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 2021

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 2021, together with comparative figures for the six months ended 30 June 2020. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

FINANCIAL HIGHLIGHTS

- We did not generate any revenue for the six months ended 30 June 2021 and the six months ended 30 June 2020, respectively.

- Our adjusted loss after adding back the Listing expenses (which is applicable to the six months ended 30 June 2020 only) and share-based compensation expenses for the Employee Incentive Scheme increased by RMB136.2 million or approximately 83.2% from RMB163.7 million for the six months ended 30 June 2020 to RMB299.9 million for the six months ended 30 June 2021.

- Our R&D costs increased by RMB133.8 million or 90.2% from RMB148.4 million for the six months ended 30 June 2020 to RMB282.2 million for the six months ended 30 June 2021.

- Our administrative expenses increased by RMB4.6 million or 10.2% from RMB45.0 million for the six months ended 30 June 2020 to RMB49.6 million for the six months ended 30 June 2021.

- The Board does not recommend any payment of interim dividend for the six months ended 30 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a clinical-stage novel drug developer in China focused on the unmet clinical needs, especially the treatment of androgen receptor-related, or AR-related diseases. We are committed to becoming a leader in the research, development and commercialisation of innovative therapies.

Proxalutamide is a potential best-in-class drug and one of our Core Products. We began our research on Proxalutamide for COVID-19 in 2020, and the research results have so far demonstrated positive effects on COVID-19 patients with mild to moderate symptoms as well as inpatients. We are conducting two registered phase III MRCT of Proxalutamide for the treatment of COVID-19 patients with mild to moderate symptoms and one registered phase III MRCT for the treatment of COVID-19 inpatients, respectively, in countries and regions including the United States, South America (including Brazil), Europe and Asia.

In addition, we have been granted an emergency use authorization (EUA) (which was Proxalutamide's first of its kind to be granted globally) in Paraguay to be used in the treatment of COVID-19 inpatients in certain hospitals in Paraguay. We have also entered into a licensing agreement with Shanghai Fosun Pharmaceutical Development Ltd. ("**Fosun Pharmaceutical**") in relation to the commercialisation of Proxalutamide for the treatment of COVID-19 in India and 28 African countries and entered into a licensing agreement with PT Etana Biotechnologies Indonesia ("**Etana**") in relation to the commercialisation of Proxalutamide for the treatment of COVID-19 in Indonesia. Apart from COVID-19 indication, Proxalutamide is undergoing phase III clinical trial in China and phase II clinical trial in the United States for mCRPC as well as phase Ic clinical trial for breast cancer in China.

Pyrilutamide (KX-826) is a potential first-in-class small molecule AR antagonist and one of our Core Products. For the indication of androgenetic alopecia, we have completed the enrolment of 120 patients for phase II clinical trial in China, and is currently conducting statistical data analysis. Preliminary data is expected to be released in September 2021. Our phase II clinical trial in the United Stated have received clearance by US FDA. Pyrilutamide is also undergoing phase I/II clinical trials for the indication of acne vulgaris in China.

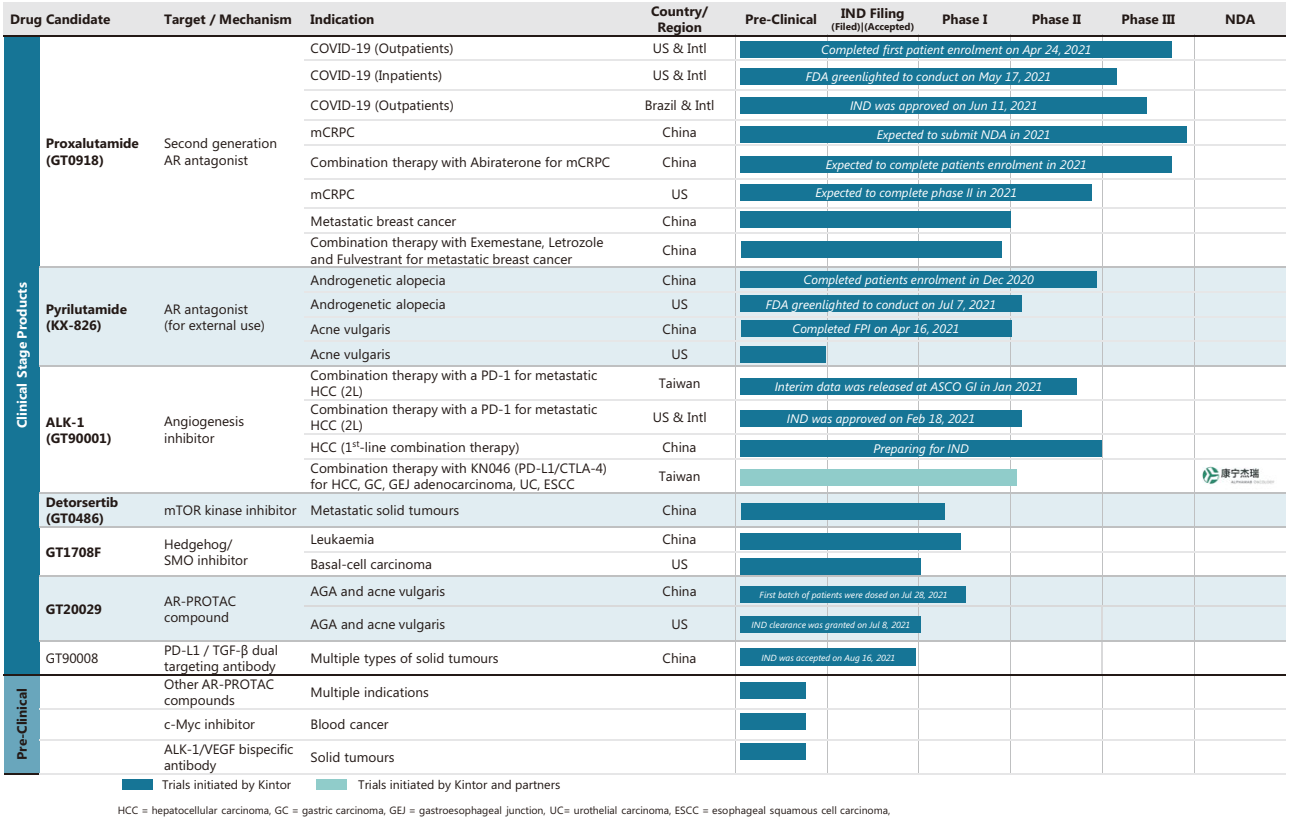
ALK-1 (GT90001) is a potential first-in-class antibody and one of our Core Products. It is in phase II clinical trials in Taiwan being a combination therapy with Nivolumab, a PD-1, for metastatic HCC (hepatocellular carcinoma). We obtained greenlight from US FDA and are also conducting phase II global multi-centre clinical trial in the United States for GT90001 in combination with PD-1 for the second-line combination therapy for HCC, where the trial adopts a two-cohort parallel approach. If the data obtained is desirable, we may seek accelerated approval for a conditional new drug approval or proceed with a phase III clinical trial with expanded cohort.

