Immunotech Biopharm Ltd
永泰生物製藥有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6978)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of the Company is pleased to announce the audited consolidated results of the Group for the Reporting Period, together with the comparative figures for the year ended 31 December 2021.

FINANCIAL HIGHLIGHTS

Other income increased by approximately RMB11.8 million or approximately 195.7% from approximately RMB6.0 million for the year ended 31 December 2020 to approximately RMB17.8 million for the year ended 31 December 2021.

Other gains and losses, net decreased by approximately RMB17.0 million or approximately 41.8% from losses of approximately RMB40.5 million for the year ended 31 December 2020 to losses of approximately RMB23.5 million for year ended 31 December 2021.

Research and development expenses decreased by approximately RMB38.0 million or approximately 13.6% from approximately RMB278.6 million for the year ended 31 December 2020 to approximately RMB240.6 million for the year ended 31 December 2021.

Administrative expenses increased by approximately RMB35.7 million or approximately 51.9% from approximately RMB68.6 million for the year ended 31 December 2020 to approximately RMB104.3 million for the year ended 31 December 2021.

Loss before tax decreased by approximately RMB84.5 million or approximately 19.2% from approximately RMB439.1 million for the year ended 31 December 2020 to approximately RMB354.6 million for the year ended 31 December 2021.

Loss and total comprehensive expenses for the year decreased by approximately RMB84.5 million or approximately 19.2% from approximately RMB439.1 million for the year ended 31 December 2020 to approximately RMB354.6 million for the year ended 31 December 2021.

BUSINESS HIGHLIGHTS

Clinical trials

EAL® – post-surgical recurrence of liver cancer as indication

EAL® is undergoing Phase II clinical trial with the post-surgical recurrence of liver cancer selected as the clinical indication. As at the date of this announcement, the Company has completed the enrollment of 397 targeted patients for the Phase II clinical trial. The Company is confident that it will submit a pre-NDA meeting application for the product to the NMPA and hopefully market the product in 2023.

CAR-T-19 Injection

CAR-T-19 Injection, T cells that are genetically modified to express anti-CD19 chimeric antigen receptors and one of the Group's pipeline products, has received an approval of the IND for clinical trials from the CDE.

Following the IND approval, the Company has commenced Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing on 25 February 2021. As at the date of this announcement, the Company has completed the enrollment of six targeted patients for the Phase I clinical trial for CAR-T-19 Injection. It is expected that the targeted patient enrollment will complete and the preliminary analysis and results will be published in 2022.

6B11-OCIK Injection

As at the date of this announcement, the Company has completed the enrollment of three targeted patients for the Phase I clinical trial for 6B11-OCIK Injection. We plan to complete the enrollment of targeted patients in the third quarter of 2022 and publish the preliminary analysis and results in 2022.

EAL® – gastric cancer as indication

The Company is currently conducting a pre-clinical study of EAL® for gastric cancer as indication. The pharmacodynamics study has been completed and the pharmacology and toxicology studies are in progress. The Company expects to submit the clinical study application to the CDE of the NMPA in 2022 after completing the pre-clinical study.

RC19D2 (originally known as CAR-T-19-D2 or CAR-T-19-DNR)

The Company has submitted the communication meeting application of new drug clinical trial to the CDE of the NMPA for RC19D2 injection product. RC19D2 targets immunosuppressive molecule TGF-β, it is an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma. The injection has the goal of overcoming chimeric antigen receptor T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and in the prevention of tumour recurrence.

Others

Strategic Cooperation Framework Agreement with China Resources Pharmaceutical Group Limited ("CR Pharma")

On 17 September 2021, the Company and CR Pharma entered into a Strategic Cooperation Framework Agreement, pursuant to which the Company and CR Pharma agreed to strategically cooperate in (i) sales and distribution of EAL® within the PRC; (ii) operations and R&D; (iii) establishment of a fund in Shenzhen; and (iv) future financing arrangements. Details of the Strategic Cooperation Framework Agreement are set out in the announcement dated 17 September 2021.

Publication of research article in relation to 6B11-OCIK

In August 2021, Dr Wang Yu, along with other authors who include researchers of Beijing Weixiao contributed to the publication of a research article on Frontiers in Immunology, which suggested that autologous 6B11-OCIK treatment was safe and had potential clinical efficacy against ovarian cancer. Details of the publication are set out in the announcement of the Company dated 4 August 2021.

Industry Fund

On 24 February 2021, the Company, through Beijing Yongtai, entered into establishment of the Industry Fund with, Shaoxing Binhai Investment Fund, to set up the research and development and production centre of EAL® for the Eastern China and focus on investments in the upstream and downstream industrial chain of cellular immunotherapy. Details of the establishment of and investment in the Industry Fund are set out in the voluntary announcement of the Company dated 24 February 2021.

Exclusive License Agreement With T-Cure

The Company entered into the License Agreement with T-Cure as confirmed by NIH on 11 January 2021. With the grant of a retroviral-vectored TCR-based immunotherapy for renal cell carcinoma in HLA A-11 restricted human patients, the Company will gain advantage in treatment of renal cell carcinoma indication in the PRC. Details of the License Agreement are set out in the announcement of the Company dated 12 January 2021.

Investment Fund

The Company entered into the Subscription Agreement with Tasly Bioscience Fund Limited on 31 December 2020 in relation to the subscription of the Investment Fund. The Company's total capital contribution to the Investment Fund as a limited partner is HK$156.8 million. The Investment Fund has made an investment of HK$146,220,000 (equivalent to RMB119,769,000) to a project in June 2021. As at 31 December 2021, fair value of the Company's portion in the Investment Fund amounted to approximately RMB111.7 million, which represented approximately 10.2% of the total assets of the Company.

CORPORATE PROFILE

Overview

We are a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy for over 15 years. EAL® – our Core Product Candidate – is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application, and has shown efficacy in the treatment of various types of cancer. Our EAL®-related research began in 2006, and we have improved upon our cell culture system and methods, and developed our proprietary, patented technology platform for the production of EAL® cells.

We have selected the prevention of postsurgical recurrence of liver cancer as the clinical indication for the clinical trial of EAL®. We plan to submit the application for the commercialisation of EAL® in the PRC market after achieving statistically significant result for its clinical trials.

Our product pipeline features major classes of cellular immunotherapy products, including both non-genetically-modified and genetically-modified products, as well as both multi-target and single-target products. Other than EAL®, our main product candidates include 6B11, the CAR-T cell series and the TCR-T cell series.

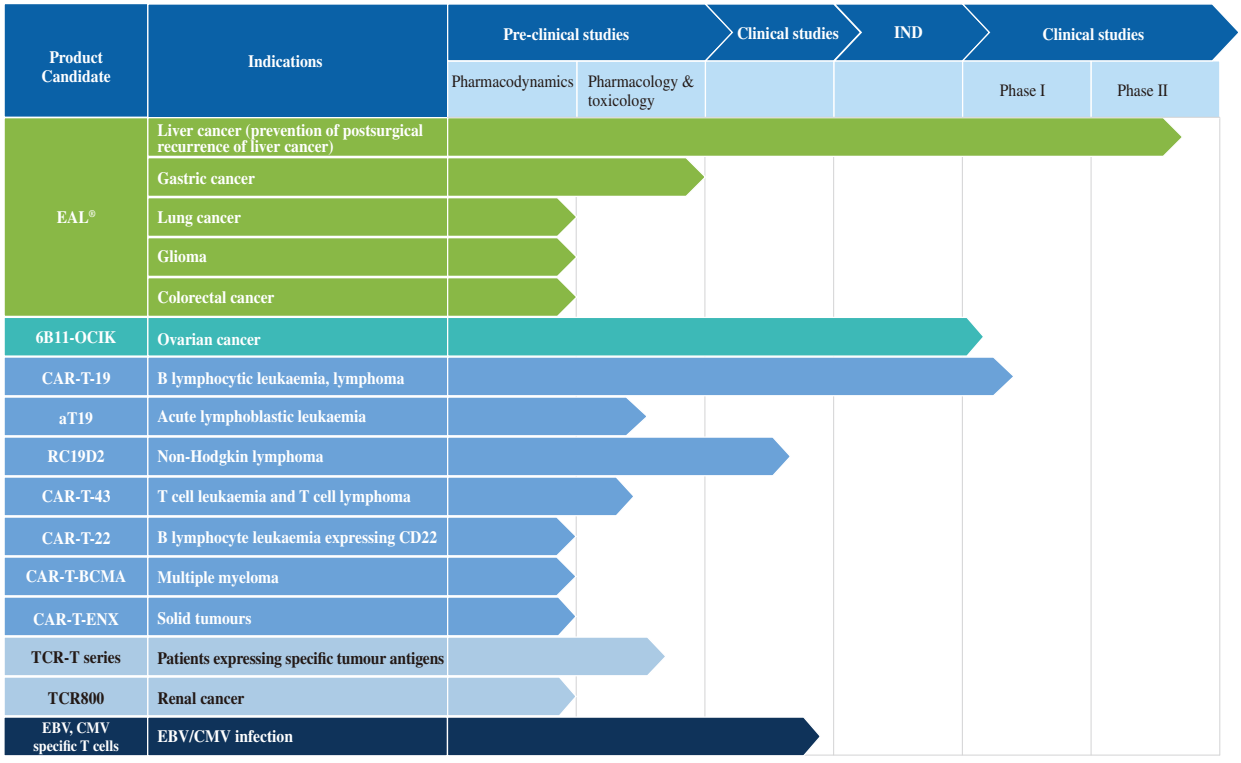
Composed of experienced cancer immunologists, our core technology team is equipped with industry foresight and sensitivity. Our R&D organisational structure encompasses early research, pre-clinical studies, clinical studies, and commercialised production and management, allowing for rapid implementation of our product R&D efforts.

