Genor Biopharma Holdings Limited
嘉和生物藥業(開曼)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6998)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the "**Board**") of directors (the "**Directors**") of Genor Biopharma Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2021 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2020. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee of the Company and audited by the Company's auditor.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

- **Research and development expenses** were RMB612.7 million for the Reporting Period, as compared with RMB696.6 million for the year ended 31 December 2020. The spending was mainly attributable to (i) our new drugs development fee and ongoing clinical trials expenses and (ii) our employee salary and related benefit costs.

- **Total comprehensive loss** was RMB865.8 million for the Reporting Period, as compared with a comprehensive loss of RMB3,032.8 million for the year ended 31 December 2020 primarily because under the Hong Kong Financial Reporting Standards ("**HKFRS**"), the Group recorded a non-recurring loss of RMB1,933.8 million on net fair value losses on preferred shares upon their conversion to ordinary shares at the Company's initial public offering ("**IPO**") for the year ended 31 December 2020.

- Under **Non-HKFRS measures**, our adjusted loss[(1)] was RMB702.8 million for the Reporting Period, as compared with RMB654.6 million for the year ended 31 December 2020.

(1) Adjusted loss is calculated as loss for the years of 2021 and 2020 excluding (i) fair value losses on preferred shares, (ii) share-based payment expenses, (iii) net foreign currency exchange losses and (iv) listing expenses. For details of the reconciliation of the loss for the Reporting Period to the adjusted loss of the Group, please refer to the section headed "Financial Review" in this announcement.

BUSINESS HIGHLIGHTS

During the Reporting Period, we have continued to make remarkable progress in the development of our drug candidates in pipeline and business operations, including the following major milestones for our pipeline products and corporate achievements:

GB491 (Lerociclib, differentiated oral CDK4/6 inhibitor)

- In May 2021, we submitted investigational new drug ("**IND**") applications for two Phase 3 clinical trials of: (1) GB491 combined with Letrozole in first line HR+/HER2- advanced breast cancer, and (2) GB491 combined with Fulvestrant in second line HR+/HER2- advanced breast cancer.

- In June 2021, we received Ethics Committee ("**EC**") approval for the Phase 3 clinical trial of GB491 and Fulvestrant in second line HR+/HER2- advanced breast cancer.

- In July 2021, we received IND approvals from the National Medical Products Administration ("**NMPA**") for the aforementioned two Phase 3 clinical trials, being the second domestic company to obtain the IND approval for Phase 3 clinical trial for CDK4/6 inhibitor.

- In August 2021, we received EC approval for the Phase 3 clinical trial in first line HR+/HER2- advanced breast cancer.

- In October 2021, the first patient was successfully dosed in a Phase 3 clinical trial of GB491 and Fulvestrant in second line HR+/HER2- advanced breast cancer in China.

GB492 (STING Agonist)

- In March 2021, we submitted the IND application for the Phase 1/2 clinical trial of GB492 as a monotherapy or in combination with GB226 in patients with advanced/treatment-refractory malignancies to the NMPA.

- In May 2021, the IND application has been approved, being the first STING agonist combination therapy which obtained approval for clinical trial in the country.

- In July 2021, we obtained EC approval for Phase 1/2 clinical trial of GB492 in patients with advanced/treatment-refractory malignancies.

- In September 2021, the first patient was dosed in the Phase 1/2a clinical trial of GB492 (Stimulator of interferon genes, STING Agonist) in China.

GB261 (CD20/CD3, bi-specific antibody)

- In March 2021, we submitted the first-in-human ("**FIH**") clinical trial application for GB261 to treat B-cell non-Hodgkin Lymphoma (B-NHL) in Australia.

- In June 2021, the EC approval and clinical trial notification ("**CTN**") were obtained in Australia.

- In October 2021, the first patient was dosed for the FIH clinical trial of GB261 in Australia.

GB263T (EGFR/cMET/cMET, tri-specific antibody)

- In December 2021, we submitted a clinical trial application to the Bellberry HREC Ethics Committee in Australia for the FIH clinical trial of GB263T, a novel EGFR/cMET/cMET tri-specific therapeutic antibody.

Abstract Presentations

- In April 2021, we presented pre-clinical data at the 2021 American Association for Cancer Research (AACR) regarding our four bi-specific/tri-specific antibody candidates: GB261 (CD20/CD3), GB262 (PD-L1/CD55), GB263T (EGFR/cMET/cMET) and GB264 (Claudin 18.2/CD3).

- In May 2021, we presented the clinical data of GB226 at American Society of Clinical Oncology (ASCO): Yuxian Bai, Nong Xu, Shan An, et al. A phase Ib trial of assessing the safety and preliminary efficacy of a combination therapy of Geptanolimab (GB226) plus Fruquintinib in patients with metastatic colorectal cancer (mCRC). The abstract number is 330019.

- In November 2021, the GB242 study results were published in the journal Rheumatology and Therapy, titled "Fine Comparison of the Efficacy and Safety Between GB242 and Infliximab in Patients with Rheumatoid Arthritis: A Phase III Study".

Research and Development of New Drugs

- We have successfully established the global research and development platform for discovering first-in-class ("**FIC**") / best-in-class ("**BIC**") potential bi-specific/multi-specific antibodies in immune-oncology.

- In January 2021, Dr. HAN Shuhua joined us as the Chief Scientific Officer of the Group. Thereafter, a team of nearly 30 staff was built to focus on developing targeted antibodies and projects with FIC/BIC potential, and a new drugs research and development system was established. During the Reporting Period, over five FIC/BIC potential discovery projects of bi-specific/multi-specific antibody molecules have been initiated, including at least one will enter the IND-enabling phase soon.

Chemistry, Manufacturing and Controls (CMC)

- In October 2021, Mr. Liang Qibin joined us as the Chief Technology Officer of the Group, dedicating to efficient innovation and development in respect of CMC and manufacturing of Good Manufacturing Practice ("**GMP**").