Our portfolio of drug candidates addresses COVID-19, major cancers and other disease fields with unmet clinical needs. Currently, there are more than 210 million patients diagnosed of COVID-19 in the world. According to the Frost & Sullivan Report, prostate cancer was the fastest growing cancer among major cancer types globally in terms of the growth rate of new cases from 2015 to 2019, and breast cancer was the second most common type of cancer globally in 2019 and also the most common type of cancer globally among women in 2019. The population of patients with androgenetic alopecia, a common form of hair loss, reached over 133.7 million (105.6 million male patients and 28.1 million female patients) in China and 83.1 million (51.7 million male patients and 31.4 million female patients) in the United States in 2019, respectively. We are committed to developing our drug candidates, especially our Core Products, towards their commercialisation for various indications and thereby paying back to our society and alleviating the relevant health problems around the globe.

We are conducting multi-centre clinical trials for our drug candidates in China (including Taiwan), the United States, Brazil and other countries and regions. We have employed various measures to mitigate the impact of the COVID-19 outbreak on our ongoing clinical trials, including supplying enrolled patients with study medication through courier and arranging for enrolled patients to conduct check-ups at alternative medical centres if the ones they generally visit become unavailable. We did not experience during the six months ended 30 June 2021 nor do we anticipate any material deviation from our drug development, manufacture and commercialisation plans, and the expected development progress of our Core Products has taken into account the temporary delays and disruptions on our ongoing clinical trials as a result of the COVID-19 outbreak.

Product Pipeline

Our pipeline of drug candidates includes a risk-balanced and diversified portfolio of products that strategically targets COVID-19, 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 as of the date of this announcement:



HCC = hepatocellular carcinoma, GC = gastric carcinoma, GEJ = gastroesophageal junction, UC= urothelial carcinoma, ESCC = esophageal squamous cell carcinoma,

BUSINESS REVIEW

As at the date of this announcement, we had developed a pipeline of seven clinical-stage drugs, for which we had obtained approvals to commence clinical trials in China (including Taiwan), the United States, Brazil and other countries and regions. These clinical-stage drug candidates are composed of two androgen receptor (AR) antagonists, ALK-1 antibody, mTOR kinase targeting inhibitor, Hedgehog inhibitor, AR-PROTAC compound and PD-L1/TGF-ß dual targeting antibody as follows:

Core Products

- ***Proxalutamide (GT0918)***

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

  Indication of COVID-19

  Proxalutamide has a dual mechanism of action, and it inhibits the androgen receptor competitively and decreases the expression of AR, effectively lowering the expression of the proteins ACE2 and TMPRSS2, which the novel coronavirus uses to invade host cells. Thus, Proxalutamide prevents the coronavirus from infecting normal host cells, prevents viral replication and reproduction, and appears to treat novel coronavirus infections effectively. In addition, Proxalutamide also promotes the clearance of pathogens and decreases inflammation by activating the Nrf2 pathway, which activates several antioxidative genes and proteins and reduces the intensity of the cytokine response, which is of clinical benefit to the most seriously ill COVID-19 patients.

  So far, the in vitro studies in the P3 laboratory have demonstrated that Proxalutamide can effectively inhibit infections caused by the Alpha and Delta variants. The outcome of genome sequencing on COVID-19 inpatients in Brazil has shown that Proxalutamide has effectively treated inpatients infected by Gamma variant.

  (i) IIT of Proxalutamide on patients with mild to moderate symptoms in Brazil

  On 7 July 2020, Suzhou Kintor and Applied Biology, Inc. ("**Applied Biology**") entered into a clinical trial research agreement, pursuant to which Suzhou Kintor engaged Applied Biology to conduct research for Proxalutamide as a treatment for COVID-19 (the "**Brazil IIT on Patients with Mild to Moderate Symptoms**").

  The Brazil IIT on Patients with Mild to Moderate Symptoms showed that the hospitalisation rate and death rate within 30 days in the Proxalutamide arm were 2% and 0%, respectively, compared to the corresponding percentages of 26% and 1% in the control arm, indicating that Proxalutamide could significantly inhibit the transition of condition of male patients infected with COVID-19 from mild or moderate to severe and had good safety for short-term administration (15 days).

According to the interim results as of 7 January 2021 of the Brazil IIT on Patients with Mild to Moderate Symptoms for female patients, the hospitalisation rate, percentages of ICU usage, mechanical ventilation usage and death in 30 days in the Proxalutamide arm were 1.7%, 0%, 0% and 0%, respectively, compared to the corresponding percentages of 17.1%, 8.6%, 5.7% and 2.9% in the control arm, indicating that although the female patients have lower androgen and AR expression as compared to the male patients, Proxalutamide could still significantly inhibit the transition of condition of female patients infected with COVID-19 from mild or moderate to severe.

(ii) IIT of Proxalutamide on inpatients in Brazil

On 28 January 2021, we announced that the clinical trial of Proxalutamide for the treatment of hospitalised COVID-19 patients (the "**Brazil IIT on Inpatients**") was approved by the Institutional Review Board of Brazil (IRB) and we have received support from the Brazil government in terms of medical resources allocation and this clinical trial was accepted for accelerated review. The trial enrolled 645 patients.

The results demonstrated that the recovery rate, mortality rate and the median time to recover in 28 days in the Proxalutamide arm were 85.5%, 11.0% and 5 days, respectively, compared to the corresponding percentages of 47.3%, 49.4% and 10 days in the control arm. Proxalutamide can lower the mortality rate of COVID-19 inpatients of 78.0%, and the median time to recover can be shortened by 5 days.

(iii) Phase III Clinical Trials Sponsored by Kintor

(a) US and International Phase III Clinical Trial (outpatients)

On 5 March 2021 and 18 May 2021, we announced that we received the greenlight from the US FDA for the application of Proxalutamide for the phase III clinical trial in the treatment of male and female COVID-19 patients with mild or moderate symptoms ("**US and International Phase III Clinical Trial (outpatients)**") respectively. On 25 April 2021, we also announced that it has completed first patient enrolment and dosing in the United States. On 19 July 2021, the study was further approved by the Brazilian Health Regulatory Agency (ANVISA). The US and International Phase III clinical Trials (outpatients) will be commenced across over 10 countries, including the United States, South America (including Brazil) and Europe. The study (NCT04870606) is a randomized, double-blind, placebo-controlled phase III MRCT, and its primary endpoint is the percentage of hospitalisation events (including death) by Day 28. The secondary endpoints include but not limited to proportion of mortality by Day 28, percentage of subjects achieving each clinical status on Days 7, 14 and 28, respectively, using National Institute of Allergy and Infectious Diseases (NIAID) 8-point scoring scale.

(b) US and International Phase III Clinical Trial (Inpatients)

On 18 May 2021, we announced that the US FDA has greenlighted the phase III clinical trial of Proxalutamide for the treatment of hospitalised COVID-19 patients ("**US and International Phase III Clinical Trial (Inpatients)**") to be conducted, which would recruit both male and female patients. It will be commenced in various countries and regions including United States, South America (including Brazil), Southeast Asia and Europe. The study (NCT05009732) is a randomized, double-blind, placebo-controlled phase III MRCT. The primary endpoint is the time to sustained recovery evaluated by Day 30.

(c) Brazil and International Phase III Clinical Trial (Outpatients)

On 15 June 2021, we announced that the phase III clinical trial in the treatment of male patients with mild to moderate COVID-19 symptoms ("**Brazil and International Phase III Clinical Trial (Outpatients)**") had been officially approved by the Brazilian National Research and Ethics Committee on 27 May 2021 and by the Brazilian Health Regulatory Agency (ANVISA) on 11 June 2021. The study (NCT04869228) is a randomized, double-blind, placebo-controlled, phase III MRCT. The primary endpoint is the percentage of subjects who need oxygen by day 28.