We have also established technology platforms necessary for the R&D of cellular immunotherapy products and in place an organisational and management platform for clinical trials.

BUSINESS REVIEW

R&D of our product candidates

The following chart summarises our product candidates and their R&D status as at the date of this announcement:



EAL®

EAL® is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application in the treatment of cancer. It is a preparation of activated and expanded T cells originally taken from a patient's autologous peripheral blood and cultured using our patented methods. The main active component of the product is $CD8^+$ cytotoxic T cells, whose surface marker is the CD3 molecule.

EAL® is undergoing Phase II clinical trial with the postsurgical recurrence of liver cancer selected as the clinical indication. Based on our communications with the CDE, we may apply for marketing approval for EAL® indicated for the prevention of postsurgical recurrence of liver cancer using the interim results of the ongoing clinical trial or the final results at the end of the clinical trial if such results are statistically significant. We may further communicate with the CDE to facilitate the assessment after obtaining clinical trial results that support the efficacy of EAL®.

As at the date of this announcement, the Company has completed the enrollment of 397 targeted patients for the Phase II clinical trial. The Company is confident that it will submit a pre-NDA meeting application for the product to the NMPA and hopefully market the product in 2023.

CAR-T cell product pipeline

The CAR-T-19 series forms the core of our CAR-T cell product pipeline. Our CAR-T-19 injection product candidate has shown efficacy in a clinical study, and our IND application for the product candidate with B-cell acute lymphoblastic leukaemia (B-ALL) as the clinical indication was accepted for processing by the CDE in August 2019.

In December 2020, we received an approval of the IND for clinical trials of CAR-T-19 injection from the CDE. Following the IND approval, the Company has commenced Phase I clinical trial process for the CAR-T-19 injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing on 25 February 2021. As at the date of this announcement, the Company has completed the enrollment of six targeted patients for the Phase I clinical trial for CAR-T-19 Injection. It is expected that the targeted patient enrollment will complete and the preliminary analysis and results will be published in 2022.

Based on the technology of the CAR-T-19 injection, our RC19D2 injection and aT19 injection product candidates have the ultimate goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and in the prevention of tumour recurrence. If verified, the technology underlying these two product candidates may be used in the genetic modification of other CAR-T and TCR-T cell products targeting solid tumours.

TCR-T cell product pipeline

TCR-T cell therapy is an immunotherapy based on the reinfusion of tumour antigen-specific T cells. We use our established single-cell sequencing-based technology platform to obtain different HLA-restricted T cell receptor (TCR) coding sequences for specific antigens. Subsequently, the TCR genes are inserted into our self-constructed lentiviral vector for transduction into T cells, and then the killing effect on tumour cells is confirmed by an in vitro and in vivo model. In this way, we hope to finally prepare a gene database for TCRs where different antigenic specificities presented by common HLA can be recognised.

With a view to overcoming the immunosuppressive mechanisms of tumours, we have constructed expression vectors that co-express TCR and CXCR3, IL-12, or TGF-ß DNR, and we plan to use transplanted tumour models to investigate their effects on the therapeutic effect of TCR-T cells, thereby laying the foundation for the development of the next generation of TCR-T cell products for the treatment of solid tumours.

We have a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target antigens including the cancer-testis antigen or cancer-placental antigen such as NY-ESO-1, and antigens derived from viruses such as EBV and HPV.

We entered into the License Agreement with T-Cure on 11 January 2021. With the exclusive license in relation to retroviral-vectored TCR-based immunotherapy for renal cell carcinoma in HLA A-11 restricted human patients that was granted to us, we will gain an advantage in treatment of renal cell carcinoma indication in the PRC.

6B11-OCIK Injection

6B11-OCIK Injection is an injection of ovarian cancer autologous cytotoxic T lymphocyte. 6B11 is the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9. The use of 6B11 can induce specific anti-ovarian cancer humoral and cellular immune antibodies in vitro, which can be cultured and proliferated in vitro (6B11-OCIK Injection) and infused back to the subject to achieve the purpose of specifically killing tumour cells.

As at the date of this announcement, the Company has completed the enrollment of three targeted patients for the Phase I clinical trial for 6B11-OCIK Injection. We plan to complete the enrollment of targeted patients in the third quarter of 2022 and publish the preliminary analysis and results in 2022.

Cautionary Statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that our core product candidate and other product candidate will ultimately be successfully developed and marketed.

The Group's facilities

We have a total area of approximately 13,640 sq.m. for a R&D and manufacturing centre in Beijing, which includes a quality inspection building and clean laboratory. Such facilities are capable of supporting our pre-clinical and clinical R&D of cellular immunotherapy product candidates, as well as the early production needs upon marketing approval for our product candidates. All these facilities have been issued clean facility (area) inspection reports by the Beijing Institute for Drug Control. Our Guosheng Laboratory in Beijing has the capacity to handle approximately 40,000 samples per year, and can satisfy the needs from the clinical trials for our product pipeline for two to three years, as well as the early production needs from the commercialisation of EAL®. In addition, we have established a research centre in the Republic of Korea primarily focusing on the development of new technologies relevant to our business.

In order to expedite our clinical trials and prepare for future commercialisation roadmap, we are planning to establish R&D and production centres in densely-populated areas in China in view of the six-hour transportation radius for EAL®, namely:

- Northern China region:

  - On 9 October 2021, we, through Beijing Yongtai as the tenant, entered into the Lease Agreement with Leadman as the landlord in relation to the lease of a premises. The premises, being the five floors of the factory, partial area of the fourth floor of the plant, first floor of the sewage treatment facility area, basement and machinery room (the "**Rentable Factory Area**") with an aggregate rentable area of approximately 17,235 sq.m.; (ii) the partial area of the sixth floor (the "**Rentable Office Area**", together with the Rentable Factory Area, the "**Premises**") with an aggregate rentable area of approximately 1,600 sq.m. at Building 1, No.5 Xinghai Road, Beijing Economic and Technological Development Zone, which shall be leased by Leadman to Beijing Yongtai under and in accordance with the terms of the Lease Agreement. The Lease Agreement is for a fixed term of five calendar years commencing on the date of the Lease Agreement. The lease of the Rentable Factory Area commences on 9 October 2021 and the lease of the Rentable Office Area commences on 1 April 2022, respectively. Based on preliminary estimation of the Company, the value of the right-of-use assets in respect of the Premises, after the relevant addition adjustments, shall amount to approximately RMB70 million in aggregate. The Premises is used for carrying out the engineering modification and manufacturing of our core product EAL® and incidental office use related thereto. The Premises will allow the Group to carry out the necessary testing and quality assurance procedures and production for the purpose of the commercialisation of the Group's core product candidate. Details of the Lease Agreement are set out in the announcement of the Company dated 11 October 2021.

  - On 17 June 2021, the commencement ceremony for the construction of the R&D and industrialisation base took place, which marked the official launch of the construction project of the Group's R&D and industrialisation base in Beijing. The expected investment for the Beijing production centre would amount to approximately RMB1.2 billion, which is expected to be financed by a bank loan. After completion, it is expected to reach an annual production capacity of over 200,000 batches of cells, covering the domestic Northern and Northeast markets in China.

- Eastern China region: in February 2021, we, through Beijing Yongtai, entered into a cooperation framework agreement with the Shaoxing Binhai New Area Management Committee* (紹興濱海新區管理委員會) with a view to, among others, establishing the proposed research and development and production centre of EAL® for the Eastern China region, the proposed joint establishment of academician workstations with universities and research institutions in the PRC, the proposed land development regarding the project and the proposed establishment of the Industry Fund, targeted at investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy. At present, the total investment for the project is expected to be approximately RMB1.0 billion. The first phase of construction of proposed research and development and production centre of EAL® for the Eastern China region is expected to complete within 24 months after obtaining the relevant land title certificate.