- During the Reporting Period, the CMC team of the Company has solved a lot of industrial process difficulties, especially in manufacturing high quality products of bi-specific/multi-specific antibody, such as reduction of homogenous pairing impurities and aggregation through upstream and downstream process optimization, stabilization of final product through formulation (including high-concentration formulation) development, solid quality control by developing and applying product specific methods especially potency assays, etc. CMC team has also worked on reduction of manufacturing cost by technology innovation and replacement with localized materials.

Commercialisation

- We have adopted a hybrid model for our product commercialisation in the Chinese market. We have built a small, capable, and well-rounded commercial team of our own for core market to manage branding, market access, pricing, channels and supply chain; while we also reached cooperation with Contract Sales Organisations ("**CSO**") of high quality for the non-core market. We got well prepared under this strategy for the upcoming product launch.

RECENT DEVELOPMENT AFTER THE REPORTING PERIOD

We continued to make significant progress in our drug pipeline and business operations after the Reporting Period, including the following major milestones and achievements:

GB242 (Infliximab, biosimilar to Remicade, Jiayoujian 佳佑健®)

- In February 2022, the Company received NDA approval from NMPA for GB242 in treatment of Rheumatoid Arthritis, Ankylosing Spondylitis, Psoriasis, Adult Ulcerative Colitis, Adult and Pediatric Crohn's Disease and Fistulising Crohn's Disease.

OUR MISSION

Our mission is to become a biopharmaceutical engine in discovery, research, development, manufacturing and commercialisation of innovative therapeutics initially for patients in China and gradually for patients globally.

OVERVIEW

Founded in 2007, the Group has been strategically focusing on therapeutic areas with substantial unmet medical needs in oncology, autoimmune and other diseases.

With the mission of "Providing innovative therapeutics initially for patients in China and gradually for patients globally", the Group is committed to creating an innovative, platform-based and integrated company capable of drugs innovation, research and development, pre-clinical study, clinical development, registration, CMC development and commercialised manufacturing based in China, with global reach.

Genor Biopharma has established the global research and development platform for discovering first-in-class ("**FIC**") / best-in-class ("**BIC**") potential bi-specific/multi-specific antibodies in immune-oncology, focusing on molecules with potential to be the global first-in-class and best-in-class products, and with the best potential to become clinically beneficial and commercially viable drugs.

The Group has established a comprehensive quality control system by leveraging on its internationally advanced process development capability, pre-clinical and clinical drugs manufacturing capability, and the improved analysis and test capability. Moreover, the leading-edge continuous-flow cell culture technologies for high yield manufacturing (~20g/L), self-developed cell culture media, cost-effective commercial production capabilities, and a highly GMP compliant production team allow the Group to effectively produce Phase III and pivotal trial clinical supplies, execute the commercial process validation, and perform the commercial manufacturing after products launch.

The core management team members of the Group have more than 20 years of industry experience on average with a proven track record and a well-balanced combination of expertise spanning research and discovery, clinical development, manufacturing, registration affairs, commercialisation and financing. The shareholders of the Group possess abundant resources and industry expertise, including global and Chinese biotechnology-focused specialist funds and biopharma platforms experienced in supporting and growing biopharmaceutical companies.

During the Reporting Period, the Group has appointed several internationally leading tumor immunologists and clinical oncology key opinion leaders ("**KOLs**") as members of the Scientific Advisory Board of the Group. The pace of international innovation of the Company has been accelerated by benefiting from their vast experience and globally recognized academic status.

THE GROUP'S DRUG CANDIDATES

As at the date of this announcement, the Group has built up rich innovative medicine pipelines.

The Group has actively promoted the clinical trials in China for several drugs, including GB491 (a differentiated oral CDK4/6 inhibitor) which has entered Phase 3 clinical trial for the first line/second line breast cancer indication, and GB492 (a STING Agonist), the clinical trials of which for monotherapy and in combination with GB226 (Geptanolimab, Aibining® 艾比寧®) has been progressed.

