,134 |
| Outsourced research and development expenses | **18,125** | 10,850 |
| Listing expenses | **20,761** | 3,043 |
| Depreciation of right-of-use assets *(Note 13)* | **1,453** | 1,453 |
| Less: Amounts capitalised in property, plant and equipment | **(99)** | (99) |
| | **1,354** | 1,354 |
| Depreciation of property, plant and equipment *(Note 13)* | **1,193** | 776 |
| Amortisation of intangible assets *(Note 13)* | **85** | 4 |

## 8 OTHER (LOSSES)/GAINS – NET

| | **For the six months ended 30 June 2020** ***RMB'000*** ***(Unaudited)*** | For the six months ended 30 June 2019 *RMB'000* *(Unaudited)* |
|---|---|---|
| Net foreign exchange (losses)/gains on operating activities | **(969)** | 128 |
| Others | **(4)** | (11) |
| | **(973)** | 117 |

## 9 FINANCE COSTS – NET

| | **For the six months ended 30 June 2020** ***RMB'000*** ***(Unaudited)*** | For the six months ended 30 June 2019 *RMB'000* *(Unaudited)* |
|---|---|---|
| Interest expenses on borrowings | **3,502** | 1,942 |
| Less: borrowing costs capitalised in property, plant and equipment *(Note (a))* | **(2,526)** | (343) |
| Interest expenses on lease liabilities | **90** | 139 |
| Net foreign exchange gains on financing activities | **–** | (592) |
| Net exchange losses on bank deposits in foreign currencies | **919** | – |
| | **1,985** | 1,146 |

(a) The capitalisation rates used to determine the amount of borrowing costs are 4.58% and 4.75% for the six months ended 30 June 2020 and 2019 respectively.

## 10 INCOME TAX EXPENSE

### (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 Group 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%. Since these companies did not have assessable profits during the six months ended 30 June 2020 and 2019, no Hong Kong profits tax has been provided.

***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% on the taxable income.

The Group had no taxable income during the six months ended 30 June 2020 and 2019.

## 11 DIVIDEND

No dividend has been paid or declared by the Company or companies comprising the Group during the six months ended 30 June 2020 and 2019.

## 12 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 six months ended 30 June 2020 and 2019.

In determining the weighted average number of ordinary shares in issue during the six months ended 30 June 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, 20,699,775 shares relating to the capitalization issue of ordinary shares issued subsequent to 30 June 2019 was not taken account into in determining the weighted average number of ordinary shares in issue during the six months ended 30 June 2019. In addition, 23,613,350 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 six months ended 30 June 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 six months ended 30 June 2019.

| | **For the six months ended 30 June 2020** ***RMB'000*** ***(Unaudited)*** | For the six months ended 30 June 2019 *RMB'000* *(Unaudited)* |
|---|---|---|
| Loss for the period | **(195,447)** | (98,505) |
| Weighted average number of ordinary shares in issue (in thousand) | **272,924** | 230,429 |
| Basic loss per share (in RMB) | **(0.72)** | (0.43) |

### Diluted loss per share

Diluted loss per share is same as basic loss per share as there is no dilutive potential ordinary share during the six months ended 30 June 2020 and 2019.

## 13 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

| | Property, plant and equipment *RMB'000* | Intangible assets *RMB'000* | Right-of-use assets *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|
| (Unaudited) | | | | |
| **At 1 January 2020** | | | | |
| Cost | **103,557** | **179,373** | **19,852** | **302,782** |
| Accumulated depreciation/amortisation | **(5,188)** | **(74)** | **(5,440)** | **(10,702)** |
| **Net book amount** | **98,369** | **179,299** | **14,412** | **292,080** |
| **For the six months ended 30 June 2020** | | | | |
| Opening net book amount | **98,369** | **179,299** | **14,412** | **292,080** |
| Additions | **43,246** | **56** | **–** | **43,302** |
| Disposal | **–** | **–** | **(148)** | **(148)** |
| Depreciation/amortisation charge *(Note 7)* | **(1,193)** | **(85)** | **(1,453)** | **(2,731)** |
| **Closing net book amount** | **140,422** | **179,270** | **12,811** | **332,503** |
| **At 30 June 2020** | | | | |
| Cost | **146,803** | **179,429** | **19,704** | **345,936** |
| Accumulated depreciation/amortisation | **(6,381)** | **(159)** | **(6,893)** | **(13,433)** |
| **Net book amount** | **140,422** | **179,270** | **12,811** | **332,503** |
| (Unaudited) | | | | |
| **At 1 January 2019** | | | | |
| Cost | 12,528 | 172,489 | 16,541 | 201,558 |
| Accumulated depreciation/amortisation | (3,363) | (5) | (2,471) | (5,839) |
| **Net book amount** | 9,165 | 172,484 | 14,070 | 195,719 |
| **For the six months ended 30 June 2019** | | | | |
| Opening net book amount | 9,165 | 172,484 | 14,070 | 195,719 |
| Additions | 29,492 | 6,500 | 3,375 | 39,367 |
| Depreciation/amortisation charge *(Note 7)* | (787) | (4) | (1,453) | (2,244) |
| **Closing net book amount** | 37,870 | 178,980 | 15,992 | 232,842 |
| **At 30 June 2019** | | | | |
| Cost | 42,018 | 178,989 | 19,916 | 240,923 |
| Accumulated depreciation/amortisation | (4,148) | (9) | (3,924) | (8,081) |
| **Net book amount** | 37,870 | 178,980 | 15,992 | 232,842 |