- Southern and Western China regions: we are conducting site evaluation for EAL® commercialisation purposes in the Pearl River Delta region and Sichuan-Chongqing region and expects to finalise its plan in 2022.

Quality assurance

We have formulated our quality management documentation in accordance with GMP, covering production process procedures, product quality standards, equipment and facilities operation procedures, inspection procedures, sample retention and sampling management procedures, personnel training, environmental monitoring, verification and confirmation, deviation inspection, and quality risk control management procedures. We have standardised the selection, purchase, inspection, release, production process, inspection process, product storage, and transportation of the materials used in the products to ensure full compliance with relevant laws and regulations and GMP requirements. Under our quality management procedures, final products can be released only after quality inspection in order to ensure that the products meet the relevant standards and intended use.

In particular, the production of EAL® has achieved standardisation, and we have developed comprehensive standards in relation to the production process in order to ensure that the product is of consistent quality.

To ensure that our final products meet quality standards, all quality issues during the production process are documented, escalated to, and reviewed by senior management. We also conduct a formal risk assessment and justification in accordance with the standards and procedures under our quality management system and policies.

The head of our quality department reports directly to our CEO. There are four sub-teams within the quality department responsible for quality assurance, quality control, R&D quality management and molecule test respectively. As at 31 December 2021, we had 139 staff members in our quality department.

Future and outlook

Expedite the clinical trial and prepare for commercialisation of EAL®

We plan to further increase investment into expanding the geographical regions in which to conduct the ongoing Phase II clinical trial for EAL®, with a view of expediting subject enrolment and data collection, and at the same time preparing for future commercialisation.

Cellular immunotherapy products are subject to diminishing cell activity once taken out of the laboratory. As at the date of this announcement, we have confirmed the sites in Beijing and Shaoxing to construct production centres. We are planning to establish R&D and production centres in cities that densely-populated areas in China in view of the six-hour transportation radius for EAL®. After establishing our presence in Beijing and Shaoxing, we plan to build production centres in other major cities such as Shanghai, Guangzhou, Shenzhen and Chengdu.

The first patient for the Phase II clinical trial for EAL® was enrolled in September 2018, and as at the date of this announcement, the Company has completed the enrollment of 397 targeted patients for the Phase II clinical trial. The Company is confident that it will submit a pre-NDA meeting application for the product to the NMPA and hopefully market the product in 2023.

Expedite the research into the expansion of indications for EAL®

We intend to initiate clinical research on the expansion of indications for EAL®. Several clinical studies have shown the efficacy of EAL® in the treatment of various types of tumours other than liver cancer. After obtaining the marketing approval for EAL®, we plan to expand its clinical indications to diseases such as lung cancer, gastric cancer, and acute myeloid leukaemia. The Company is currently conducting a pre-clinical study of EAL® for gastric cancer as indication. The pharmacodynamics study has been completed and the pharmacology and toxicology studies are in progress. The Company expects to submit the clinical study application to the CDE of the NMPA in 2022 after completing the preclinical study.

According to the clinical application data of Guoqing Zhang et al from Chinese PLA General Hospital (中國人民解放軍總醫院), in respect of 84 patients with stage IIIc-IV gastric cancer consisting of 42 patients who received more than six EAL® infusions and 42 patients with concurrent control, the overall survival (OS) of the EAL®-treated group was 27.0 months, while that of the control group was 13.9 months. In another study by Zhang et al on small cell lung cancer, there were 32 patients consisting of 16 for the EAL®-treated group and 16 for the control group. The patients in the EAL®-treated group were each treated with more than six EAL® infusions, and the OS in the EAL®-treated group was numerically longer than that in the control group.

Advance the pre-clinical studies for pipeline products, and accelerate their entry into clinical trials

We plan to continue to invest into our CAR-T and TCR-T cell product pipelines. In particular, pharmacodynamic studies have been completed in respect of our RC19D2, and aT19 product candidates and they are targeted to enter clinical trials in 2022.

In the area of overcoming the immunosuppressive mechanisms of tumours, we intend to continue our research into multiple genetic modification methods aiming at affecting the signal pathway for T cells, with a view to increasing the T cells' efficacy in killing tumour cells. We expect that RC19D2, which targets immunosuppressive molecule TGF-ß, will be our first product candidate to enter into clinical study. We plan to validate the product candidate's primary safety and efficacy through a researcher- initiated clinical study programme and the programme has been granted the ethical approval by the China Ethics Committee of Registering Clinical Trials.

Targeting at prevention of recurrence after cellular immunotherapy, we are conducting R&D on therapeutic strategies adopting different immune mechanisms and different immune cells, to achieve effective induction of tumour antigen-specific immunological memory cells and long-term remission of tumours. Our first product candidate in this category is the aT19 injection.

Enhance our technology platform and strengthen our product pipeline

We will be committed to continuing our studies on cellular immunotherapy products appropriate for different tumour types and stages with improved efficacy compared to currently-available products.

In the area of solid tumours caused by oncogenic viruses such as nasopharyngeal cancer (EBV) and cervical cancer (HPV), we are conducting research into TCR-T cell products targeting at solid tumour cells expressing virus antigens.

In the area of neoantigens formed from tumour mutations in solid tumours, we intend to identify antigen-specific TCRs suitable for different individuals, with a view to ultimately constructing a gene database for TCRs targeting of tumour neoantigens in an effort to conduct research into molecule-specific TCR-T cell products for the treatment of solid tumours.

Develop viral vector production and early-stage R&D services business

The viral vector production system we have established meets the pharmaceutical production quality standards under GMP requirements. The viral vectors that we have produced meet the requirements for biological products and can be produced in scale. At present, domestic CAR-T cells companies often order viral vectors from abroad.

Due to their high degrees of individualisation and their nature as biological active products, cellular immunotherapy products are subject to research and development carried out through a systematic technology platform covering cell preparation, cell quality control, cell potency studies, cell safety studies, etc. In the absence of such platform, the productisation of the cells would be difficult. Through the research on a variety of products, including non-genetically modified and genetically-modified cellular immunotherapy products, we have established a systematic technology platform for the research and development of cellular immunotherapy products, and we can provide customised services according to the needs of customers.

Expand strategic collaboration and explore acquisition opportunities on the basis of organic growth

We intend to expand strategic collaboration and explore acquisition opportunities on the basis of our organic growth, in order to quickly expand our product pipeline covering the treatment of both solid and non-solid tumours. With a view to further enhancing our product pipeline, we intend to continue looking for new potential cellular immunotherapy products by expanding strategic cooperation and identifying potential acquisition targets possessing products with clear professional prospects.

FINANCIAL REVIEW

Year Ended 31 December 2021 Compared to Year Ended 31 December 2020

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Other income	**17,755**	6,005
Other gains and losses, net	**(23,540)**	(40,454)
Fair value loss of convertible redeemable preference shares	**–**	(16,984)
Administrative expenses	**(104,254)**	(68,625)
Research and development expenses	**(240,610)**	(278,626)
Finance costs	**(3,678)**	(2,389)
Listing expenses	**–**	(37,583)
Other expenses	**(288)**	(473)
Loss before tax	**(354,615)**	(439,129)
Income tax expense	**–**	–
Loss and total comprehensive expense for the year	**(354,615)**	(439,129)
Loss and total comprehensive expense for the year attributable to:		
Owners of the Company	**(354,224)**	(439,047)
Non-controlling interests	**(391)**	(82)
	(354,615)	(439,129)
Loss per share (RMB)		
Basic	**(0.69)**	(0.99)
Diluted	**(0.69)**	(0.99)

Other income

Other income of the Group increased by approximately 195.7% from approximately RMB6.0 million as at 31 December 2020 to approximately RMB17.8 million as at 31 December 2021, which was primarily due to the increase in interest income on bank deposits and government grants during the Reporting Period.

Set out below are the components of other income for the periods indicated:

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Income received from provision of cell cryopreservation services *(Note a)*	**710**	710
Income received from technical service	**132**	–
Interest income on bank deposits	**7,425**	3,581
Interest income from rental deposits	**131**	70
Government grants *(Note b)*	**9,274**	1,605
Others	**83**	39
Total	**17,755**	6,005

Note a: Cell cryopreservation is the process whereby cells are preserved by cooling to very low temperatures.

Note b: Government grants related to research and development activities, compensations of the capital expenditure and listing reward from local PRC governments

Other gains and losses, net

Other gains and losses, net of the Group decreased by approximately 41.8% from losses of RMB40.5 million for the year ended 31 December 2020 to losses of RMB23.5 million for the year ended 31 December 2021, which was primarily because of the change in fair value loss on financial assets at FVTPL which include Investment Fund and Industry Fund during the Reporting Period.