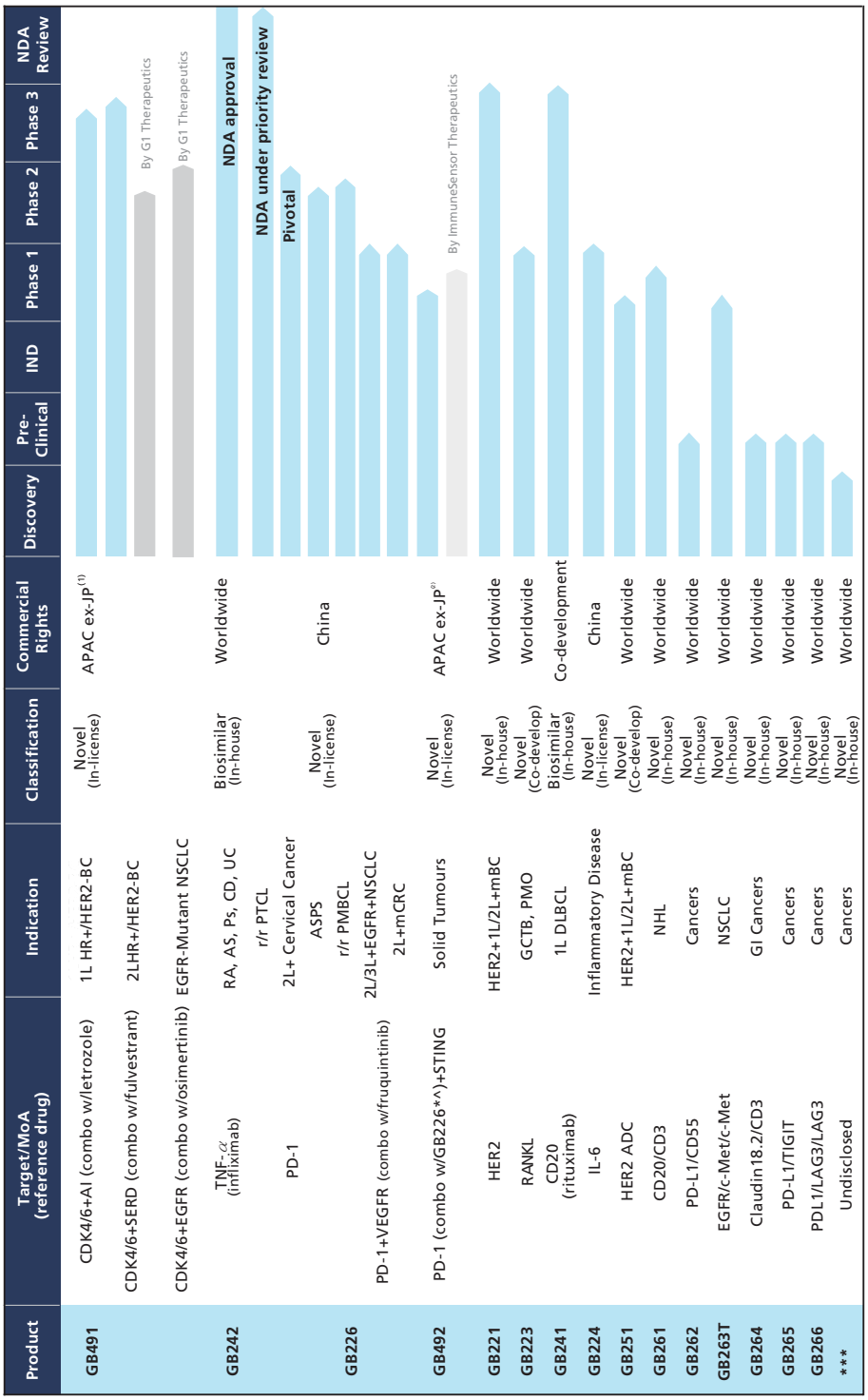
In 2021, the Group directed its efforts towards the strategy of global innovation and the research and development of FIC or highly differentiated new drugs. Fueled by the strong antibody discovery platform of the Company, breakthroughs have been made for two bi-specific/multi-specific antibody drugs, namely GB261 (CD20/CD3 antibodies) and GB263T (EGFR/cMET/cMET antibodies). Such drugs have been filed for FIH in Australia, and will advance to multi-country and multi-center clinical trials in China and other regions.

In February 2022, the Company officially received NDA approval from NMPA for GB242 (Jiayoujian 佳佑健®, Infliximab Biosimilar) for the treatment of Rheumatoid Arthritis, Ankylosing Spondylitis, Psoriasis, Adult Ulcerative Colitis, Adult and Pediatric Crohn's Disease and Fistulising Crohn's Disease.

The NDA of GB226 (Geptanolimab, Aibining® 艾比寧®) for PTCL was under technical review in CDE.

PRODUCT PIPELINE

The following chart shows our robust pipeline of drug candidates that are currently under development in China and worldwide across various therapeutic areas:



Notes:

(1) Clinical trials are sponsored by G1 Therapeutics.

(2) Clinical trials are sponsored by ImmuneSensor Therapeutics.

* Five undisclosed candidates are under discovery phase.

BUSINESS REVIEW

1. Events during the Reporting Period

Research and Development of the Global Innovative New Drugs

During the Reporting Period, the Group has established the global research and development platform for discovering first-in-class ("**FIC**") / best-in-class ("**BIC**") potential bi-specific/multi-specific antibodies in immune-oncology, which continues to aim at addressing unmet medical needs and focus on developing targeted antibodies and projects with FIC/BIC potential. Our core R&D team for new drugs at early stage consists of nearly 30 staff, each of whom is equipped with new drugs research and development capability and integrated pre-clinical study platform ranging from discovery of innovative targeted antibody molecules to submission of IND.

Our early stage antibody discovery platform and antibody engineering R&D team have biding measurement and epitope analysis technology and multi-target stably transfected cell line, ensuring highly efficient and high quality medicine selection. Innovation and exploration of FIC/BIC potential have been conducted in multi-dimension based on the in-depth understanding of our R&D team regarding targeted antibody molecular biology, cell biology and immunological mechanisms. Besides launching several novel targeted antibody projects, the Company has actively prepared for pipelines in different modalities according to our brand new project concept.

During the Reporting Period, the Group has efficiently completed all pre-clinical study of GB263T (a tri-specific antibody) and submitted clinical application in Australia in respect of bi-specific antibody and multi-specific antibody pipelines with FIC/BIC potential. Furthermore, five FIC/BIC potential discovery projects of bi/multi-specific antibody molecules have been initiated during the Reporting Period, including at least one potential FIC/BIC pipeline that is expected to enter the IND-enabling phase in 2022.

Scientific-based and Efficient Clinical and Regulatory Strategy and Progress

The regulatory applications for clinical trial of our product pipelines have been accelerated to promote the clinical progress, driven by our highly specialised departments and the close collaboration between different departments.

Our regulatory affairs department is responsible for developing regulatory strategies for product pipelines based on its in-depth knowledge and practical experience with NMPA regulations and registration requirements, and enhancement of the communication with drug regulatory authorities and drug review agencies to optimize and accelerate the IND and NDA submissions and approvals.

Our clinical research and development department is responsible for mapping out the value-maximised clinical development strategy and plan, excellent design and execution of the clinical trials with high speed and quality, establishing strategic partnership with KOLs and study sites. The team comprises well-experienced cross-function leaders and team members covering core clinical development capabilities including physicians, clinical operations, clinical pharmacology, biostatistician, data management, pharmacovigilance and quality assurance.

Our CMC (Chemistry, Manufacturing and Control) team can provide products with highly competitive edges by leveraging on their almost 15 years of antibody drug development experience, enabling the rapid promotion of our high quality products toward the clinical trials. Apart from that, we expect to enjoy the product cost advantages and supply chain safety brought by the highly localised application of equipment, material, consumables and accessories. During the Reporting Period, progress has been made on the Phase 3 formulation development, commercial production and indigenous application and research of two small molecule drug candidates namely GB491 (CDK4/6) and GB492 (STING), which helped to reflect the transformation of the Group's CMC from large molecule development to both large and small molecule development.