Please refer to the announcements of the Company dated 5 March 2021, 18 May 2021 and 15 June 2021, respectively, for further information.

(iv) Further Developments of Proxalutamide as a Treatment for COVID-19

On 14 July 2021, Suzhou Kintor entered into a Proxalutamide licensing agreement with Fosun Pharmaceutical, a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (Stock Code (Shanghai Stock Exchange): 600196, Stock Code (the Stock Exchange): 02196) on the commercialisation of Proxalutamide for the treatment of COVID-19 in India and 28 African countries and the parties agreed to collaborate on EUA applications, promotion, and sales of Proxalutamide. On 25 August 2021, the Company entered into a licensing agreement with Etana in relation to the commercialisation of Proxalutamide for the treatment of COVID-19 in Indonesia and the parties agreed that the Company will receive from Etana upfront and milestone payments and economic benefit relating to the sales from the launch of Proxalutamide in Indonesia.

On 16 July 2021, we announced that the Ministry of Public Health and Social Welfare ("**MSPBS**") of Paraguay recently granted an EUA for Proxalutamide for the treatment of inpatients with COVID-19 at the MSPBS hospitals. It was the first EUA obtained for Proxaluitamide globally. The first hospital to use Proxalutamide under the EUA, Hospital Barrio Obrero, part of the MSPBS network, has reported promising initial results. Among the 25 patients, the admission baseline of 18 (72%) patients scored 5 while 7 patients (28%) scored 6. Following 14 days of dosing, 22 patients showed remission and 1 patient died with a mortality rate of 4%, which was significantly lower than the average mortality rate of inpatients in Paraguay.

Please refer to the announcements of the Company dated 15 July 2021, 16 July 2021 and 25 August 2021 respectively, for further information.

Indication 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 trial for mCRPC in China and plan to submit the NDA to the NMPA for Proxalutamide in 2021 based on the final analysis of primary endpoint of overall survival (OS).

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

The United States phase I clinical trial 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. As at 16 July 2020, the Group had completed the protocol defined patients enrolment for Proxalutamide phase II clinical trial for mCRPC in the United States and we plan to complete the phase II clinical trial in 2021.

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 trial has completed patients enrolment for phase Ic on 25 August 2021.

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

  Pyrilutamide (KX-826) (福瑞他恩) is an AR antagonist. We commenced pre-clinical research of Pyrilutamide in July 2011 and are currently developing Pyrilutamide as a potential first-in-class topical drug for the treatment of androgenic alopecia and acne vulgaris.

  Indication of androgenic alopecia

  We received IND approval for Pyrilutamide for androgenetic alopecia in China and the United States in April 2018 and June 2018, respectively. We commenced relevant phase I clinical trials in China and the United States in December 2018 and January 2019, respectively. On 29 December 2020, we completed the enrolment of 120 patients for Pyrilutamide in China. Currently, we are conducting data analysis and documentation. We expect to release data for this phase II clinical trial in September 2021 and commence phase III clinical trial in the fourth quarter of 2021.

  On 3 August 2020, we completed the phase Ib clinical trial of Pyrilutamide in the United States. On 11 July 2021, we announced that the US FDA has greenlighted Pyrilutamide's phase II clinical trial for androgenetic alopecia to be conducted in the United States.

  Indication of acne vulgaris

  On 17 September 2020, we obtained the approval for the IND of Pyrilutamide (KX-826) gel formula for the indication of acne vulgaris from the NMPA. On 16 April 2021, the phase I/II clinical trial of Pyrilutamide as a treatment for the acne vulgaris completed the first batch of patients enrolment and successfully dosed in China.

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

  ALK-1 target is a new biological target spot globally and ALK-1 antibody is a new anti-angiogenesis inhibitor. In 2018, we obtained an exclusive global licence from Pfizer to develop and commercialise ALK-1 for treatment of metastatic HCC and other oncological indications.

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

  Pfizer completed two phase I clinical trials for ALK-1 for advanced solid tumours, including HCC, as a monotherapy in the United States and Italy, as well as in South Korea and Japan. We are undergoing phase II clinical trials for our ALK-1 antibody GT90001 as a combination therapy with PD-1 monoclonal antibody Nivolumab (Opdivo), for metastatic HCC in Taiwan for patients who failed the first-line treatment of Sorafenib or Lenvatinib. On 9 December 2020, we published the preliminary data, which demonstrated that among the 20 evaluable patients, 8 patients (40%) were observed partial remission (PR) and the side effects were well tolerated and manageable.

On 18 February 2021, we announced that the IND application of the combination therapy of ALK-1 monoclonal antibody GT90001 and Nivolumab for a global multi-centre phase II clinical trial for the second-line treatment of advanced HCC ("**GT900001 Phase II Clinical Trial**") had been greenlighted by the US FDA. For further details, please refer to the announcement published by the Company on 18 February 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.

Other Clinical Stage Products

- ***Detorsertib (GT0486)***

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

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

  Hedgehog/SMO Inhibitor (GT1708F) is an inhibitor of the hedgehog signal transduction pathway. We are currently developing GT1708F primarily for the treatment of leukaemia and BCC. We obtained IND approval for GT1708F from the NMPA in February 2020 and recorded the first patients enrolment on 27 November 2020. We also obtained IND approval for GT1708F in the United States on 23 November 2020.

- ***AR-PROTAC Compound (GT20029)***

  GT20029 is considered a natural progression from AR inhibitors such as Proxalutamide, and has the potential to become a new generation of treatment for prostate cancers. GT20029 is a topical AR-PROTAC compound developed by using the Group's in-house PROTAC platform. On 14 April 2021, the IND applications of GT20029 for androgenetic alopecia and acne vulgaris indications were approved by the CDE. To the best of the Directors' knowledge and belief, GT20029 is the first topical PROTAC drug which entered clinical stage around the world. On 28 July 2021, the first batch of subjects have been enrolled and dosed in the clinical trial.

  On 13 July 2021, we announced that IND clearance has been received from the US FDA for GT20029 for the treatment of androgenetic alopecia and acne vulgaris in the United States.

  Please refer to the announcements of the Company dated 1 February 2021, 15 April 2021, 13 July 2021 and 28 July 2021, respectively, for further information.

- ***PD-L1/TGF–ß***

  On 20 August 2020, we entered into an exclusive license agreement with Gensun Biopharma Inc. ("**Gensun**"), pursuant to which we obtained from Gensun, among others, an exclusive license to conduct research, development, clinical trials, registration, manufacture and commercialisation of the product(s) with GS19 PLB-1C (the "**Compound**") (collectively, 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-ß with high activity in inhibiting PD-L1 and TGF-ß 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.

  Currently, PD-L1/TGF-ß was accepted by CDE on 16 August 2021, which can be applied for the treatment of a variety of solid tumours.

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 c-Myc inhibitor, compound of other targets out of PROTAC platform (such as c-Myc) and ALK-1/VEGF bispecific antibody.

WARNING UNDER RULE 18A.08(3) OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR DRUG CANDIDATES (INCLUDING OUR CORE PRODUCTS) 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 two of our Core Products, being 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 further to COVID-19, and have also developed Pyrilutamide and AR-PROTAC for androgenetic alopecia and acne vulgaris.

PROTAC is a novel drug discovery technology platform for targeting and/or degrading undruggable and oncogene mutant drivers that drive the resistance to the targeted therapies. We are currently employing the PROTAC technology with an aim to develop the compounds targeting AR and other targets for patients with unmet medical needs globally.