Business development expenses

We did not incur any business development expenses for the year ended 31 December 2021, which was primarily due to larger scale of Phase II clinical trial for EAL® based on which we classified all the business development expenses relevant to such clinical trial to our research and development expenses.

Administrative expense

Administrative expense of the Group increased by approximately 51.9% from approximately RMB68.6 million for the year ended 31 December 2020 to approximately RMB104.3 million for the year ended 31 December 2021, which was primarily due to the increase in headcount of administrative staff.

The Group's administrative expenses primarily include staff costs, professional fees including fees paid to contractors and recruiters, depreciation expenses of our right-of-use assets for our leases, vehicles and office equipment, travel and hospitality fees and others.

Research and development expenses

Research and development expenses of the Group decreased by approximately 13.6% from approximately RMB278.6 million for the year ended 31 December 2020 to approximately RMB240.6 million for the year ended 31 December 2021, which was primarily due to contracting costs are reduced based on the progress of the clinical trials.

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Materials for research and development project	**27,918**	14,162
Staff costs	**132,519**	157,796
Contracting costs	**47,897**	85,803
Depreciation and amortisation	**14,491**	11,470
Others	**17,785**	9,395
Total	**240,610**	278,626

Finance costs

Finance costs of the Group increased by approximately 54.0% from approximately RMB2.4 million for the year ended 31 December 2020 to approximately RMB3.7 million for the year ended 31 December 2021, which was primarily due to the increase in interest expenses on lease liability recognised pursuant to IFRS 16.

Listing expenses

We did not incur any listing expenses of the Group for the year ended 31 December 2021. Approximately RMB37.6 million of listing expenses incurred for the year ended 31 December 2020 was mainly attributable to the legal and professional fees in relation to the IPO.

Loss before tax

For the above reasons, the loss before tax of the Group decreased by approximately 19.2% from approximately RMB439.1 million for the year ended 31 December 2020 to approximately RMB354.6 million for the year ended 31 December 2021.

Income tax expenses

For the year ended 31 December 2021, we are not subject to any income tax in the Cayman Islands. No Hong Kong profit tax was provided for as there was no estimated assessable profit of our Hong Kong subsidiary, which was subject to Hong Kong profit tax during the Reporting Period. Our subsidiaries located in the PRC, were generally subject to the statutory enterprise income tax at a rate of 25% on the assessable profits according to the PRC Enterprise Income Tax Law. One of our PRC subsidiaries, Beijing Yongtai was accredited as a High And New Technology Enterprise for a three-year period commencing from 31 October 2018 and it was accredited as a High And New Technology Enterprise again for a three-year period on 17 December 2021. Accordingly, Beijing Yongtai enjoyed a lower tax rate of 15% during the Reporting Period.

Liquidity and capital resources

Our bank balances and cash decreased by approximately RMB492.0 million from approximately RMB845.4 million at 31 December 2020 to approximately RMB353.3 million at 31 December 2021, which was primarily due to the net loss from operation and construction of plant and purchase of related machinery. As at 31 December 2021, we did not have any bank borrowings nor loans.

Indebtedness

Lease liabilities

As at 31 December 2021, our lease liabilities were approximately RMB111.1 million. The lease liabilities were secured by rental deposits and unguaranteed.

Contingent liabilities, charge of assets and guarantees

Save as disclosed above, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, lease liabilities, liabilities under acceptance or other similar indebtedness, any guarantees or other material contingent liabilities as at 31 December 2021.

CAPITAL STRUCTURE

The Shares of the Company were listed on the Main Board of the Stock Exchange on 10 July 2020, and 100,000,000 Shares of the Company were issued at the offer price of HK$11.00 per share by way of Global Offering.

Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the global offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering. There was no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares. As at 31 December 2021, the total issued share capital of the Company was US$514,584 divided into 514,584,000 Shares.

The capital structure of the Group was 25.0% debt and 75.0% equity as at 31 December 2021, compared with 6.7% debt and 93.3% equity as at 31 December 2020.

FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may affect our financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit our exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

SELECTED FINANCIAL RATIO

The following table sets out certain selected financial ratios as at the balance sheet dates indicated:

	Year ended 31 December	
	2021	2020
Current ratio	**2.29**	27.95
Quick ratio	**2.23**	27.83

Notes:

(1) Current ratio equals current assets divided by current liabilities as at the end of the period.

(2) Quick ratio equals (a) current assets less Materials for research and development project divided by (b) current liabilities as at the end of the period.

Our current ratio decreased from 27.95 as at 31 December 2020 to 2.29 as at 31 December 2021 and our quick ratio decreased from 27.83 as at 31 December 2020 to 2.23 as at 31 December 2021 because of the application of net proceeds from Listing to the research and fixed assets investment.

EVENTS AFTER THE REPORTING PERIOD

Others

Shenzhen-Hong Kong Stock Connect

The Company has been included in the list of Hong Kong Stock Connect stocks under Shenzhen-Hong Kong Stock Connect with effect from 7 March 2022.

Hang Seng Composite Index

On 18 February 2022, Hang Seng Indexes Company Limited announced the results of its review of the Hang Seng Family of Indexes for the quarter ended 31 December 2021. The Company has been included in the Hang Seng Composite Index with effect from 7 March 2022.

Submission of the communication meeting application of new drug clinical trial for RC19D2

On 3 February 2022, we have submitted the communication meeting application of new drug clinical trial to the CDE for our RC19D2 injection product. RC19D2 injection targets immunosuppressive molecule TGF-ß, it is an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma. The injection has the goal of overcoming CAR-T cells pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and in the prevention of tumour recurrence.

Based on the current research and development progress, the Company expects to obtain the approval of clinical trial of our RC19D2 injection in the year of 2022.

Details of the communication meeting application are set out in the announcement of the Company dated 3 February 2022.

First patient enrolled in the Phase I clinical trial for 6B11-OCIK Injection

On 29 January 2022, the Company has completed its first patient enrollment for 6B11-OCIK Injection Phase I clinical trial in the PRC.

As at the date of this announcement, the Company has completed the enrollment of three targeted patients for the Phase I clinical trial for 6B11-OCIK Injection.

Based on the progress of clinical trial for 6B11-OCIK Injection and barring unforeseen circumstances, it is expected that the targeted patients enrollment will complete in the third quarter of 2022 and the preliminary analysis and results will be published in 2022.

Details of the Phase I clinical trial for 6B11-OCIK Injection are set out in the announcements of the Company dated 11 March 2021, 4 August 2021 and 30 January 2022.

Lock-up undertaking by certain shareholders

On 12 January 2022, the controlling shareholders and certain ultimate beneficial owners of the Company, for the purpose of expressing their confidence in the long term value of

the Company, each of them has undertaken on a voluntary basis to be subject to lock-up undertakings made in favour of the Company only, with respect to their direct and indirect interest in the shares of the Company.

Details of the lock-up undertaking are set out in the announcement of the Company dated 12 January 2022.

FINAL DIVIDEND

No dividend was paid, declared or proposed for the Reporting Period.

ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Friday, 20 May 2022 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 17 May 2022 to Friday, 20 May 2022, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, unregistered holders of shares must lodge all properly completed transfer forms accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 16 May 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance

The Company has applied the principles and code provisions as set out in the CG Code contained in Appendix 14 to the Listing Rules as its own code of corporate governance. The CG code has been applicable to the Company during the Reporting Period.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the Report Period.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

Use of Net Proceeds from Listing and Over-allotment Option

The Shares of the Company were listed on the Stock Exchange on 10 July 2020. Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the global offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the

borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering.

After deducting the underwriting fees and commissions, other listing expenses and other expenses in connection with the exercise of the initial global offering and the exercise of the over-allotment option, the net proceeds amounted to approximately HK$1,127.8 million. As at the date of this announcement, the Company used a total of approximately HK$742.0 million of the proceeds, including approximately HK$360.2 million for investment in the ongoing clinical trial and commercialisation of EAL®, approximately HK$228.5 million for investments in CAR-T-19 clinical trial and TCR-T product series candidates and approximately HK$49.3 million for working capital and other general corporate purposes. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus.