During the Reporting Period, eight INDs/CTNs approvals have been granted for our core products including 1) GB491 (Lerociclib, CDK, 4/6 inhibitor), 2) GB492 (IMSA101, STimulator of Interferon Genes, STING Agonist) and 3) GB261 (CD20/CD3, BsAb).

Clinical Development and Regulatory Milestones

During the Reporting Period, we continued our efforts on promoting the clinical pipelines development and achieved milestones as below: 1) the first patient of phase 3 clinical trials of GB491 (CDK4/6) and Fulvestrant in second line HR+/HER2- was dosed; 2) the first patient of phase 1/2 clinical trial of GB492 (STING) was dosed; 3) the first patient of first-in-human clinical trial of GB261 (CD20/CD3) was dosed; and 4) application for FIH clinical trial of GB263T was submitted in Australia.

GB491 (CDK4/6 inhibitor) – a CDK4/6 inhibitor which is developed for breast cancer patients with better safety and excellent efficacy

- GB491 (Lerociclib), is a novel, potent, selective oral bioavailable CDK4/6 inhibitor co-developed by the Company and G1 Therapeutics, a US based company, for use in combination with endocrine therapy in breast cancer. Based on the data published at European Society for Medical Oncology 2020 conference, GB491 has demonstrated a better safety profile and could be a potentially best-in-class CDK4/6 drug candidate.

- In May 2021, IND applications for two Phase 3 clinical trials of GB491 were submitted to the NMPA by the Group: (1) combination with Letrozole in first line HR+/HER2- advanced breast cancer, and (2) combination with Fulvestrant in second line HR+/HER2- advanced breast cancer.

- The phase 3 clinical trial of GB491 and Fulvestrant in second line HR+/HER2- was approved by the EC in June 2021, and the first patient was dosed in October 2021.

    - ◆ The products were proved to have no ethnic difference with sufficient clinical data and **successfully exempted from bridging study. As such, the products could enter into Phase 3 clinical trial almost one year earlier than scheduled**.

- The phase 3 clinical trial in first line HR+/HER2- was approved by the EC in August 2021, by means of safety lead-in period design, this phase 3 clinical trial was carried out seamlessly and could be accelerated **at least six months than expected**.

- The Phase 3 trials for both first and second line could be accelerated for approximately 12 months via adaptive and seamless study design, scientific-based data leveraging and bridging, seamless registration strategy, and excellent execution.

- The Company's CMC and project management team has solved various CDMO technical and communication problems across countries and regions during collaboration with four CDMOs in China, Europe and America, ensuring the strict compliance with relevant regulations in each country (region). API, clinical supplies of GB491 and placebo have been successfully produced within one year to supply for Phase 3 study, guaranteeing the efficient implementation of projects.

GB492 (IMSA101, STimulator of interferon genes, STING Agonist)

- GB492 (IMSA101, STimulator of interferon genes, STING Agonist) is the major mediator of innate immune sensing of cancerous cells, which the Group exclusively licensed from ImmuneSensor Therapeutic in June 2020. STING agonist, as an immune stimulatory therapy, may further increase the response of immune checkpoint inhibitors for patients. Multiple studies have shown that STING agonists can activate the cGAS-STING signaling and significantly enhance the efficacy of cancer immunity cycle when using in combination with other immune checkpoint inhibitors (ICI), which may become a potential first-in-class therapy.

- In March 2021, we submitted the IND application for the Phase 1/2 clinical trial of GB492 as a monotherapy or in combination with GB226 in patients with advanced/treatment-refractory malignancies to the NMPA.

- In May 2021, we received IND approval for GB492 (IMSA101, STimulator of interferon genes, STING Agonist) from the NMPA. The Phase 1/2a clinical trial evaluated the safety and efficacy of GB492 as monotherapy and in combination with PD-(L)1 monoclonal antibody, in patients with advanced/treatment-refractory malignancies.

- In July 2021, we obtained EC approval for Phase 1/2 clinical trial of GB492 in patients with advanced/treatment-refractory malignancies.

- In September 2021, the first patient was dosed in the Phase 1/2a clinical trial of GB492 (STimulator of interferon genes, STING Agonist) in China.

- In such clinical trial, an innovative FIH trial design was employed to combine the dose escalations when GB492 is administered alone and when it is administered with GB226 in one FIH study. It is the first STING agonist combination therapy obtained clinical trial approval in the country. The low dose group (400μg) in this trial was completed in January 2022.

- In December 2021, part of the data in China and the data in America of GB492 was submitted to and the same was approved by the CDE in January 2022. The clinical trial has directly entered the dose escalation phase with PD-1.

GB261 (CD20/CD3, bi-specific antibody)

- GB261(CD20/CD3) is a novel bi-specific antibody targeting CD20 and CD3 developed in-house. It is the first T-cell engager with low affinity to bind CD3 and enables Fc functions (ADCC and CDC). Although its binding affinity to CD20 is similar to that of rituximab, GB261(CD20/CD3) significantly inhibits rituximab-resistant cancer cell proliferation based on in vitro assays and in vivo models. More importantly, GB261 induces low levels of cytokine production by hPBMC and in monkeys, indicating low occurrences of Cytokine Release Syndrome ("**CRS**"). Thus, GB261(CD20/CD3) is a highly potent bi-specific therapeutic antibody for B cell malignancies. It may ultimately provide a better and safer T-cell engager antibody drugs for various cancers.

- In March 2021, we submitted a clinical trial application to the Bellberry Human Research Ethics Committee in Australia for FIH clinical trial of GB261(CD20/CD3).

- In June 2021, EC approval and CTN approval from the Therapeutic Goods Administration ("**TGA**") were obtained in Australia.