Land use right represents the land use right granted by the PRC government authority on the use of land within the pre-approved lease period. The original lease terms of the land use right of the Group held in the PRC are 50 years up to 6 June 2067. As at 30 June 2020, the land use right and construction in progress were pledged for the Group's borrowings amounting to RMB99,500,000 (Note 14). As at 31 December 2019, no property, plant and equipment, intangible assets and right-of-use assets of the Group were pledged against bank borrowings of the Group.

## 14 BORROWINGS

| | **As at 30 June 2020** ***RMB'000*** ***(Unaudited)*** | As at 31 December 2019 *RMB'000* *(Audited)* |
|---|---|---|
| **Non-current** | | |
| Long-term bank borrowings *(Note (a))* | **98,500** | – |
| **Current** | | |
| Short-term bank borrowings *(Note (b))* | **108,700** | 58,700 |
| Long-term bank borrowings *(Note (a))* | **1,000** | – |
| | **109,700** | 58,700 |
| **Total** | **208,200** | 58,700 |

(a) As at 30 June 2020, the Group had long-term bank borrowings of RMB99,500,000 which were secured by certain land use right and construction in progress. Borrowings of RMB50,000,000 bore a fixed interest rate at 4.9% per annum and borrowings of RMB49,500,000 bore a fixed interest rate at 4.75% per annum. RMB1,000,000 of these loans should be repaid by 30 June 2021, while the remaining should be repaid by instalments during the period from 20 October 2021 to 23 March 2026. As at 31 December 2019, the Group had no long-term borrowings.

(b) As at 30 June 2020, Suzhou Kintor had unsecured short-term bank borrowings totalling RMB108,700,000 which bore a fixed interest rate at 4.35% per annum and were due for repayment from July 2020 to March 2021.

As at 31 December 2019, five unsecured short-term bank borrowings totalling RMB58,700,000 were taken by Suzhou Kintor, bore a fixed interest rate at 4.35% per annum and were due for repayment in 2020.

The maturity date is as follows:

| | As at 30 June 2020 RMB'000 (Unaudited) | As at 31 December 2019 RMB'000 (Audited) |
|---|---|---|
| Less than 1 year or repayment on demand | **109,700** | 58,700 |
| 1-2 years | **4,000** | – |
| 2-5 years | **64,500** | – |
| Over 5 years | **30,000** | – |
| | **208,200** | 58,700 |

The carrying amounts of borrowings were denominated in RMB.

## 15 TRADE AND OTHER PAYABLES

| | As at 30 June 2020 RMB'000 (Unaudited) | As at 31 December 2019 RMB'000 (Audited) |
|---|---|---|
| Trade payables *(Note (a))* | **6,005** | 947 |
| Payables for service suppliers *(Note (a))* | **34,689** | 22,420 |
| Payables for listing expenses | **41,091** | 8,370 |
| Salary and staff welfare payables | **9,167** | 9,689 |
| Payables for property, plant and equipment | **31,660** | 37,092 |
| Others | **2,198** | 1,481 |
| | **124,810** | 79,999 |

As at 30 June 2020 and 31 December 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 30 June 2020 and 31 December 2019, the ageing analysis of trade payables and payables for service suppliers based on invoice date are as follows:

| | As at 30 June 2020 RMB'000 (Unaudited) | As at 31 December 2019 RMB'000 (Audited) |
|---|---|---|
| – Within 1 year | **40,694** | 23,367 |

## 16 SHARE CAPITAL

The Company was incorporated in the Cayman Islands on 16 May 2018 with an initial authorized share capital of US$50,000 divided into 500,000,000 shares with a par value of US$0.0001 each.