The table below sets out the planned applications of the net proceeds from the global offering the over-allotment option and actual usage up to the date of this announcement:

Use of Proceeds	**Allocation of the net proceeds from the Global Offering** *(HK$ million)*	**Percentage of total net proceeds** *(%)*	**Utilised amount (from the Listing date to 31 December 2021)** *(HK$ million)*	**Utilised amount (from 1 January 2021 to 31 December 2021)** *(HK$ million)*	**Unutilised amount (as at the date of this announcement)** *(HK$ million)*	**Expected timeline of full utilisation of the remaining proceeds from the Global Offering as at 31 December 2021**
For investment in the ongoing clinical trial and commercialisation of EAL®	385.6	34.2	360.2	293.2	25.4	By the end of 2023
For R&D expenditure in connection with expansion of other clinical indications for EAL®	213.2	18.9	43.8	43.8	169.4	By the end of 2025
For investments in CAR-T-19 clinical trial and TCR-T product series candidates	374.5	33.2	228.5	139.8	146.0	By the end of 2025
Development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres	98.1	8.7	60.2	44.8	37.9	By the end of 2025
Working capital and other general corporate purposes	56.4	5.0	49.3	24.2	7.1	By the end of 2023
Total	1,127.8	100.0	742.0	545.8	385.8	

For the Company's planned usage of the use of proceeds as described above, the Company expects the net proceeds will be used up by 2025.

Significant Investments, Material Acquisitions and Disposals

Exclusive license agreement with T-Cure

On 11 January 2021, we entered into the License Agreement with T-Cure, pursuant to which T-Cure agreed to grant an exclusive license to us to use the know-hows, patent rights and processes that are controlled or owned by T-Cure necessary or useful to develop, manufacture or commercialise of the Licensed Products for the development, manufacturing and commercialisation of Licensed Products in the Territory in the field of retroviral-based T-cell receptor based immunotherapy for renal cell carcinoma, and in consideration of which, the Company agreed to pay the upfront payment of US$2 million, US$0.8 million for retrovirus purchases, the milestone payment of US$10 million and royalties based on the net annual sales of Licensed Products, in accordance with the terms of the License Agreement.

Details of the License Agreement are set out in the announcement of the Company dated 12 January 2021.

Subscription of the Investment Fund

On 31 December 2020, we entered into the Subscription Agreement with Tasly Bioscience, in relation to the subscription of the Investment Fund. The Company's total capital contribution to the Investment Fund as a limited partner is HK$156.8 million.

Upon the entering into of the Subscription Agreement, Tasly Bioscience, as the general partner to the Investment Fund, and Tasly Bioscience, as attorney of the limited partners of the Investment Fund including the Company, entered into a limited partnership agreement on 31 December 2020 to govern their relationship and provide for, among others, the manner of operation and management of the Investment Fund. The Investment Fund has made an investment of HK$146,220,000 (equivalent to RMB119,769,000) to a project in June 2021.

As at 31 December 2021, fair value of the Company's portion in the Investment Fund amounted to approximately RMB111.7 million, which represented approximately 10.2% of the total assets of the Group.

The purpose of the investment fund is to engage in investments relating to immunotherapy targets and pipelines. The Group intends to expand its business network and reach of the Group through the Investment Fund as a platform with a view to identify marketable potential targets and pipeline products in the industry globally.

The Investment Fund intends to invest in a wide range of instruments including, but not limited to, listed and unlisted equities, preferred or common stocks, convertible securities, fixed income securities, warrants, options, equity related instruments as well as investing in partnership interest as a limited partner, of the portfolio company and partnership investments in multiple stage. The Investment Fund will primarily invest in immunotherapy areas, and the Investment Fund intends to make selective follow-on investments in certain existing portfolio entities of the Investment Fund.

Establishment of and investment in the Industry Fund

On 24 February 2021, we, through Beijing Yongtai, entered into a cooperation framework agreement (the "**Cooperation Framework Agreement**") with the Shaoxing Binhai New Area Management Committee* (紹興濱海新區管理委員會), a governmental management committee of Shaoxing City, Zhejiang Province, with a view to promote the development of biomedical industry in Shaoxing Binhai New Area* (紹興濱海新區) by the introduction of Beijing Yongtai to participate in the Huadong Cellular Immunotherapy Industrial Park* (華東細胞產業園) project, including, among other things, the proposed set up of research and development and production centre of EAL® for the Huadong region, the proposed joint establishment of academician workstations with universities and research institutions in the PRC, the proposed land development regarding the project and the proposed establishment of a specialised industry fund, targeted at investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy.

Upon the entering into of the Cooperation Framework Agreement, Beijing Yongtai, as the limited partner to the Industry Fund, Tianjin Jinxin Health Technology Co., Ltd.* (天津金新健康科技有限公司), as the general partner to the Industry Fund, and among other limited partners of the Industry Fund, entered into a limited partnership agreement on 24 February 2021 to, among other things, invest in the upstream and downstream industrial chain of cellular immunotherapy, stem cell research, gene therapy and precision medicine. Beijing Yongtai's total capital commitment in the Industry Fund as a limited partner to the Industry Fund is RMB50 million. As all of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules with reference to the total capital commitment to the Industry Fund by Beijing Yongtai was then less than 5%, such transaction did not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The capital commitment amount of RMB50 million accounted for less than 5% of the Group's total assets as at 31 December 2021.

Details of the establishment of and investment in the Industry Fund are set out in the voluntary announcement of the Company dated 24 February 2021.

As at 31 December 2021, fair value of the Group's portion in the Industry Fund amounted to approximately RMB51.5 million, which represented approximately 4.7% of the total assets of the Group.

Construction agreement in relation to the construction of the new biological drug R&D and industrialisation base in Beijing, the PRC

On 26 March 2021, we entered into a construction agreement (the "**Construction Agreement**") with China Construction Third Engineering Bureau Group Co. Ltd (中建三局集團有限公司) ("**CCTEB**") in relation to the construction of the R&D and industrialisation base (the "**R&D and Industrialisation Base**") located in the Beijing Economic and Technological Development Zone in Beijing, the PRC. The total contract sum payable to CCTEB under the Construction Agreement is RMB664,999,999.33. To cater for and for the purposes of preparing the commercialisation of our core product candidate and other product candidates, the construction of the R&D and Industrialisation Base will allow us to carry out the necessary R&D work, testing and quality assurance produces. The construction of the R&D and Industrialisation Based commenced on 17 June 2021.

The R&D and Industrialisation Base is expected to include buildings for cell therapy and other production workshops and quality inspection use, which will allow the Group to carry out necessary research and development work, testing and quality assurance procedures for purposes of the commercialisation of the Group's core product candidate, namely EAL®, and other product candidates.

Details of the Construction Agreement are set out in the announcements of the Company dated 29 March 2021, 22 April 2021, 12 May 2021, 21 May 2021 and 17 June 2021, and the circular dated 26 May 2021.

Save as disclosed and as at the date of this announcement, there were no significant investments held by the Group or future plans regarding significant investment or capital assets. For the year ended 31 December 2021, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Employee and Remuneration Policy

As at 31 December 2021, we had a total of 509 employees in the PRC and 6 employees in the Republic of Korea.

The following table sets forth the number of our employees for each function as at 31 December 2021:

Function	**Number of Employees**
General management and administration	52
Research and development	49
Senior management	16
Product and technology R&D	64
Production, purification, equipment and safety	132
Quality	137
Clinical support and business development	65
Total	515

We have designed an evaluation system to assess the performance of our employees periodically. Such system forms the basis of our determinations of whether an employee should receive a salary raise, bonus, or promotion. We believe the salaries and bonuses our employees receive are competitive with market rates.

We place strong emphasis on providing training to our employees in order to enhance their technical and product knowledge. We design and offer different training programmes for our employees in various positions.

We make contributions to the social insurance and housing provident fund for all our employees in the PRC.

Share Option Schemes

In order to reward the participants defined thereunder for their contribution to the Group's success and to provide them with incentives to further contribute to the Group, the Company adopted the pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") and a share option scheme (the "**Post-IPO Share Option Scheme**") on 6 June 2020.

For details of the principal terms of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, please refer to Appendix IV to the Prospectus.

Pre-IPO Share Option Scheme

The summary of the share options granted under the Pre-IPO Share Option Schemes that were still outstanding as at date of this announcement is as follows:

Name of the grantee	No. of share options outstanding as at 31 December 2020	No. of share options granted during the Reporting Period and up to 31 December 2021	No. of share options exercised during the Reporting Period and up to 31 December 2021	No. of share options forfeited during the Reporting Period and up to 31 December 2021	No. of share options outstanding as at 31 December 2021
Tan Zheng *Chairman and executive Director*	5,000,000	–	–	–	5,000,000
Wang Yu *Executive Director, CEO and co-CTO*	23,450,000	–	–	–	23,450,000
Employees (in aggregate)	8,800,000	–	–	(1,200,000)	7,600,000
Total	**37,250,000**	**–**	**–**	**(1,200,000)**	**36,050,000**

Details regarding the number of options, date of grant, vesting period, exercise period and exercise price of the share options granted under the Pre-IPO Share Option Scheme that were still outstanding as at the date of the announcement are set out below:

Name of the grantee	**Date of grant**	**Vesting Period**	**Exercise Period**	**Exercise Price per share** (Note 2)	**No. of outstanding option as at 31 December 2021**
Tan Zheng *Chairman and executive Director*	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK$5.5	5,000,000
Wang Yu *Executive Director, chief executive officer and co-chief technology officer*	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK$5.5	23,450,000
Employees (in aggregate)	31 December 2019	Three tranches of 30%, 30% and 40% on 31 December 2020, 2021 and 2022, respectively/ Two equal tranches on 31 December 2020 and 2021, respectively (Note 1)	31 December 2019 to 30 December 2026	HK$5.5	7,600,000
Total					**36,050,000**

Notes:

1. For details of the vesting periods of share options granted to each of the employees, please refer to Appendix IV to the Prospectus.