- In October 2021, the first patient was dosed for the FIH clinical trial of GB261(CD20/CD3) for the treatment of B-cell non-Hodgkin Lymphoma (B-NHL) in Australia.

- Leveraging the differentiated product features, the starting dose of GB261 clinical trial was selected to be higher than the compounds in the same class, still ensuring safety and meanwhile preventing patients from exposure to invalid dose. As such, the effectiveness of dose escalation was improved significantly. The trial of first dose group was completed in November 2021, and data showed that T1/2 of this product exceeded one week, indicating that GB261 was very safe in the first dose level with no CRS, which were in line with the product's designed features, pre-clinical features and differentiated features.

- Benefiting from the strong CMC development platform of the Company, it only took about twelve months from sequence determination of GB261 to providing clinical materials with high purity to clinical study centres.

GB263T (EGFR/cMET/cMET, tri-specific antibody)

- GB263T has been designed as a tri-specific antibody targeting EGFR and two different epitopes of cMET. GB263T with highly differentiated design, exhibits multiple mechanisms of action to inhibit primary and secondary EGFR mutations and cMET signaling pathway simultaneously. The significant anti-tumor activities have been demonstrated by in vitro studies and in vivo animal models.

- We submitted a clinical trial application to the Bellberry Human Research Ethics Committee (HREC) in Australia on 20 December 2021 for the FIH clinical trial of GB263T.

- The research and development of GB263T fully demonstrated the advantages of cross-team collaboration and helped to expand the organisation's international capabilities and reaches. Closely working with the globally renowned KOLs, the clinical trial protocol was finalised on the date of obtaining the toxicology data, substantially speeding up the submission to the EC.

- Benefiting from the powerful strength and fast-moving execution ability of the Group's CMC, the process technology development, toxicology study, clinical drugs manufacturing, medical and regulatory preperation, as well as clinical trial application of GB263T were completed within only twelve months in compliance with the international standards, which was much faster than the industry average time. Moreover, the product quality is ensured with high expression level of 5-6g/L and high purity of 99.5%.

Abstract Presentations

- In April 2021, we presented pre-clinical data at the 2021 American Association for Cancer Research (AACR) regarding our four bi-specific/tri-specific antibody candidates: GB261 (CD20/CD3), GB262 (PD-L1/CD55), GB263T (EGFR/cMET/cMET) and GB264 (Claudin 18.2/CD3).

- In May 2021, we presented the clinical data of GB226 at American Society of Clinical Oncology (ASCO): Yuxian Bai, Nong Xu, Shan An, et al. A phase Ib trial of assessing the safety and preliminary efficacy of a combination therapy of Geptanolimab (GB226) plus Fruquintinib in patients with metastatic colorectal cancer (mCRC). The abstract number is 330019.

- In November 2021, the GB242 study results were published in the journal Rheumatology and Therapy, titled "Fine Comparison of the Efficacy and Safety Between GB242 and Infliximab in Patients with Rheumatoid Arthritis: A Phase III Study".

Commercialisation

During the Reporting Period, we have established our commercialisation foundation.

- We have adopted a hybrid model for our product commercialisation in the Chinese market. We have built a small, capable, and well-rounded commercial team of our own for core market to manage branding, market access, pricing, channels and supply chain; while we also reached cooperation with CSOs of high quality for the non-core market. We got well prepared under this strategy for the upcoming product launch.

- We also warmed up the market by presenting clinical data of GB226 in the treatment of relapsed and refractory peripheral T-cell lymphoma and participating in domestic and regional conferences on hematology and lymphoma. We received greater and higher expectations from doctors and patients for the launch of GB226.

Manufacturing

Our CMC and GMP manufacturing capabilities resulted from over one decade of relentless development efforts and have supported our own and our collaborators' IND applications with the NMPA and/or planned IND applications with the FDA for more than 20 antibodies. In addition, we have commercialisation-ready manufacturing capabilities based in Yuxi, Yunnan with excellent quality and enhanced cost efficiencies, boasting concentrated fed-batch and perfusion technologies which allow us to generate higher titer and yield than the conventional technologies, driving the high end of the industry range. We benefit from our cost-effective and high-yield CMC capabilities.

- We have extended our CMC expertise to bi-specific and tri-specific antibodies, by making these hard-to-develop candidates into clinical drugs with high productivity and high quality, and accomplishing all IND-enabling works in 12 months.

Continue to Attract Senior Management Talents

During the Reporting Period, we have further enhanced our core management team capability.

- In January 2021, Dr. Han Shuhua joined the Group as the Chief Scientific Officer. Dr. Han has over 25 years' experience in academic research and new drugs research and development, especially in the fields of tumor immunity, inflammation and autoimmune diseases. Prior to joining the Group, Dr. Han served as a tenured professor in immunology and pathology of U.S. Baylor College of Medicine and had rich academic achievements during the tenure.

- In October 2021, Mr. Liang Qibin joined Genor Biopharma as the Chief Technology Officer. As an experienced expert in international biotechnology industry, Mr. Liang has nearly 30 years of experience in the operation and management in the CMC and production departments of internationally renowned biopharmaceutical companies. Mr. Liang has worked at various renowned biopharmaceutical companies such as Bayer Corporation, Genentech Inc. and Progenics Pharmaceuticals, Inc, and is an outstanding expert in macromolecular drug process development, production and management. As part of the positive effect on further strengthening the innovation ability of core technologies, Mr. Liang has led his team to achieve efficient innovation in CMC and GMP manufacturing.

Scientific Advisory Board

During the Reporting Period, we have established and expanded the Scientific Advisory Board, so as to develop our reach and capabilities of global innovation.

- In December 2021, seven (7) world-renowned experts in oncology and immunology, namely Dr. Alex A. Adjei, Dr. Zhijian Chen, Dr. Yangxin Fu, Dr. David Kerr CBE, Dr. Leonard Saltz, Dr. John F. Seymour AM and Dr. John R. Zalcberg OAM, were appointed as members of the Scientific Advisory Board of the Group (the "**New SAB Members**").