By in-license and development of our core product ALK-1, we have gradually established and expanded our R&D capabilities in the field of biological drug. We have carried forward ALK-1 to phase II, and explored the combination therapy with KN046 and other drugs. In addition, we also introduced the second biological drug PD-L1/TGF-ß for the treatments of multiple solid tumors.

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

For the six months ended 30 June 2020 and 2021, our research and development expenses were approximately RMB148.4 million and RMB282.2 million, respectively.

COMMERCIALISATION AND MANUFACTURING

As of the date of this announcement, we had not commercialised any of our drug candidates. We plan to conduct the sales and marketing and subsequent commercialisation preparation work in relation to our Core Products primarily by license-out in several countries around the world and building sales and marketing team. As of 30 June 2021, we had built a sales and marketing team of 16 members. In addition, we appointed Dr. Qun LU as our chief technology officer and appointed Dr. Jiawen HAN as our vice president of business development on 10 May 2021. Dr. LU has over 20 years of experience in the biopharmaceutical industry with a proven track record of successfully leading the CMC development of pharmaceutical dosage forms from discovery through commercialisation at various pharmaceutical corporations including Pfizer, Merck and Celgene Corp./Bristol Myers Squibb (the "**BMS**"). Dr. HAN has over 25 years of experience in drug development and business operations in the pharmaceuticals industry. He served as a vice president in Qilu Boston LLC in Boston and in Wuxi AppTec Pharmaceutical Inc, in Shanghai from September 2017 to May 2021 and from January 2014 to May 2017 respectively. The participation of Dr. LU and Dr. HAN will certainly further accelerate the pace of product commercialisation of the Company.

We plan to use our own manufacturing facilities in Suzhou and Pinghu in China for the manufacture of APIs and final products for Proxalutamide and Pyrilutamide. We also expanded the production capacity of Proxalutamide through cooperation with CDMO companies. On 28 August 2020, our manufacturing and R&D facility in Suzhou commenced operations in preparation for the production of Proxalutamide. In November 2020, our Suzhou facility was granted the Pharmaceutical Production License issued by Jiangsu Medical Products Administration. In April 2021, we entered into a strategic cooperation agreement with a CDMO company, namely Hainan Visum Pharmaceutical Limited (海南華益泰康藥業有限公司), relating to expansion of production capacity of Proxalutamide. Our manufacturing facilities in Pinghu are currently in the project design stage. The construction of our manufacturing facilities in Pinghu will be commenced in the fourth quarter of 2021.

IMPACT OF COVID-19

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

The Directors confirm that, save as disclosed above, there has been no material adverse change in our financial, operational or trading positions or prospects during the Reporting Period.

Besides, following the outbreak of COVID-19, the Company has found that one of the Core Products, Proxalutamide, could treat COVID-19 and we have been conducting various clinical trials of Proxalutamide for the treatment of COVID-19. As of the date of this announcement, Proxalutamide had been administered with an EUA in certain hospitals in Paraguay for treatment of hospitalised COVID-19 patients, where promising initial results had been observed. The Group will continue to advance clinical trials and EUA applications for Proxalutamide to be used for the purposes of treating COVID-19 patients in other countries and regions to drive the sales and the progress of commercialisation of Proxalutamide.

FINANCIAL REVIEW

Overview

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 RMB195.4 million and RMB325.8 million for the six months ended 2020 and 2021, respectively. Our adjusted loss and total comprehensive loss for the same period after adding back the Listing expenses (which is applicable to the six months ended 30 June 2020 only) and share-based compensation expenses for the Employee Incentive Scheme were RMB163.7 million and RMB299.9 million, respectively. Substantially all of our operating losses resulted from R&D costs (primarily consisting of clinical research expenses) and administrative expenses.

Revenue

We did not generate any revenue for the six months ended 30 June 2021 and the six months ended 2020.

Cost of Sales

We did not record any cost of sales for the six months ended 30 June 2021 and the six months ended 30 June 2020.

Gross Profit

We did not record any gross profit for the six months ended 30 June 2021 and the six months ended 30 June 2020.

Other Income

Our other income primarily consisted of government grants, interest income from bank balances and interest income from time deposits. Our other income increased by RMB6.0 million or 133.6% from RMB4.5 million for the six months ended 30 June 2020 to RMB10.5 million for the six months ended 30 June 2021, which was mainly attributable to (i) an RMB3.0 million increase in government grants which we have received to compensate for the expenses of our Group's research and development; (ii) an RMB1.8 million increase in interest income from time deposits reflecting our increased bank balances in time deposit account; and (iii) an RMB1.1 million increase in interest income from bank balances primarily as a result of the increase of our bank balances during the Reporting Period.

Marketing Costs

Our marketing costs primarily consisted of salaries and other benefits of our sales and marketing team. Our marketing costs increased from RMB3.6 million for the six months ended 30 June 2020 to RMB6.2 million for the six months ended 30 June 2021, which was mainly attributable to (i) the steady expansion of our sales and marketing team in preparation for Proxalutamide's commercialisation; (ii) an increase of RMB1.7 million of administrative costs which includes, business development expenses, traveling expenses, office expenses and other expenses for marketing and business development purposes; and (iii) an increase of RMB1.2 million in RSU expenses.

Administrative Expenses

Our administrative expenses during the Reporting Period primarily consisted of (i) employee benefit expenses, which primarily comprised compensation for management and administrative personnel (including share-based compensation expenses relating to the Employee Incentive Scheme); (ii) utilities and office expenses for run our own properties; (iii) depreciation and amortization, which primarily comprised depreciation of right-of-use assets and property, plant and equipment in relation to properties for administrative use; and (iv) other miscellaneous administrative expenses such as repair and maintenance expenses, professional advisory expenses, and materials and consumables expenses.

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

	For the six months ended 30 June			
	2021		*2020*	
	RMB'000 (unaudited)	***%***	*RMB'000 (unaudited)*	*%*
Employee benefit expenses	**22,570**	**45.5**	9,743	21.6
Add: share-based compensation expenses	**9,114**	**18.4**	3,894	8.7
Employee benefit expenses (including share-based compensation expenses)	**31,684**	**63.9**	13,637	30.3
Utilities and office expenses *(Note)*	**8,120**	**16.4**	5,878	13.1
Depreciation and amortization	**2,584**	**5.2**	1,229	2.7
Listing expenses	**–**	**–**	20,761	46.1
Others	**7,198**	**14.5**	3,511	7.8
Total	**49,586**	**100.0**	45,016	100.0

Note: The line item "utilities and office expenses" included short-term and low-value lease rental expenses incurred by the Group.

Our administrative expenses increased by RMB4.6 million or 10.2% from RMB45.0 million for the six months ended 30 June 2020 to RMB49.6 million for the six months ended 30 June 2021, which was mainly attributable to (i) an RMB18.0 million increase in employee benefit expenses primarily resulting from new recruitments and annual adjustment of remuneration for all employees; (ii) an RMB2.2 million increase in utilities and office expenses due to the increase of our staff and expansion of our office area after moving into our own plant in Suzhou; (iii) an RMB3.7 million increase in other administrative expenses primarily relating to the increase in the repair and maintenance expenses incurred for our self-owned properties, and the increase in our professional advisory expenses such as taxation, intangible property valuation and intellectual property maintenance, as well as the increase in our materials and consumables expenses in line with the fast-paced development of our business; and (iv) partially offset by listing expenses of RMB20.8 million for the six months ended 30 June 2021.