2. Closing price of the shares is not applicable as the shares of the Company were not listed at the date of grant.

As at the date of this announcement, the total number of share available for issue under the Share Option Scheme is 36,050,000 Shares, representing approximately 7.01% of the total issued shares of the Company.

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme will remain in force for a maximum period of 10 years commencing on the date on which the Post-IPO Share Option Scheme is adopted.

No share options were granted, exercised, cancelled or lapsed under the Post-IPO Option Scheme during the period from the Listing Date to date of this announcement.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the Reporting Period.

Audit Committee and Review of Financial Report

The Audit Committee was established on 6 June 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. As at the date of this announcement, the Audit Committee consists of three members, being two independent non-executive Directors, namely Mr Ng Chi Kit, who is the chairman of the Audit Committee, Professor Wang Yingdian, and one non-executive Director, namely Mr Tao Ran. Mr Ng Chi Kit is an independent non-executive Director possessing the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Directors.

The Audit Committee has reviewed the Company's annual financial results for the year ended 31 December 2021, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Directors on 25 March 2022. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Incoming substantial shareholder of the Company

On 20 July 2021, we noted from the voluntary announcement made by CR Pharma that it, through its wholly owned subsidiary, has agreed to purchase from certain existing minority shareholders of the Company an aggregate of 51,458,400 Shares (representing 10.0% of the total issued Shares).

Change of Director, joint company secretaries, authorised representative and composition of the Board committee

Mr Li Yuezhong ("**Mr Li**") has resigned as the non-executive Director.

Mr Tao Ran ("**Mr Tao**") has been appointed as the non-executive Director.

Ms Yin Mengyang and Ms Leung Shui Bing have resigned as joint company secretaries of the Company. Mr Yang Ning has been appointed as the sole company secretary of the Company.

Ms Leung Shui Bing has resigned as the authorised representative of the Company as required under Rule 3.05 of the Listing Rules. Mr Yang Ning has been appointed as the authorised representative of the Company as required under Rule 3.05 of the Listing Rules.

Ms Peng Sujiu has resigned as a member of the Audit Committee. Mr Tao Ran has been appointed as a member of the Audit Committee.

All of the above changes took effect on 23 August 2021. Please refer to the announcement of the Company dated 23 August 2021 (the "**Announcement**") for details.

With reference to Mr Li's resignation under the Announcement, we further supplement that Mr Li has resigned as the non-executive Director of the Company due to his other personal commitment. Mr Li has confirmed that he has no disagreement with the Board and there no other matters with respect to this resignation that need to be brought to the attention of the Shareholders.

Appointment of Mr Tao as an executive director and a member of the executive committee of CR Pharma

On 7 September 2021, we have been informed by Mr Tao that he has been appointed as an executive director and a member of the executive committee of CR Pharma.

Save as disclosed, so far as the Company is aware, there was no important event affecting the Group which occurred after the end of the Reporting Period up to the date of this announcement.

Changes to Director's Information

Professor Wang Yingdian, aged 60, was appointed as an independent non-executive Director in June 2020 and taking effect from 29 June 2020. He is mainly responsible for providing independent opinion and judgment to our Board. Professor Wang obtained a bachelor's degree in biology and a master's degree in physiology of plants in Northeast Normal University (東北師範大學) in the PRC in July 1983 and July 1988, respectively. In March 1997, he received a Ph.D. in crop production from Iwate University in Japan. Professor Wang has over 20 years of experience in academia with a research focus on development biology and biotechnology. Professor Wang has been a distinguished professor of College of Life Sciences at Beijing Normal University (北京師範大學) since September 2002 and was an independent non-executive director of Beijing Beilu Pharmaceuticals Company (北京北陸藥業股份有限公司) (stock code: 300016), a China-based company listed on Shanghai Stock Exchange, principally engaged in the research, development, production and distribution of pharmaceutical product since June 2019.

Mr Tao Ran, aged 56, was appointed as a non-executive Director in August 2021, was appointed as the vice president of CR Pharma in June 2021 and appointed as executive Director in September 2021. He is concurrently a director of China Resources Jiangzhong Pharmaceutical Group Co., Ltd., a director of China Resources Zizhu Pharmaceutical Co., Ltd, a director of China Resources Pharmaceutical Commercial Group Company Limited, a chairman of the supervisory board of China Resources Sanjiu Medical & Pharmaceutical Company Limited (華潤三九醫藥股份有限公司), a supervisor of China Resources Double-Crane Pharmaceutical Company Limited (華潤雙鶴藥業股份有限公司) and a chairman of the supervisory board of Dong-E-E-Jiao Company Limited (東阿阿膠股份有限公司). Mr Tao was appointed as the chairman and director of China Resources Boya Bio-pharmaceutical Group Co., Ltd. (華潤博雅生物製藥集團股份有限公司) (the shares of which are listed on the Shenzhen Stock Exchange, Stock Code: 300294) in December 2021. Mr Tao has been a deputy chief of Import Division I of China Resources National Corporation (currently known as China Resources Company Limited), a senior manager of Investment Division and a deputy general manager of China Resources Textiles (Holdings) Co., Ltd. and a senior director of Strategic Development Division and the general manager of Strategic Development Division of CR Pharmaceutical. Mr Tao holds a bachelor's degree in Engineering awarded by Shanghai Jiao Tong University, China and a master's degree in Economics awarded by Beihang University, China.

Except as disclosed above, there has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Directors' Rights to Acquire Shares or Debentures

Save for the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, no arrangement has been made by the Company or any of its subsidiaries for any Director to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate, and no rights to any share capital or debt securities of the Company or any other body corporate were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised during or at the end of the Reporting Period.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	For the year ended 31 December	
		2021	2020
		RMB'000	*RMB'000*
Other income	*5*	**17,755**	6,005
Other gains and losses, net	*6*	**(23,540)**	(40,454)
Fair value loss of convertible redeemable preference shares		**–**	(16,984)
Administrative expenses		**(104,254)**	(68,625)
Research and development expenses		**(240,610)**	(278,626)
Finance costs	*7*	**(3,678)**	(2,389)
Listing expenses		**–**	(37,583)
Other expenses		**(288)**	(473)
Loss before tax		**(354,615)**	(439,129)
Income tax expense	*8*	**–**	–
Loss and total comprehensive expense for the year	*9*	**(354,615)**	(439,129)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		**(354,224)**	(439,047)
Non-controlling interests		**(391)**	(82)
		(354,615)	(439,129)
Loss per share (RMB)	*11*		
Basic		**(0.69)**	(0.99)
Diluted		**(0.69)**	(0.99)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Notes	As at 31 December 2021 RMB'000	2020 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**426,588**	154,492
Intangible assets		**14,250**	7,371
Prepayments, deposits and other receivables		**80,499**	31,442
Contract costs		**976**	1,232
FVTPL		**163,176**	131,969
		685,489	326,506
CURRENT ASSETS			
Contract costs		**256**	256
Materials for research and development project		**10,866**	3,975
Prepayments, deposits and other receivables		**47,737**	34,106
Bank balances and cash		**353,341**	845,386
		412,200	883,723
CURRENT LIABILITIES			
Contract liabilities		**710**	710
Trade and other payables	*12*	**154,706**	20,164
Lease liabilities		**20,209**	7,204
Deferred government grants		**4,476**	3,539
		180,101	31,617
NET CURRENT ASSETS		**232,099**	852,106
TOTAL ASSETS LESS CURRENT LIABILITIES		**917,588**	1,178,612

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Contract liabilities	**2,694**	3,404
Lease liabilities	**96,645**	43,856
Deferred government grants	**870**	2,504
	94,409	49,764
NET ASSETS	**823,179**	1,128,848
CAPITAL AND RESERVES		
Share capital	**3,576**	3,576
Reserves	**818,683**	1,123,961
Equity attributable to owners of the Company	**822,259**	1,127,537
Non-controlling interests	**920**	1,311
TOTAL EQUITY	**823,179**	1,128,848

The consolidated financial statements on pages 29 to 41 were approved and authorised for issue by the board of directors on 25 March 2022 and are signed on its behalf by:

Tan Zheng
DIRECTOR

Wang Yu
DIRECTOR

1. GENERAL INFORMATION

Immunotech Biopharm Ltd (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law Chapter 22 (Law of 3 of 1961, as consolidated and revised) of the Cayman Islands on 11 April 2018. Its ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 10 July 2020. The address of the Company's registered office is at PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at 8/F, Block 1, Guosheng Technology Park, No.1 Kangding Street, Beijing Economic-Technological Development Area, Beijing, the PRC.