| | Number of shares | Nominal value of shares *US$* | Equivalent nominal value of shares *RMB'000* |
|---|---|---|---|
| (Unaudited) | | | |
| **As at 1 January 2020** | **25,342,851** | **2,534** | **17** |
| Issuance of shares to the 2020 Employee Incentive scheme (as defined in Note 17) | **2,361,359** | **236** | **2** |
| Capitalisation Issue *(Note (a))* | **249,337,890** | **24,934** | **176** |
| Issuance of ordinary shares upon global offering *(Note (b))* | **92,347,500** | **9,235** | **66** |
| **As at 30 June 2020** | **369,389,600** | **36,939** | **261** |
| (Unaudited) | | | |
| **As at 1 January 2019** | 606,654 | 61 | –* |
| Allotment of shares *(Note (c))* | 22,436,222 | 2,243 | 15 |
| **As at 30 June 2019** | 23,042,876 | 2,304 | 15 |

(a) Pursuant to the shareholders' resolution passed on 30 April 2020, conditional on the share premium of the Company being credited as a result of the issue of shares pursuant to the global offering, the Company capitalised the sum of USD24,933.79 allot and issue a total of 249,337,890 shares credited as fully paid at par to the holders of shares whose names appear on the register of members of the Company at the close of business on the business day proceeding to the Listing Date in proportion to their then existing shareholdings in the Company.

(b) On 22 May 2020, the Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited by issuing 92,347,500 ordinary shares at a price of HKD20.15 per share for cash, before related issuance expenses, of approximately HKD1,860,802,000 (equivalent to approximately RMB1,702,687,000).

Accordingly, 92,347,500 ordinary shares with par value of USD0.0001 each are issued and RMB65,751 was credited to share capital, and remaining amounts, after netting of listing expenses directly attributable to the issue of new shares, was credited to share premium.

(c) During the six months ended 30 June 2019, issuance of shares included 516,780 shares for Suzhou Koshine in relation to the acquisition in 2018, and 21,919,442 shares for Suzhou Kintor in relation to recapitalization for the Reorganization in 2019 respectively.

* The amount is less than RMB1,000

## 17 SHARES HELD FOR THE EMPLOYEE INCENTIVE SCHEME

### 2020 Employee Incentive Scheme

The Company has appointed a trustee to assist with the administration and vesting of awards granted pursuant to the employee incentive scheme ("**the 2020 Employee Incentive Scheme**"). The Company may (i) allot and issue shares to the trustee and which will be used to satisfy the awards upon vesting and/or (ii) direct and procure the trustee to receive existing shares from any shareholder or purchase existing shares (either on-market or off-market) to satisfy the awards upon vesting. All the shares granted and to be granted under the Employee Incentive Scheme shall be transferred, allotted and issued to the trustee. The Company issued and allotted 2,361,359 shares of USD0.0001 each to Kiya Company Limited ("**Kiya**"), a wholly-owned subsidiary of the Group, which is incorporated by the trustee on behalf of the Group, representing approximately 8.52% of the total issued share capital of the Company for the benefit of the participants pursuant to the 2020 Employee Incentive Scheme.

On 31 March 2020, 1,843,410 shares were granted to 54 eligible employees (the "**Grantees**") in two separate tranches (A and B) under the 2020 Employee Incentive Scheme. The fair value of an ordinary share at the date of grant is USD19.20, and the exercise prices were USD0.442 per share for tranche A and USD19.1515 per share for tranche B, respectively. 891,705 shares from tranche A and 951,705 shares from tranche B were granted. Service periods in respect of the 2020 Employee Incentive Scheme granted are up to four years for eligible employees. If an employee ceases to be employed by the Company before the respective vesting date, the awarded shares will be forfeited.

The restricted share units were valued by the directors of the Company with reference to the valuation carried out by an independent appraiser, on the grant date of the restricted share units. The fair value of share-based payment of tranche A and B are USD18.76 and USD0.05 respectively.

The Grantees may elect to pay the consideration by (i) paying sufficient funds to the trustee to cover the consideration; or (ii) instructing the Trustee to sell some or all of the vested shares to settle the consideration payable, provided the proceeds from the sale of shares shall be sufficient to cover the consideration. Each participant shall be required to make payment in full for the award granted under the 2020 Employee Incentive Scheme at the date of vesting or some other date as determined by the Board and/or the administrator in their absolute discretion, failing which the transfer of the shares shall be deferred until such time as and when consideration is paid in full.