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 CROs for clinical trials and the hospitals in which we conducted our clinical trials; (ii) materials and consumables expenses in connection with our R&D; (iii) employee benefit expenses, which primarily consisted of compensation to R&D personnel (including the share-based compensation expenses for the Employee Incentive Scheme); (iv) third-party contracting fees, which primarily consisted of fees paid to CROs and CMOs for purposes of preclinical trials; and (v) other R&D costs, which primarily consisted of utilities and office expenses in relation to R&D use.

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			
	2021		*2020*	
	RMB'000 (unaudited)	***%***	*RMB'000 (unaudited)*	*%*
Clinical research expenses	**158,176**	**56.1**	54,531	36.7
Materials and consumables used	**46,687**	**16.5**	40,371	27.2
Employee benefit expenses	**29,197**	**10.3**	25,304	17.1
Add: share-based compensation expenses	**15,125**	**5.4**	6,548	4.4
Employee benefit expenses (including share-based compensation expenses)	**44,322**	**15.7**	31,852	21.5
Third party contracting fees	**22,063**	**7.8**	18,833	12.7
Others	**10,932**	**3.9**	2,788	1.9
Total	**282,180**	**100.0**	148,375	100.0

Our R&D costs for Proxalutamide were RMB76.1 million and RMB192.1 million for the six months ended 30 June 2020 and 2021, respectively; our R&D costs for Pyrilutamide were RMB16.7 million and RMB14.6 million for the six months ended 30 June 2020 and 2021, respectively; and our R&D costs for ALK-1 were RMB25.6 million and RMB17.7 million for the six months ended 30 June 2020 and 2021, respectively (excluding ancillary R&D costs which are not product-specific).

Our R&D costs increased by RMB133.8 million or 90.2% from RMB148.4 million for the six months ended 30 June 2020 to RMB282.2 million for the six months ended 30 June 2021, which was mainly attributable to (i) an increase of RMB103.6 million in clinical research expenses primarily paid to hospitals and CROs in relation to clinical trials for Proxalutamide for the COVID-19 indication; (ii) an increase of RMB12.5 million 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 (iii) an increase of RMB8.1 million in others primarily consisting of utilities and office expenses in relation to R&D use and in line with the expansion of our R&D personnel.

The increase in R&D costs primarily results from (i) the advancement of our clinical trials for Proxalutamide for COVID-19; (ii) the increase in share-based compensation expenses due to the new grant of RSU on 31 March 2021 after the first grant of RSU on 31 March 2020; and (iii) the expansion of offices and facilities for our R&D staff.

Other (Losses)/Gains – Net

We had other gains of RMB3.0 million for the six months ended 30 June 2021 primarily as a result of net foreign exchange gains, as well as the proceeds from the disposal of financial assets at fair value. 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.

Finance Costs – Net

Our finance costs during the Reporting Period primarily consisted of the interest we paid on our borrowings. Our finance costs decreased by RMB0.6 million or 28.5% from RMB2.0 million for the six months ended 30 June 2020 to RMB1.4 million for the six months ended 30 June 2021, which was mainly attributable to (i) the decrease in loan principal; and (ii) the decrease in interest expenses on lease liabilities due to the decrease in gross lease area.

Income Tax Expenses

We did not have any income tax expenses for the six months ended 30 June 2020 and the six months ended 30 June 2021 as we had no taxable income.

Net Loss for the Reporting Period

Our net loss increased by RMB130.4 million or 66.7% from RMB195.4 million for the six months ended 30 June 2020 to RMB325.8 million for the six months ended 30 June 2021.

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 one-time events and non-cash items, 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	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Loss and total comprehensive loss for the period	**(325,821)**	(195,447)
Added:		
Listing expenses (one-time)	**–**	20,761
Share-based compensation expenses	**25,965**	10,998
Adjusted loss and total comprehensive loss for the period	**(299,856)**	(163,688)

Employees and Remuneration Policies

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

	As of 30 June 2021	
	Number of employees	as a percentage of total
Core management	9	3.3
Clinical	50	18.4
R&D	77	28.3
Manufacturing	75	27.6
Commercial	18	6.6
Project Management	15	5.5
Others	28	10.3
Total	272	100

As at 30 June 2021, the Group had a total of 272 full time employees, among whom, the total staff with clinical and R&D mission accounted for over 50%. 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 at 30 June 2021, cash and cash equivalents increased by RMB167.3 million from RMB1,065.6 million as at 31 December 2020 to RMB1,232.9 million. The increase was primarily attributable to the net cash proceeds of approximately HK$1.16 billion the Group received from the Subscription (as defined below).

As at 30 June 2021, we had utilised bank facilities of RMB137.7 million and unutilised bank facilities of RMB112.3 million.

Significant Investments, Material Acquisitions or Disposals

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

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	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Cash used in operations	**(430,874)**	(160,903)
Net interest paid	**(902)**	(1,322)
Net cash used in operating activities	**(431,776)**	(162,225)
Net cash used in investing activities	**(243,785)**	(33,032)
Net cash generated from financing activities	**842,207**	1,792,803
Net increase in cash and cash equivalents	**166,646**	1,597,546
Cash and cash equivalent at the beginning of the period	**1,065,588**	195,532
Exchange losses on cash and cash equivalents	**(255)**	(919)
Cash and cash equivalent at the end of the period	**1,231,979**	1,792,159

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 2021, our net cash used in operating activities was RMB431.8 million, consisting of RMB430.9 million of cash used in operations, interest paid on borrowings of RMB3.6 million and interest received on bank balances of RMB2.7 million.

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.

Net Cash used in Investing Activities

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

During the six months ended 30 June 2021, our net cash used in investing activities was RMB243.8 million, which primarily consisted of (i) purchases of time deposits with maturities of over three months of RMB322.1 million; (ii) purchases of financial assets at fair value through profit or loss of RMB135.6 million; and (iii) purchase of property, plant and equipment of RMB45.6 million, partially offset by (i) proceeds from disposal of financial assets at fair value through profit or loss of RMB137.0 million and (ii) proceeds from time deposits with maturities of over three months of RMB125.2 million.

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.

Net Cash Generated from Financing Activities

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

During the six months ended 30 June 2021, our net cash generated from financing activities was RMB842.2 million, primarily consisted of proceeds from issue of the Shares of RMB952.0 million, partially offset by (i) repayments of borrowings of RMB80.8 million; (ii) payment of lease liabilities of RMB26.9 million; and (iii) payment for listing expenses RMB2.0 million.

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.

Financial Position

Our net current assets increased from RMB1,251.3 million as of 31 December 2020 to RMB1,852.7 million as of 30 June 2021. Current assets increased from RMB1,420.6 million as of 31 December 2020 to RMB1,922.6 million as of 30 June 2021, primarily due to net cash proceeds of approximately HK$1.16 billion we received from the Subscription (as defined below) and the increase in our inventories from nil as of 30 December 2020 to RMB26.1 million as of 30 June 2021, as a result of our preparation for the commercialisation of Proxalutamide.

Significant Change in Accounting Policy

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

Indebtedness

As at 30 June 2021, the balance of our bank borrowings consisted of long-term bank borrowings of RMB98.5 million which were secured by certain land use right, buildings and construction in progress and unsecured long-term bank borrowings of RMB39.2 million. As at 30 June 2021, we had no short-term bank borrowings.