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in research and development, manufacturing and commercialisation of immune cell products for treatments of cancers in the PRC. The Company and its subsidiaries are hereinafter collectively referred to as the "**Group**".

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to IAS 8	Definition of Accounting Estimates[3]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018–2020[2]

[1] Effective for annual periods beginning on or after 1 April 2021.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after 1 January 2023.
[4] Effective for annual periods beginning on or after a date to be determined.

The directors of the Company (the "**Directors**") anticipate that the application of all the new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Contractual Arrangements

Owing to the restrictions imposed by the relevant laws and regulatory regime of the PRC on foreign ownership of companies engaged in the gene therapy business carried out by a subsidiary of the Group, namely Beijing Yongtai Ruike Biotechnology Company Ltd* (北京永泰瑞科生物科技有限公司) ("**Yongtai Ruike**"), Beijing Yongtai entered into the contractual arrangements (the "**Contractual Arrangements**") with Yongtai Ruike and its equity holders on 10 September 2018, which enable Beijing Yongtai and the Group to:

- expose, or have rights, to variable returns from their involvement with Yongtai Ruike and have ability to affect those returns through its power over Yongtai Ruike;
- exercise equity holders' controlling voting rights of Yongtai Ruike;
- receive substantially all of the economic interest returns generated by Yongtai Ruike in consideration for the business support, technical and consulting services provided by Beijing Yongtai;
- obtain an irrevocable and exclusive right to purchase all or part of equity interests in Yongtai Ruike from its equity holders at RMB1 or the lowest price allowed by the PRC laws. Beijing Yongtai may exercise such options at any time until it has acquired all equity interests and/or all assets of Yongtai Ruike. In addition, Yongtai Ruike is not allowed to sell, transfer, or dispose of any assets, or make any distributions to its equity holders without prior consent of Beijing Yongtai; and
- obtain a pledge over the entire equity interest of Yongtai Ruike from its equity holders as collateral security to guarantee performance of their contractual obligations under the Contractual Arrangements.

The Group does not have any equity interest in Yongtai Ruike. However, as a result of the Contractual Arrangements, the Group has power over Yongtai Ruike, has rights to variable returns from its involvement with Yongtai Ruike and has the ability to affect those returns through its power over Yongtai Ruike and is considered to have control over Yongtai Ruike. Consequently, the Company regards Yongtai Ruike as an indirect subsidiary for accounting purpose. The Group consolidates the assets, liabilities, income and expenses of Yongtai Ruike upon the execution of the Contractual Arrangements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. SEGMENT INFORMATION

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

Geographical information

The Group did not record any revenue during the year ended 31 December 2021 (year ended 31 December 2020: nil). As at 31 December 2021, the Group's non-current assets excluding financial instruments amounted to RMB518,161,000 (31 December 2020: RMB192,704,000). Majority of the Group's non-current assets are located in the PRC, accordingly, no analysis of geographical information is presented.

5. OTHER INCOME

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Income received from provision of cell cryopreservation services *(Note a)*	**710**	710
Income received from technical service	**132**	–
Interest income on bank deposits	**7,425**	3,581
Interest income from rental deposits	**131**	70
Government grants *(Note b)*	**9,274**	1,605
Others	**83**	39
Total	**17,755**	6,005

Notes:

a. An analysis of the Group's income from cell cryopreservation services is as follows:

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Types of goods or service		
Cell cryopreservation services	**710**	710
Timing of revenue recognition		
Over time	**710**	710

The Group generated income from cell cryopreservation services in the PRC for both years. Cell cryopreservation is the process whereby cells are preserved by cooling to very low temperatures. The Group entered into ten-year agreements with individuals to help them preserve immunocytes extracted from their bodies. The provision of cell cryopreservation services is not considered the principal business of the Group. The Group ceased to enter into new contracts with new customers since November 2017.

Income relating to cell cryopreservation services is recognised over time since customers simultaneously receive and consume the benefits as the Group provides the cell cryopreservation services. The Group required 100% upfront payments from its customers which gives rise to a contract liability recognised at the commencement of a contract and contract liability is released on a straight-line basis over the period of services, i.e. 10 years.

b.

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Government grants related to		
– Research and development activities	**2,760**	1,394
– Plant and machinery	**134**	134
– Listing reward	**6,000**	–
– Others	**380**	77
	9,274	1,605

Government grants include subsidies from local PRC governments which are specifically for (i) the subsidies for the Group's research and development activities, which are recognised upon compliance with the attached conditions; (ii) compensations of the capital expenditure incurred for purchase of machinery in relation to research and development of immune cell products, which are recognised over the useful life of the related assets; (iii) the subsidiaries for the successful IPO of the Company by local government; and (iv) subsidies to provide immediate financial support to the Group with no conditions attached which are recognised in profit or loss when the subsidies are received.

6. OTHER GAINS AND LOSSES, NET

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Exchange loss, net	**(6,271)**	(40,531)
Impairment loss reversed on an intangible asset *(Note)*	**1,304**	–
Fair value loss on financial assets at FVTPL, net	**(18,793)**	–
(Loss) gain on disposal of property, plant and equipment	**(94)**	78
Others	**314**	(1)
Total	**(23,540)**	(40,454)

Note: During the year ended 31 December 2021, the Group resumed the clinical trial for 6B11-OCIK, a product for treatment of ovarian cancer, by updating the clinical trial plan. Therefore, the impairment loss for the intangible asset related to 6B11-OCIK previously recognised was reversed in the current year.

7. FINANCE COSTS

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Interest expenses on lease liabilities	**3,678**	2,389

8. INCOME TAX EXPENSE

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Current PRC enterprise income tax ("**EIT**")	**–**	–

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the basic tax rate of the Company's PRC subsidiaries is 25% for both years.

Beijing Yongtai has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities on 31 October 2018 for a term of three years, and has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2013. During the current year, the accredition of "High and New Technology Enterprise" of Beijing Yongtai has been extended to December 2024. Accordingly, the profits derived by Beijing Yongtai is subject to EIT rate of 15% (year ended 31 December 2020: 15%) for the year ended 31 December 2021.

No provision for PRC enterprise income tax was made as the Group's PRC subsidiaries incurred tax losses for both years.

No Hong Kong Profits Tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong Profits Tax.

The income tax expense for the year is reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Loss before tax	**(354,615)**	(439,129)
Tax at the applicable tax rate of 25%	**(88,654)**	(109,782)
Tax effect of non-taxable income	**(1,751)**	(858)
Tax effect of expenses not deductible for tax purpose	**26,947**	65,277
Tax effect of accelerated deduction for research and development expenses *(Note)*	**(31,227)**	(28,175)
Tax effect of unrecognised tax losses	**94,685**	73,538
	–	–

Note: Pursuant to Caishui 2018 circular No. 99 and Caishui 2021 circular No. 6, Beijing Yongtai, Yongtai Ruike and Beijing Weixiao Biotechnology Development Limited* (北京緯曉生物技術開發有限責任公司) ("**Beijing Weixiao**") enjoy accelerated deduction of 175% on qualifying research and development expenditures from 1 January 2018 to 31 December 2023.

As at 31 December 2021, the Group had estimated unused tax losses of RMB863,713,000 (31 December 2020: RMB484,973,000) which are available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses as at 31 December 2021 and 2020 due to the unpredictability of future profit streams.

The unused tax losses will be expired as follows:

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
2022	**478**	478
2023	**2,532**	2,532
2024	**5,221**	5,221
2025	**19,118**	19,118
2026	**46,678**	1,350
2027	**19,958**	19,958
2028	**51,405**	51,405
2029	**122,953**	122,953
2030	**261,958**	261,958
2031	**333,412**	–
Total	**863,713**	484,973

9 LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Loss for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
– salaries and other allowances	**124,388**	47,337
– retirement benefits	**9,787**	357
– equity-settled share-based payment included in administrative expenses	**8,147**	28,895
– equity-settled share-based payment included in research and development expenses	**40,799**	122,808
Total staff costs	**183,121**	199,397
Total depreciation of property, plant and equipment	**21,736**	12,899
Capitalised in construction in process	**(1,880)**	–
	19,856	12,899
Auditor's remuneration	**2,810**	2,480
Amortisation of intangible assets	**1,149**	883
Short-term lease expense	**781**	878
Cost of materials included in research and development expenses	**27,918**	14,162
Outsourcing service fees included in research and development expenses	**47,897**	85,803

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2021, nor has any dividend been proposed since the end of the reporting period (year ended 31 December 2020: nil).