This special purpose vehicle, Kiya, is consolidated in the condensed consolidated interim financial information of the Group as the Company has power to govern the relevant activities of Kiya and can derive benefits from the contributions of the eligible employees who are awarded with the shares under the 2020 Employee Incentive Scheme, the directors of the Company consider that it is appropriate to consolidate Kiya. The shares are held under the 2020 Employee Incentive Scheme until such time as they are vested. Forfeited shares will be redeemed at the paid consideration and if applicable, plus 5% per annum interest.

The expense recognised in the unaudited condensed consolidated statements of comprehensive income and other reserves for restricted share units granted to the employees amounted to approximately RMB10,998,000 for the six months ended 30 June 2020.

Set out below are the movement in the number of awarded restricted share units under the 2020 Employee Incentive Scheme:

| | Number of restricted share units under the 2020 Employee Incentive Scheme *(Unaudited)* |
|---|---|
| **At 1 January 2020** | **–** |
| Granted before Capitalisation Issue | **1,843,410** |
| Capitalisation Issue | **16,590,690** |
| Forfeited after Capitalisation Issue | **(1,059,200)** |
| **At 30 June 2020** | **17,374,900** |
| Shares not yet granted at the end of the period | **6,238,690** |

## 18 RESERVES

| | Capital accumulation reserve *RMB'000 (Note (a))* | Accumulated losses *RMB'000* | Total *RMB'000* |
|---|---|---|---|
| (Unaudited) | | | |
| **At 1 January 2020** | **788,726** | **(419,079)** | **369,647** |
| Loss for the period | **–** | **(195,447)** | **(195,447)** |
| Issue of shares of the Company *(Note (b))* | **1,615,352** | **–** | **1,615,352** |
| Share-based payments *(Note 17)* | **10,998** | **–** | **10,998** |
| **At 30 June 2020** | **2,415,076** | **(614,526)** | **1,800,550** |
| (Unaudited) | | | |
| **At 1 January 2019** | 421,494 | (186,502) | 234,992 |
| Loss for the period | – | (98,505) | (98,505) |
| Capital injection to the Company from then equity holders of Suzhou Kintor in connection with the Reorganisation *(Note (c))* | 35,464 | – | 35,464 |
| Effect of reorganisation *(Note 1.2 and Note (c))* | 21,920 | – | 21,920 |
| **At 30 June 2019** | 478,878 | (285,007) | 193,871 |

(a) Capital accumulation reserve includes share premium arising from the issue of shares at a price in excess of their par value.

(b) On 22 May 2020, the Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong by issuing 92,347,500 ordinary shares at a price of HKD20.15 per share for cash, before related issuance expenses, of approximately HKD1,860,802,000 (equivalent to approximately RMB1,702,687,000).

Accordingly, 92,347,500 ordinary shares with par value of USD0.0001 each are issued and RMB65,751 was credited to share capital, and remaining amounts of RMB1,615,352,000, after netting of listing expenses directly attributable to the issue of new shares, was credited to share premium.

(c) In March and June 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 RMB41,361,000 and in exchange for their respective shareholding in Suzhou Kintor, resulting in increases in share capital and capital accumulation reserve of RMB15,000 and RMB57,384,000 and a decrease in combined capital of RMB16,685,000 respectively. This share subscription was completed in June 2019.

## 19 RELATED PARTY TRANSACTIONS

Key management compensation:

Key management includes executive directors, chief officers and vice presidents. The compensation paid or payable to key management for employee services is shown below:

| | **For the six months ended 30 June 2020** ***RMB'000*** ***(Unaudited)*** | For the six months ended 30 June 2019 *RMB'000* *(Unaudited)* |
|---|---|---|
| Salaries, wages and bonuses | **11,683** | 4,840 |
| Contributions to pension plans | **42** | 89 |
| Housing funds, medical insurance and other social insurance | **145** | 112 |
| Share-based compensation expenses | **5,561** | – |
| | **17,431** | 5,041 |

## 20 COMMITMENTS

### (i) Lease commitments (exclude the right-of-use assets and lease liabilities)

As at 30 June 2020 and 31 December 2019, the Group leases some offices and equipment under irrevocable lease contracts with lease term less than one year and leases of low value that have been exempted from recognition of right-of-use assets permitted under IFRS16. The future aggregate minimum lease payment under irrevocable lease contracts for these exempted contracts are as follows:

| | **As at 30 June 2020** ***RMB'000*** ***(Unaudited)*** | As at 31 December 2019 *RMB'000* *(Audited)* |
|---|---|---|
| No later than 1 year | **419** | 380 |