Certain Financial Ratio

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

	As at 30 June 2021	As at 31 December 2020
Current ratio[(1)]	**2,748.5%**	838.9%
Gearing ratio[(2)]	**5.7%**	11.8%

Notes:

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

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

Financial Risks

We are exposed to various types of financial risks: 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.

There have been no changes in the risk management policies since 31 December 2020.

Foreign Exchange Risk

The Group's exposure to foreign exchange risk as at 30 June 2021 mainly came from the cash and cash equivalents and time deposits at bank denominated in USD and HKD which primarily consisted of the proceeds we received from the Global Offering and the Subscription (as defined below).

Cash flow and Fair Value Interest Rate Risk

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

Our interest rate risk mainly arises from borrowings. Borrowings obtained at fixed rates expose us to fair value interest rate risk. As of 30 June 2021, our borrowings carried at fixed rates, which exposed the Group to fair value interest rate risk.

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

Credit risk

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

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

We account for credit losses, if any, using an expected credit losses model which utilises assumptions and estimates regarding expected future credit losses. We apply the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. As at 30 June 2021, we had no balance in respect of trade receivables. Thus no loss allowance provision for trade receivables was recognised during the six months ended 30 June 2021.

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 RMB1,852.7 million as of 30 June 2021. 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 2021, with comparative figures for the corresponding period in the previous year as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	**Six months ended 30 June 2021** ***RMB'000*** ***(Unaudited)***	Six months ended 30 June 2020 *RMB'000* *(Unaudited)*
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other income		**10,505**	4,497
Marketing costs		**(6,155)**	(3,595)
Administrative expenses		**(49,586)**	(45,016)
Research and development costs		**(282,180)**	(148,375)
Other gains/(losses) – net		**3,015**	(973)
Operating loss	*5*	**(324,401)**	(193,462)
Finance costs – net		**(1,420)**	(1,985)
Loss before income tax		**(325,821)**	(195,447)
Income tax expense	*6*	**–**	–
Loss and total comprehensive loss for the period attributable to the equity holders of the Company		**(325,821)**	(195,447)
Basic and diluted loss per share attributable to the equity holders of the Company (in RMB)	*8*	**(0.93)**	(0.72)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	**As at 30 June 2021** ***RMB'000*** ***(Unaudited)***	As at 31 December 2020 *RMB'000* *(Audited)*
Assets			
Non-current assets			
Property, plant and equipment	*9*	**199,417**	174,612
Intangible assets	*9*	**209,679**	209,760
Right-of-use assets	*9*	**36,027**	12,068
Other non-current assets		**33,172**	34,419
		478,295	430,859
Current assets			
Inventories		**26,084**	–
Other receivables, deposits and prepayments		**141,269**	31,621
Time deposits		**522,406**	323,407
Cash and cash equivalents		**1,232,865**	1,065,588
		1,922,624	1,420,616
Total assets		**2,400,919**	1,851,475
Liabilities			
Non-current liabilities			
Borrowings	*10*	**132,100**	134,900
Lease liabilities		**–**	490
Deferred income tax liabilities		**38,818**	38,818
		170,918	174,208

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Current liabilities			
Trade and other payables	*11*	**61,557**	81,409
Borrowings	*10*	**5,600**	83,600
Lease liabilities		**1,994**	2,713
Deferred income		**100**	361
Amounts due to related parties		**700**	1,250
		69,951	169,333
Total liabilities		**240,869**	343,541
Equity			
Equity attributable to the equity holders of the Company			
Share capital		**273**	261
Shares held for the Employee Incentive Scheme		**(17)**	(17)
Reserves		**2,159,794**	1,507,690
Total equity		**2,160,050**	1,507,934
Total equity and liabilities		**2,400,919**	1,851,475

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

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.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2021 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 annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standard as set out below.

(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 2021:

Standards	Key requirements
Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform

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 2021 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
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16	2018-2020 annual improvement cycle	1 January 2022

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim condensed consolidated 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 consolidated financial statements for the year ended 31 December 2020.

5 OPERATING LOSS

Operating loss is stated after charging the following:

	For the six months ended 30 June 2021 ***RMB'000*** ***(Unaudited)***	For the six months ended 30 June 2020 *RMB'000* *(Unaudited)*
Clinical research expenses	**158,176**	54,531
Employee benefit expenses	**80,211**	48,930
Materials and consumables used	**47,106**	40,371
Outsourced research and development expenses	**21,870**	18,125
Utilities and office expenses	**14,656**	6,913
Listing expenses	**–**	20,761
Depreciation of right-of-use assets *(Note 9)*	**1,722**	1,453
Less: Amounts capitalised in property, plant and equipment	**(99)**	(99)
	1,623	1,354
Depreciation of property, plant and equipment *(Note 9)*	**2,836**	1,193
Amortisation of intangible assets *(Note 9)*	**81**	85

6 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 2021 and 2020, no Hong Kong profits tax has been provided.

United States of America

Kintor Pharmaceuticals Inc. was incorporated in the United States of America in 2018 and is subject to federal and state income tax rate of 23.5% (2020: 23.5%).

Mainland China

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

The Group had no taxable income during the six months ended 30 June 2021 and 2020.

7 DIVIDEND

No dividend has been paid or declared by the Company or companies comprising the Group during the six months ended 30 June 2021 and 2020.

8 LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2021 and 2020.

In determining the weighted average number of ordinary shares in issue during the six months ended 30 June 2021 and 2020, 23,613,590 shares held for the employee incentive scheme (including 21,252,231 shares arising from the relevant capitalization issue) was not taken account into in determining the weighted average number of ordinary shares in issue.

	For the six months ended 30 June 2021 ***RMB'000*** ***(Unaudited)***	For the six months ended 30 June 2020 *RMB'000* *(Unaudited)*
Loss for the period	**(325,821)**	(195,447)
Weighted average number of ordinary shares in issue (in thousand)	**348,910**	272,924
Basic loss per share (in RMB)	**(0.93)**	(0.72)

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 2021 and 2020.

9 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 2021				
Cost	**182,255**	**209,943**	**17,157**	**409,355**
Accumulated depreciation/amortisation	**(7,643)**	**(183)**	**(5,089)**	**(12,915)**
Net book amount	**174,612**	**209,760**	**12,068**	**396,440**
For the six months ended 30 June 2021				
Opening net book amount	**174,612**	**209,760**	**12,068**	**396,440**
Additions	**27,664**	**–**	**25,681**	**53,345**
Disposal	**(23)**	**–**	**–**	**(23)**
Depreciation/amortisation charge *(Note 5)*	**(2,836)**	**(81)**	**(1,722)**	**(4,639)**
Closing net book amount	**199,417**	**209,679**	**36,027**	**445,123**
At 30 June 2021				
Cost	**209,771**	**209,943**	**42,838**	**462,552**
Accumulated depreciation/amortisation	**(10,354)**	**(264)**	**(6,811)**	**(17,429)**
Net book amount	**199,417**	**209,679**	**36,027**	**445,123**
(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 5)*	(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

Land use rights represents the land use rights 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 rights of the Group held in the PRC are 50 years. As at 30 June 2021, certain land use right, buildings and construction in progress were pledged for the Group's borrowings amounting to RMB98,500,000 (31 December 2020: RMB99,000,000) (Note 10).