- We were honoured to invite the New SAB Members from China, the United States, the United Kingdom and Australia, who have vast experience in tumor immunology and oncology clinical research, and have globally recognized academic status. The joining of the New SAB Members was an effective complement to the existing scientific team of the Company. Meanwhile, the participation of the world's top scientists reflected their high recognition of the Company's research and development philosophy, scientific research strength and continuous exploration.

- Their participation will accelerate the pace of Genor Biopharma's global innovation, provide valuable inputs on Genor's potential FIC and BIC projects and differentiated pipelines, and support the rapid advance of candidate drugs into clinical development in China, the United States, Australia and Europe.

2. Events after the Reporting Period

The Company has continued to make strong efforts on advancing the development of drugs candidates in the pipeline after the Reporting Period, as listed below:

GB491 (Lerociclib, differentiated oral CDK4/6 inhibitor)

- In January 2022, the first patient has been dosed in a Phase 3 clinical trial of GB491 (Lerociclib CDK 4/6 inhibitor) for first line HR+/HER2- advanced breast cancer. This clinical trial was a multicenter, randomised, double-blind, Phase 3 trial of GB491 first-line combined with Letrozole for the treatment of HR-positive, HER2-negative patients with advanced breast cancer who have not previously undergone systemic antitumor therapy. Lerociclib is a significantly differentiated oral cyclin-dependent kinases 4 and 6 (CDK4/6 inhibitors) developed for use in combination with other targeted medicines in the treatment of certain types of breast and lung cancer patients.

GB242 (Infliximab, biosimilar to Remicade, Jiayoujian 佳佑健®)

- In February 2022, the Company received NDA approval from the NMPA for GB242 for the treatment of Rheumatoid Arthritis, Ankylosing Spondylitis, Psoriasis, Adult Ulcerative Colitis, Adult and Pediatric Crohn's Disease and Fistulising Crohn's Disease. By February 2022, branding strategy, channel supply chain and CSO promotion have been underway for the upcoming commercial launch of GB242.

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: The Company cannot guarantee that it will be able to develop, or ultimately market, any of the above drug candidates successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

BUSINESS OUTLOOK

The Group strives to build an innovative, platform-based and integrated company capable of drugs innovation, research and development, pre-clinical study, clinical development, registration, CMC development and commercialized manufacturing. To achieve this mission, the Group will concentrate its efforts on potential FIC/BIC innovative pipeline to address unmet medical needs in China and globally and at the same time to maximise the existing portfolio by developing and executing comprehensive strategy. We will also continue to rapidly advance the Group's early-stage potential FIC/BIC pipeline candidates into clinical stages and expedite regulatory approval, clinical development and commercialisation of the Group's lead product candidates in later stage.

In particular, we will continue to conduct innovation and exploration of FIC/BIC potential in multi-dimension based on the in-depth understanding of target molecular biology, cell biology and immunological mechanisms. Apart from the continued efforts on innovation of macromolecular drugs, we will also seek to collaborate with new technical platforms. We are interested in different forms and advanced technologies. Besides bi-specific and multi-specific antibodies, we will initiate more early-stage research and development projects which are highly differentiated in multi-dimensions. It is expected that at least one early-stage R&D pipeline will enter IND-enabling stage in 2022, and IND application of at least one FIC/BIC potential self-developed novel drug candidates will be submitted in 2023 and annually afterwards.

In addition, we will continue to develop several kinds of bi-specific and multi-specific antibody drug candidates. We plan to submit the IND applications of GB261 and GB263T in China in the coming six to twelve months and conduct clinical trial, advancing the phase 1 clinical trial and Clinical Proof of Concept ("**POC**") of GB261 and GB263T.

We will put continuous effort in seeking approval for geptanolimab (GB226) in other indications and explore potential of new combination therapy, including the further advancing of the phase 1 clinical trial and POC of GB226 with STING agonist (GB492).

In respect of key drug candidates treating breast cancer, we plan to submit the NDA application to the NMPA in the next twenty-four to thirty-six months depending on the results of the two phase 3 clinical trial of lerociclib (GB491) in 1L and 2L HR+/HER2-breast cancer. We remain committed to addressing the large market of breast cancer in China with a safe, effective and well tolerated novel therapy.

FINANCIAL REVIEW

The Reporting Period compared to year ended 31 December 2020

	Notes	Year ended 31 December 2021 RMB'000	2020 RMB'000
Revenue	2	**–**	10,331
Cost of revenue	3	**–**	(2,596)
Gross profit		**–**	7,735
Selling expenses	4	**(98,603)**	–
Administrative expenses	5	**(207,350)**	(241,440)
Research and development expenses	6	**(612,718)**	(696,574)
Other income – net	7	**44,813**	(4,429)
Other gains/(losses) – net	8	**14,751**	(1,968,314)
Operating loss		**(859,107)**	(2,903,022)
Finance income	9	**23,729**	3,715
Finance costs	9	**(30,928)**	(137,003)
Finance costs – net		**(7,199)**	(133,288)
Loss before income tax		**(866,306)**	(3,036,310)
Income tax credit		**932**	5,806
Loss for the Reporting Period	10	**(865,374)**	(3,030,504)

1. Overview

During the Reporting Period, the revenue of the Group was nil, as compared with RMB10.3 million for the year ended 31 December 2020, and the loss were RMB865.4 million for the Reporting Period, as compared with a loss of RMB3,030.5 million for the year ended 31 December 2020.

Research and development expenses of the Group were RMB612.7 million for the Reporting Period, as compared with RMB696.6 million for the year ended 31 December 2020. Administrative expenses were RMB207.4 million for the Reporting Period, as compared with RMB241.4 million for the year ended 31 December 2020. Selling expenses of the Group were RMB98.6 million for the Reporting Period.

2. Revenue

Revenue for the Reporting Period was nil. Revenue for the year ended 31 December 2020 was RMB10.3 million, primarily generated by providing research and manufacturing services to our customers under fee-for-service contract.