**(ii) Capital expenditure commitments**

Capital expenditure contracted for as at 30 June 2020 and 31 December 2019 but not yet incurred by the Group are as follows:

| | **As at 30 June 2020** ***RMB'000*** ***(Unaudited)*** | As at 31 December 2019 *RMB'000* *(Audited)* |
|---|---|---|
| Land use right | **21,000** | 21,000 |
| Property, plant and equipment | **6,256** | 51,629 |
| | **27,256** | 72,629 |

## 21 SUBSEQUENT EVENT

On 20 August 2020, the Group 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 develop and commercialize GS19 PLB-1C (the "**Compound**").

Pursuant to the License Agreement and subject to the terms and conditions thereof, Gensun is eligible to receive an upfront payment of USD4,000,000 and the Group is required to make payments of an aggregate amount of USD19,000,000 upon the achievement of relevant milestone events. The Group is also required to make royalty payments that are equal to a percentage of the net sales of the Licensed Product(s) during the royalty period set out in the License Agreement.

Save as the subsequent event disclosed in Note 21, there are no other material subsequent events undertaken by the Group after 30 June 2020.

## FUTURE AND OUTLOOK

Our mission is to become a global leader in the research, development and commercialisation of innovative therapies, focusing on indications with substantial unmet medical needs, in particular in the AR-related field.

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. 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 Zelgen/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.

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 30 June 2020, the Board is of the opinion that the Company has complied with all the code provisions apart from the deviation below.

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.

## 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 Company's employees, who are likely to be in possession of unpublished inside information of the Company, are subject to the Model Code. No incident of non-compliance of the Model Code by the 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 30 June 2020, IPO proceeds of HK$36.68 million has been utilised and we expect to utilize the balance of the IPO proceeds by June 2022.

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 30 June 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## CHANGE OF DIRECTOR AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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.

The Company's principal place of business in Hong Kong has been changed to 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong with effect from 21 August 2020.

## SUBSEQUENT EVENTS

Save as disclosed above, as of the date of this announcement, there was no other significant event subsequent to 30 June 2020.

## REVIEW OF INTERIM RESULTS

The Audit Committee comprises two independent non-executive Directors, namely, Dr. Michael Min Xu and Mr. Wallace Wai Yim Yeung 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 condensed consolidated financial statements of the Group for the six months ended 30 June 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 unaudited interim results for the six months ended 30 June 2020) of the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

## INTERIM DIVIDEND

The Board does not recommend any payment of an interim dividend for the six months ended 30 June 2020.

## PUBLICATION OF THE 2020 CONDENSED CONSOLIDATED INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the Company's website (**www.kintor.com.cn**). The interim report for the six months ended 30 June 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 due course.

## 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 support and contribution to the Group.

## 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 and 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 |
| "Controlling Shareholder(s)" | has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, as at the date of this announcement refers to Dr. TONG, Dr. GUO, KT International and KG Development, which however will cease to be our Controlling Shareholders under the Listing Rules upon Listing |
| "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) and Pyrilutamide (KX-826) |
| "COVID-19" | coronavirus disease 2019 |
| "CRO(s)" | contract research organisation, 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 |
| "Dr. TONG" | Dr. Youzhi TONG, one of the co-founders, as executive Director, chairman, chief executive officer, and a Controlling Shareholder 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" | has the meaning ascribed to it under the Prospectus |

| | |
|---|---|
| "Global Offering" | has the meaning ascribed to it under the Prospectus |
| "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 |
| "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 |
| "MRCT" | Multi-Regional Clinical Trials |
| "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 |
| "PD" | Pharmacodynamics |
| "PD-1" | programmed cell death protein 1, a protein that 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 |
| "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 |
| "Reorganisation" | the reorganisation of our Group in preparation of the Listing |
| "RMB" or "Renminbi" | Renminbi yuan, the lawful currency of the PRC |
| "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 |
| "Reporting Period" | the six months ended 30 June 2020 |
| "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 |
| "TNBC" | triple negative breast cancer |
| "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 |
| "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, 21 August 2020

*As of the date of this announcement, the executive Director is Dr. Youzhi Tong; the non-executive Directors are Dr. Chuangxing Guo, Mr. Gang Lu, Mr. Jie Chen, Dr. Bing Chen and Mr. Wei Zhang; and the independent non-executive Directors are Dr. Michael Min Xu, Dr. John Fenyu Jin and Mr. Wallace Wai Yim Yeung.*

* *For identification purpose only*