10 BORROWINGS

	As at 30 June 2021 ***RMB'000*** ***(Unaudited)***	As at 31 December 2020 *RMB'000* *(Audited)*
Non-current		
Long-term bank borrowings *(Note (a))*	**132,100**	134,900
Current		
Short-term bank borrowings *(Note (b))*	**–**	79,900
Long-term bank borrowings *(Note (a))*	**5,600**	3,700
	5,600	83,600
Total	**137,700**	218,500

(a) As at 30 June 2021, the Group had long-term bank borrowings of RMB98,500,000 (31 December 2020: RMB99,000,000) which were secured by certain land use right, buildings and construction in progress and unsecured long-term bank borrowings of RMB39,200,000 (31 December 2020: RMB39,600,000).

As at 30 June 2021, borrowings of RMB50,000,000 (31 December 2020: RMB50,000,000) bore a fixed interest rate at 4.90% per annum, borrowings of RMB48,500,000 (31 December 2020: RMB49,000,000) bore a fixed interest rate at 4.75% per annum and borrowings of RMB39,200,000 (31 December 2020: RMB39,600,000) bore a fixed interest rate at 3.95% per annum. RMB5,600,000 of these loans should be repaid by 30 June 2022, while the remaining should be repaid by instalments during the period from 15 October 2022 to 23 March 2026.

(b) As at 30 June 2021, the Group had no short-term bank borrowings.

As at 31 December 2020, the Group had unsecured short-term bank borrowings totalling RMB79,900,000 which bore a fixed interest rate at 4.35% per annum.

The maturity date is as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Less than 1 year or repayment on demand	**5,600**	83,600
1-2 years	**8,600**	6,600
2-5 years	**123,500**	108,300
Over 5 years	**–**	20,000
	137,700	218,500

The carrying amounts of borrowings were denominated in RMB.

11 TRADE AND OTHER PAYABLES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Payables for materials and consumables *(Note (a))*	**4,750**	130
Payables for service suppliers *(Note (a))*	**27,938**	28,681
Payables for property, plant and equipment	**12,280**	28,513
Salary and staff welfare payables	**12,182**	13,321
Payables for audit services	**1,744**	2,800
Payables for other taxes	**1,151**	1,179
Payables for interest expenses	**175**	261
Payables for intangible asset	**–**	3,500
Payables for listing expenses	**–**	2,030
Others	**1,337**	994
	61,557	81,409

As at 30 June 2021 and 31 December 2020, 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 2021 and 31 December 2020, the ageing analysis of payables for materials and consumables and payables for service suppliers based on invoice date are as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
– Within 1 year	**32,688**	28,811

12 COMMITMENTS

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

As at 30 June 2021 and 31 December 2020, 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 2021	As at 31 December 2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
No later than 1 year	**371**	101

(ii) Capital expenditure commitments

Capital expenditure contracted for as at 30 June 2021 and 31 December 2020 but not yet incurred by the Group are as follows:

	As at 30 June 2021	As at 31 December 2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Land use right	**–**	24,400
Property, plant and equipment	**17,948**	9,518
	17,948	33,918

FUTURE AND OUTLOOK

Our vision is to focus on developing potential "best-in-class" and "first-in-class" novel drugs (including small molecures and biologics) and commercialisation platform, to meet the unmet medical needs in indications including COVID-19, prostate cancer, HCC, androgenetic alopecia and acne vulgaris.

In realization of our vision, we plan continue to advance the clinical development, regulatory approvals (including EUAs) and commercial launch of Proxalutamide globally and expand its indications. Other than the COVID-19 indication, we are concurrently conducting phase III clinical trials in China and phase II clinical trials in the United States in respect of Proxalutamide for mCRPC indication as well as phase Ic clinical trial for breast cancer indication in China, as part of our efforts to keep expanding the possible indications our drug candidates could potentially serve.

Furthermore, we plan to continue to leverage our expertise in AR-related research and continue our clinical development of Pyrilutamide for androgenetic alopecia and acne vulgaris in both China and the United States. Also, we plan to capitalise on our exclusive global license from Pfizer to develop our ALK-1 as a potential first-in-class drug, as well as our exclusive Greater China license from Gensun to develop PD-L1/TGF-β as a potential best-in-class drug, in combination therapies with a variety of antibodies or bispecific antibodies for the treatment of various solid tumours and leveraging the expertise of our biologics R&D personnel to enhance our biologics R&D capabilities. It is also our plan to further leverage our PROTAC platform in development of small molecule drugs such as GT20029 and seeking innovative drug strategies of applying PROTAC molecule in local treatment.

In order to support our continuous growth, we plan to continue our investment in R&D infrastructure and talent to advance the clinical development of our clinical-stage drug candidates as well as the pre-clinical development of our existing and future drug candidates.

We are also actively exploring collaboration opportunities in various aspects of our drug development processes, including pre-clinical technology, clinical combination therapies and commercialisation. A case in point is the licensing agreement which our Group has entered into with Fosun Pharmaceutical, pursuant to which the parties would collaborate in the EUA applications, promotion and sales or Proxalutamide for the treatment of COVID-19, with an aim to better prepare ourselves for the commercialisation of Proxalutamid once we have received the green light from various regulatory authorities to proceed in this regard.

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 six months ended 30 June 2021, the Board is of the opinion that the Company has complied with all the code provisions under the CG Code apart from the deviation stated below.

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

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

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

Specific enquiries have been made of all the Directors and they have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2021 and up to the date of this announcement.

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

USE OF PROCEEDS FROM THE LISTING

With the Shares 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 2021, IPO proceeds of HK$746.2 million has been utilised and we expect to utilise the balance therefrom by June 2022.

As at 30 June 2021, details of intended application of net proceeds are set out as follow:

	Approximate % of total net proceeds	**Planned use of actual net proceeds**	**Utilized net proceeds up to 30 June 2021**	**Proceeds unused**	**Expected timeline for utilizing the remaining balance of net proceeds from the Global Offering[(1)]**
	%	*HKD'million*	*HKD'million*	*HKD'million*	
Development and commercialisation of Proxalutamide	42.0	721.3	370.7	350.6	Expected to be fully utilized by 30 June 2022
Development and commercialisation of Pyrilutamide	28.0	480.8	88.5	392.3	Expected to be fully utilized by 30 June 2022
Our ongoing and planned clinical trials for our other clinical-stage drug candidates	14.0	240.4	61.4	179.0	Expected to be fully utilized by 30 June 2022
The R&D of pre-clinical stage drug candidates	6.0	103.1	80.2	22.9	Expected to be fully utilized by 30 June 2022
Working capital and general corporate purposes	10.0	171.7	145.3	26.4	Expected to be fully utilized by 30 June 2022
Total	100.0	1,717.3	746.2	971.1	

Note:

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

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

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

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

TOP-UP PLACING OF EXISTING SHARES, SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE AND SALE OF SHARES BY SELLING SHAREHOLDER

On 26 May 2021, the Company, KT International Investment Limited (the "**Vendor**") and KG Development Limited (the "**Selling Shareholder**") entered into a placing agreement (the "**Placing Agreement**") with UBS AG Hong Kong Branch (the "**Placing Agent**"), pursuant to which:

(a) the Vendor agreed to sell, and the Placing Agent agreed, as agent of the Vendor, to, among other things, procure purchasers to purchase 18,200,000 Shares in aggregate held by the Vendor (the "**Placing Shares**") at a price of HK$64.50 per Share (the "**Placing Price**") (the "**Placing**");

(b) the Vendor conditionally agreed to enter into a subscription agreement (the "**Subscription Agreement**") with the Company to subscribe as principal for, and the Company conditionally agreed to issue, 18,200,000 new Shares (the "**Subscription Shares**"), at the price of HK$64.50 per Subscription Share (the "**Subscription Price**"), which was equivalent to the Placing Price (the "**Subscription**"); and

(c) the Selling Shareholder agreed to sell, and the Placing Agent agreed, as agent of the Selling Shareholder, to, among other things, procure purchasers to purchase a total of 3,700,000 Shares at the price of HK$64.50 per Share.