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Loss		
Loss for the year attributable to owners of the Company	**(354,224)**	(439,047)

	For the year ended 31 December	
	2021	2020
	Shares	Shares
	('000)	*('000)*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**514,584**	443,811

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2020 have been determined on the assumptions that the Capitalisation Issue had been effective since 1 January 2020.

For the purpose of calculation of diluted loss per share for the year ended 31 December 2021, the share options granted under the pre-IPO share option scheme were not included as their inclusion would result in a decrease in loss per share.

For the purpose of calculation of diluted loss per share for the year ended 31 December 2020, the convertible redeemable preference shares and share options granted under the pre-IPO share option scheme were not included as their inclusion would result in a decrease in loss per share. In addition, for the purpose of calculation of diluted loss per share for the year ended 31 December 2020, the Company's over-allotment options granted pursuant to the listing of the Company's shares on the Stock Exchange were not included as their inclusion would result in a decrease in loss per share.

12. TRADE AND OTHER PAYABLES

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Trade payables	**32,152**	5,840
Payables for acquisition of property, plant and equipment	**94,950**	77
Accrued salaries and other allowances	**17,537**	5,757
Government grants repayable	**–**	1,837
Listing expenses payable	**–**	5,038
Payables for acquisition of intangible assets	**2,637**	–
Payables for service expense	**4,704**	381
Others	**2,726**	1,234
	154,706	20,164

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Within 1 year	**32,152**	5,784
1 year to 2 years	**–**	25
2 year to 3 years	**–**	11
More then 3 years	**–**	20
	32,152	5,840

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.eaal.net).

The annual report for the year ended 31 December 2021 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS AND GLOSSARY TERMS

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

"6B11"	the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9
"6B11-OCIK Injection"	Injection of ovarian cancer autologous cytotoxic T lymphocyte, one of the Group's biologic product pipeline for treatment of ovarian cancer
"Audit Committee"	the audit committee of the Board
"B cells"	a type of lymphocytes
"Beijing Weixiao"	Beijing Weixiao Biotechnology Development Limited* (北京緯曉生物技術開發有限責任公司), a subsidiary of the Company
"Beijing Yongtai"	Immunotech Applied Science Limited (北京永泰生物製品有限公司), a limited liability company established in the PRC on 20 November 2006 and an indirect wholly-owned subsidiary of our Company
"Board" or "Board of Directors"	the board of directors of the Company
"CAR-T cells"	chimeric antigen receptor T cells, are T cells that have been genetically engineered to produce an artificial T-cell receptor and chimeric antigen receptors that have been engineered to give T cells the new ability to target a specific protein on the surfaces of cells
"CDE"	Centre for Drug Evaluation of the NMPA

"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China", "Mainland China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administration Region and Taiwan
"Company", "the Company" or "We"	Immunotech Biopharm Ltd (永泰生物製藥有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 11 April 2018
"Convertible Preference Shares"	the convertible preference shares with an aggregate par value of US$5,000.0 issued pursuant to the Preference Share Subscription Agreement by our Company to Poly Platinum
"Core Product Candidate"	our "core product" as defined under Chapter 18A of the Listing Rules, namely EAL®
"CR Pharma"	China Resources Pharmaceutical Group Limited, a company listed on the Main Board of the Stock Exchange (stock code 3320)
"Director(s)"	the director(s) of the Company
"EBV"	Epstein-Barr virus, a member of the herpes virus family
"FVTPL"	Financial assets at fair value through profit or loss
"GMP"	good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimise the risks of contamination, cross contamination, confusion, and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"Group" or "the Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HLA"	human leukocyte antigen, a gene complex encoding the major MHC proteins

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HPV"	human papillomavirus
"IND"	investigational new drug
"Industry Fund"	the cellular immunotherapy specialised industry fund (細胞免疫治療專項產業基金)
"Investment Fund"	the Company entered into the subscription agreement with Tasly Bioscience, to govern their relationship and provide for, among others, the manner of operation and management of the investment fund
"Leadman"	Beijing Leadman Biochemistry Co., Ltd, a company incorporated in the PRC, being the landlord under the Lease Agreement
"Lease Agreement"	the formal lease agreement dated 9 October 2021 entered into between Beijing Yongtai as the tenant and Leadman as the landlord in relation to the lease of the Premises
"License Agreement"	the license agreement dated 30 December 2020 made between the Company and T-Cure in relation to the grant exclusive license to the Company to use T-Cure IP for the development, manufacturing and commercialisation of Licensed Products in the Territory pursuant to the terms of the License Agreement
"Licensed Patent Rights"	licensed patent rights of 800TCR, which is a T cell receptor (TCR) encoded by a retrovirus (including lentivirus) recognising the HERVE-E tumour antigen
"Licensed Product(s)"	tangible materials within the scope of one or more claims of the Licensed Patent Rights
"Listing" or "IPO"	the listing of the Shares on the Main Board of the Stock Exchange on 10 July 2020
"Listing Date"	10 July 2020, being the date on which the Shares were listed on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"lymphocytes"	a sub-type of white blood cells, such as T cells, B cells and NK cells
"Main Board"	the Main Board of the Stock Exchange

"MHC"	major histocompatibility complex, proteins found on the surfaces of cells specialised for displaying short peptide fragments on the surface of cells
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"NDA"	new drug application
"NIH"	the U.S. Department of Health and Human Services, as represented by the National Heart, Lung, and Blood Institute, an institute or center of the National Institutes of Health
"NK cells"	natural killer cells, a type of lymphocyte and a component of innate immune system
"NMPA"	National Medical Products Administration of the People's Republic of China
"Poly Platinum"	Poly Platinum Enterprises Limited, a business company incorporated in the BVI on 9 November 2018 and a direct wholly-owned subsidiary of Greater Bay Area Homeland Development Fund LP (大灣區共同家園發展基金有限合夥), an independent third party
"PRC"	means the People's Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Preference Shares Subscription Agreement"	the subscription agreement dated 3 June 2019, as amended and supplemented by the first supplemental subscription agreement dated 12 June 2019 entered into, among other parties, between Poly Platinum and our Company in relation to the subscription of 5,000 Convertible Preference Shares for HK$200 million
"Prospectus"	the prospectus issued by the Company dated 29 June 2020
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the 12-month period from 1 January 2021 to 31 December 2021

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended supplemented or otherwise modified from time to time
"Shaoxing Binhai Investment Fund"	Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (LP)* (紹興濱海新區生物醫藥產業股權投資基金合夥企業(有限合夥))
"Shareholder(s)"	holder(s) of Shares
"Share(s)"	ordinary shares with a nominal value of US$0.001 each in the capital of the Company
"sq.m"	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic Cooperation Framework Agreement"	the strategic cooperation agreement dated 17 September 2021 entered into, among other parties, between the Company and CR Pharma regarding their strategic cooperation
"Subscription Agreement"	the subscription agreement dated 31 December 2020 entered into among the Company, as subscriber, and Tasly Bioscience, for itself and in its capacity as general partner of the Investment Fund
"T cells" or "T lymphocytes"	a type of lymphocytes produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of a T cell receptor on the cell surface
"T-Cure"	T-Cure Bioscience, Inc.
"T-Cure IP"	the know-hows, patent rights and processes that are controlled or owned by T-Cure necessary or useful to develop, manufacture or commercialise the Licensed Products
"Tasly Bioscience"	Tasly Bioscience Fund Limited
"TCR"	T cell receptor, a molecule found on the surface of T cells responsible for recognising fragments of antigen

"Territory"	the Republic of Korea, PRC, including Hong Kong and Macau, but (for the purpose of this transaction) excluding Taiwan
"TGF-ß"	transforming growth factor beta, a family of proteins involved in regulating and mediating processes at the cellular level
"U.S. dollar(s)", "USD" or "US$"	United States dollars, the lawful currency of the United States of America
"Yongtai Ruike"	Beijing Yongtai Ruike Biotechnology Company Ltd (北京永泰瑞科生物科技有限公司), a company established in the PRC with limited liability on 8 June 2018 and is a wholly-owned subsidiary of the Company

By order of the Board
Immunotech Biopharm Ltd
Tan Zheng
Chairman and executive Director

Hong Kong, 25 March 2022

As at the date of this announcement, the Board comprises Mr Tan Zheng as Chairman and executive Director, Dr Wang Yu and Mr Jung Hyun Chul as executive Directors, Mr Tao Ran, Mr Si Xiaobing and Mr Lu Yuan as non-executive Directors, and Professor Wang Yingdian, Mr Ng Chi Kit and Ms Peng Sujiu as independent non-executive Directors.

* *For identification purposes only*