3. Cost of Revenue

Cost of revenue for the Reporting Period was nil, as compared to RMB2.6 million for the year ended 31 December 2020. This change is primary due to the decrease in our revenue.

4. Selling Expenses

Selling expenses for the Reporting Period were RMB98.6 million, and the spending was due to the set up of our commercial team.

5. Administrative Expenses

Administrative expenses decreased by 14.1% from RMB241.4 million in 2020 to RMB207.4 million in 2021, primarily due to the decrease in listing expenses.

6. Research and Development Expenses

Research and development expenses decreased by 12.0% from RMB696.6 million in 2020 to RMB612.7 million in 2021, primarily due to the decrease in employee share-based payment expenses for research and development personnel.

The following table summarises the components of the research and development expenses of the Group for the years ended 31 December 2021 and 2020:

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Development fee and clinical trial expenses	**236,282**	268,444
Employee benefits expenses	**223,688**	273,321
Raw material and consumables used	**61,766**	72,603
Depreciation and amortisation	**53,450**	47,185
Utilities	**10,535**	11,350
Professional and technical service fee	**10,067**	7,162
Traveling and transportation expenses	**4,575**	4,647
Others	**12,355**	11,862
Total	**612,718**	696,574

7. Other Income – Net

Other income – net primarily consists of government grants and net fair value gains or losses on contingent consideration payable to Ab Studio Inc. ("**ABS**"). Government grants amounted to RMB19.2 million and RMB5.9 million in 2021 and 2020, separately. Net fair value changes on contingent consideration payable to ABS changed from losses of RMB10.3 million in 2020 to gains of RMB25.3 million in 2021.

8. Other Gains/(Losses) – Net

Other gains/(losses) – net changed from net losses of RMB1,968.3 million in 2020 to net gains of RMB14.8 million in 2021. This is mainly due to (i) RMB1,933.8 million of the net fair value losses on preferred shares in 2020 and (ii) RMB16.5 million of the net gains on disposals of structured deposits in 2021.

9. Finance Income and Costs

Finance income increased from RMB3.7 million in 2020 to RMB23.7 million in 2021, primarily due to the increase of bank deposit interest income.

Finance costs decreased from RMB137.0 million in 2020 to RMB30.9 million in 2021, primarily due to the decrease of the foreign currency exchange losses.

10. Loss for the Reporting Period

As a result of the foregoing, our losses decreased to RMB865.4 million in 2021 from RMB3,030.5 million in 2020.

11. Liquidity and Source of Funding and Borrowing

Our management monitors and maintains a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flow. We rely on equity financing as the major source of liquidity. As at 31 December 2021, the short-term borrowings from bank were RMB29.7 million (as at 31 December 2020: nil).

As at 31 December 2021, our cash and cash equivalents decreased to RMB2,200.6 million from RMB2,929.7 million as at 31 December 2020. The decrease was mainly due to the operating loss in 2021.

12. Non-HKFRS Measure

To supplement the Group's consolidated financial statements which are prepared in accordance with the HKFRS, the Company also uses adjusted loss as an additional financial measure, which is not required by, or presented in accordance with HKFRS. The Company believes that this non-HKFRS financial measure is useful for understanding and assessing underlying business performance and operating trends. The Company also believes that the Company's management and investors may benefit from referring to this non-HKFRS financial measure in assessing the Group's financial performance by eliminating the impact of certain items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of this non-HKFRS financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with HKFRS. The use of this non-HKFRS measure has limitations as an analytical tool, and investors should not view the non-HKFRS financial results on a stand-alone basis or as a substitute for results under HKFRS, or as being comparable to results reported or forecasted by other companies.

The following table reconciles our Adjusted Loss for the Reporting Period to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
HKFRS Loss for the year	**(865,374)**	(3,030,504)
Add:		
Net fair value losses on preferred shares	**–**	1,933,816
Share-based payment expenses	**134,273**	257,624
Net foreign currency exchange losses	**28,318**	131,344
Listing expenses	**–**	53,157
Adjusted Loss for the year	**(702,783)**	(654,563)

13. Key Financial Ratios

The following table sets forth the key financial ratios for the details indicated:

	As at 31 December 2021	As at 31 December 2020
Current ratio[1]	**7.62**	12.47
Quick ratio[2]	**7.46**	12.34
Gearing ratio[3]	**0.13**	0.09

Notes:

1. Current ratio is calculated using current assets divided by current liabilities as of the same date.

2. Quick ratio is calculated using current assets less inventories and divided by current liabilities as of the same date.

3. Gearing ratio is calculated using total liabilities divided by total assets.

14. Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5 per cent or more of the Company's total assets as at 31 December 2021) during the Reporting Period.

15. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the Reporting Period (for the year ended 31 December 2020: nil).

16. Pledge of Assets

As at 31 December 2021, none of the Group's assets were pledged (as at 31 December 2020: nil).

17. Contingent Liabilities

As at 31 December 2021, the Group did not have material contingent liabilities (as at 31 December 2020: nil).

18. Foreign Exchange Exposure

During the Reporting Period, we operated in the People's Republic of China (the "**PRC**") with most of the transactions settled in Renminbi. Our presentation and functional currency is Renminbi. We were not exposed to significant foreign exchange risk as there were no significant financial assets or liabilities of us denominated in the currencies other than Renminbi, except for the cash at bank in U.S. Dollar ("**USD**") and Hong Kong dollar ("**HKD**") which were primarily received from the investors as capital contributions and the proceeds obtained from the IPO.

As at 31 December 2021, if RMB weakened or strengthened by 10% against USD, with all other variables held constant, loss for the year of the Group would have been approximately RMB35,851,000 lower or higher (2020: RMB46,651,000 lower or higher).

As at 31 December 2021, if RMB weakened or strengthened by 10% against HKD, with all other variables held constant, loss for the year of the Group would have been approximately RMB32,897,000 lower or higher (2020: RMB225,311,000 lower or higher).