On 31 May 2021, the completion of the Placing took place, as a result of which an aggregate of 21,900,000 Placing Shares were successfully placed by the Placing Agent to no less than six placees (the "**Placees**") at the Placing Price pursuant to the terms and conditions of the Placing Agreement. As all conditions (one of which included the completion of the Placing having occurred pursuant to the terms of the Placing Agreement) for the completion of the Subscription had been fulfilled, the Company allotted and issued 18,200,000 Subscription Shares to the Vendor at the Subscription Price on 2 June 2021 in accordance with the terms and conditions of the Subscription Agreement.

The net proceeds from the Subscription amounted to approximately HK$1.16 billion, net of professional fees and out-of-pocket expenses. As at 30 June 2021, proceeds from the Subscription of HK$180.3 million has been utilised. The Company intends to use all of the net proceeds from the Subscription for the development and commercialisation of Proxalutamide by December 2022 and working capital for general corporate purposes.

For further information on the Placing and the Subscription, please refer to the announcements of the Company dated 27 May 2021 and 2 June 2021, respectively.

Immediately after the completion of the Placing and the Subscription and up to the date of this announcement, the total number of shares in the Company's issued share capital was 387,589,600, comprising 51,037,270 Shares held by the Vendor, 43,137,270 Shares held by the Selling Shareholder, 21,900,000 Shares held by the Placees, and 271,515,060 Shares held by the Shareholders other than the Vendor, the Selling Shareholder and the Placees.

GRANT OF RSU

The Employee Incentive Scheme was approved and adopted by the Board on 31 March 2020. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of options by the Company to subscribe for new Shares.

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

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

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

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

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

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

CHANGES OF DIRECTORS AND COMPOSITION OF BOARD COMMITTEES

With effect from 30 April 2021, Dr. Bing CHEN has resigned as a non-executive Director and a member of the Audit Committee due to pursuit of his personal commitments and Dr. Yan WANG has been appointed as a non-executive Director and a member of the Audit Committee.

With effect from 22 June 2021, Mr. Jie CHEN has resigned as a non-executive Director due to pursuit of his personal commitments and Mr. Weipeng GAO has been appointed as a non-executive Director.

EXPIRATION OF THE 2018 AIC AGREEMENT AND ENTERING INTO OF THE 2021 AIC AGREEMENT

On 27 August 2018, Dr. TONG and Dr. GUO (collectively, the "**Concerted Parties**") entered into an acting in concert agreement (the "**2018 AIC Agreement**"), pursuant to which the Concerted Parties agreed to act in concert in respect of, among other things, exercising voting rights and making proposals at general meetings and board meetings of all Group companies upon the expiration of which such term could be extended with the mutual consent of the Concerted Parties.

On 27 August 2021, the Concert Parties entered into a new acting in concert agreement (the "**2021 AIC Agreement**") for a term of one year, automatically renewable upon the expiration of the foregoing one-year term. Pursuant to the 2021 AIC Agreement, such renewal shall automatically take place each year until and unless the Concerted Parties expressly terminate the 2021 AIC Agreement. Save for the foregoing change in the term relating to the renewal of the 2021 AIC Agreement, the principal terms of the 2021 AIC Agreement remain substantially the same as those contained in the 2018 AIC Agreement.

The Company has no controlling shareholder. Neither the expiration of the 2018 AIC Agreement nor the entering into of the 2021 AIC Agreement resulted in any change in the largest Shareholder or the number of Shares held by the Concerted Parties.

SUBSEQUENT EVENTS

Save as disclosed above, as of the date of this announcement, there was no other significant event subsequent to 30 June 2021.

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. Yan WANG. 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 2021. 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 2021) 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 interim dividend for the six months ended 30 June 2021.

PUBLICATION OF THE 2021 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 2021 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 requires, 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
"API"	Active Pharmaceutical Ingredient
"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

"CDMO"	Contract Development and Manufacturing
"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"	has the meaning ascribed to it under the Listing Rules
"Core Products"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this announcement, our Core Products consists of Proxalutamide (GT0918), Pyrilutamide (KX-826) and ALK-1 (GT90001)
"COVID-19"	coronavirus disease 2019
"CRO(s)"	contract research organisation, 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 the Group primarily for the treatment of metastatic solid tumours such as breast cancer, prostate cancer and liver cancer
"Director(s)"	director(s) of the Company
"Dr. GUO"	Dr. Chuangxing GUO, one of the co-founders of the Company
"Dr. TONG"	Dr. Youzhi TONG, one of the co-founders, as executive Director, chairman, chief executive officer of the Company

"Employee Incentive Scheme"	the employee incentive scheme of the Company approved and adopted by the Board on 31 March 2020
"EUA"	emergency use authorisation
"Frost & Sullivan Report"	an independent market research report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent third party, in January 2021
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"Grantees"	the employees of the Group who were granted RSUs in accordance with the Employee Incentive Scheme on 26 March 2021
"HCC"	hepatocellular carcinoma, a common type of liver cancer
"hedgehog"	one of the anticancer targets, when hedgehog is not turned off during adulthood, it promotes the growth of cancer cells
"HKD" or "HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board
"IIT"	Investigator-initiated trial
"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"	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 (PD-1, PCD-1,) with immune checkpoint inhibitory and antineoplastic activities
"NMPA"	the National Medical Products Administration (國家藥品監督管理局) of the PRC, successor to the China Food and Drug Administration according to the Institutional Reform Plan of the State Council
"PD"	Pharmacodynamics
"PD-1" or "PCD-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, a small molecule composed of (i) a recruiting element for a protein of interest; (ii) an E3 ubiquitin ligase recruiting element; and (iii) a linker binding (i) and (ii)
"Proxalutamide" or "GT0918"	a small molecule second generation AR antagonist under development by our Group for the treatment of mCRPC and AR+ metastatic breast cancer
"Pyrilutamide" or "KX-826"	an AR antagonist under development by the Group as a topical drug for the treatment of androgenetic alopecia and acne vulgaris
"R&D"	research and development
"RMB"	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 2021
"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)"	share(s) in the share capital of the Company, of nominal value US$0.0001 each
"Shareholder(s)"	holder(s) of the Shares
"SMO"	smoothened, a Class Frizzled G protein-coupled receptor that is a component of the hedgehog signalling pathway
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou Kintor"	Suzhou Kintor Pharmaceuticals, Inc. (蘇州開拓藥業股份有限公司), a company established in the PRC with limited liability on 24 March 2009 and a wholly-owned subsidiary of the Company
"TGF-ß"	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

"United States" or "US"	the United States of America
"US FDA"	Food and Drug Administration of the United States
"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
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 27 August 2021

As at the date of this announcement, the executive Director is Dr. Youzhi TONG; the non-executive Directors are Mr. Gang LU, Mr. Weipeng GAO, Dr. Yan WANG, Mr. Wei ZHANG and Ms. Yaling WU; and the independent non-executive Directors are Dr. Michael Min XU, Mr. Wallace Wai Yim YEUNG and Prof. Liang TONG.

* *For identification purposes only*