We did not use any derivative contracts to hedge against our exposure to currency risk during the Reporting Period. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

19. Employees and Remuneration

As at 31 December 2021, the Group had a total of 640 employees including 441 employees in Shanghai, 186 employees in Yuxi, Yunnan and 13 employees in San Francisco, United States. The following table sets forth the total number of employees by function as of 31 December 2021:

	Number of employees	% of total
Function		
Research and Development	336	52.5%
Clinical Development	108	16.9%
Commercial Operation	127	19.8%
General and Administration	69	10.8%
Total	**640**	**100.0%**

The total remuneration cost incurred by the Group for the Reporting Period was RMB444.7 million, as compared to RMB423.9 million for the year ended 31 December 2020.

Our employees' remuneration comprises salaries, bonuses, share-based payment expenses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. As at 31 December 2021, we had complied with all statutory social security insurance fund and housing fund obligations applicable to us under Chinese laws in all material aspects.

The Company also has adopted a Pre-IPO share option plan (the "**Pre-IPO Share Option Plan**"), a post-IPO share option plan (the "**Post-IPO Share Option Plan**") and a 2021 restricted share unit plan (the "**2021 RSU Plan**") to provide incentives or rewards to eligible participants for their contribution to the Group. Please refer to the section headed "Statutory and General Information – D. Share Option Schemes" in Appendix IV to the prospectus of the Company dated 23 September 2020 (the "**Prospectus**") for further details of the Pre-IPO Share Option Plan and the Post-IPO Share Option Plan and the announcements of the Company dated 3 June 2021 and dated 27 August 2021 for further details of the 2021 RSU Plan.

FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the Reporting Period.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Friday, 24 June 2022 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the shareholders of the Company (the "**Shareholders**") as soon as practicable in accordance with the Company's articles of association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 21 June 2022 to Friday, 24 June 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, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 20 June 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated under the laws of the Cayman Islands on 10 April 2017 as an exempted company with limited liability, and the shares of the Company were listed on the Stock Exchange on 7 October 2020.

1. Compliance with the Corporate Governance Code

The Board is committed to establishing and maintaining high standards of corporate governance so as to enhance corporate transparency and protect the interests of the Shareholders. The Company devotes to best practice on corporate governance, and to comply with the extent practicable, with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules.

During the year ended 31 December 2021, to the best knowledge of the Board, the Company has complied with all the code provisions in the CG Code, save for deviation from code provision C.2.1 as explained below:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Dr. Guo Feng ("**Dr. Guo**") performs both of the roles as the chairman and the chief executive officer of the Company with effect from 2 November 2021. This deviates from code provision C.2.1 of the CG Code which requires that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

After evaluation of the current situation of the Company and taking into account of the experience and past performance of Dr. Guo, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Dr. Guo to hold both positions as the chairman and the chief executive officer of the Company as it helps to facilitate the execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision of the Board which is comprised two executive Directors, three non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the Reporting Period.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and to maintain a high standard of corporate governance practices of the Company.

2. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") 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 all the Directors and they have confirmed that they have complied with the required standards as set out in the Model Code throughout the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company throughout the Reporting Period.

3. Scope of Work of PricewaterhouseCoopers

The figures in respect of this announcement of the Group's results for the Reporting Period have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

4. Review of Consolidated Annual Results by the Audit Committee

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules. The audit committee comprises three members, namely Mr. FUNG Edwin, Dr. NI Lin and Mr. ZHOU Honghao. Mr. FUNG Edwin, our independent non-executive Director with appropriate professional qualifications, is the chairman of the audit committee.

The audit committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period and has met with the independent auditor, PricewaterhouseCoopers. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control, risk management and financial reporting matters with senior management members of the Company. The audit committee is satisfied that the audited consolidated financial statements of the Group for the Reporting Period were prepared in accordance with the applicable accounting standards and fairly present the Group's financial position and results for the Reporting Period.

5. Other Board Committees

In addition to the audit committee, the Company has also established a nomination committee and a compensation committee.

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

Neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's listing securities during the Reporting Period.

7. Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this announcement.

8. Use of Net Proceeds from Global Offering

The Company's shares were listed on the Stock Exchange on 7 October 2020 with a total of 129,683,500 offer shares (including shares issued as a result of the partial exercise of the over-allotment option) issued and the net proceeds raised during the global offering were approximately HK$2,923 million. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes depending on actual business needs.

As at 31 December 2021, the Group's planned application and actual utilisation of approximately RMB865.4 million of the net proceeds is set out below:

	Allocation of net proceeds from the global offering in the proportion disclosed in the Prospectus *(Note 1)* *RMB million*	**Utilisation as at 31 December 2021** *RMB million*	**Unutilised as at 31 December 2021** *RMB million*	**Expected timeline to fully utilise the remaining unutilised net proceeds** *(Note 2)*
Fund research and development activities of our Core Products, including ongoing and planned clinical trials, indication expansion and preparation for registration filings, and commercialisation	1,065.1	413.0	652.1	On or before 31 December 2025
Fund research and development activities of our other key products, including ongoing and planned clinical trials, indication expansion and preparation for registration filings	583.3	170.7	412.6	On or before 31 December 2025
Fund ongoing and planned clinical trials, indication expansion and preparation for registration filings of the other drug candidates in our pipeline	380.4	111.8	268.6	On or before 31 December 2025
Fund the expansion of our drug pipeline	253.6	44.0	209.6	On or before 31 December 2025
General corporate purposes	253.6	125.9	127.7	On or before 31 December 2024
Total	2,536.0	865.4	1,670.6	

Notes:

1. The net proceeds include the additional net proceeds from the partial exercise of the over-allotment option. As set out in the Company's announcement dated 28 October 2020, the Company shall utilise the additional net proceeds on a pro-rata basis for the purposes set out in the Prospectus. The net proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

2. The expected timeline for fully utilising the remaining unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

The table below specifies the further breakdown for net proceeds to be allocated to different stages of each of our Core Products (has the meaning ascribed to it under Chapter 18A of the Listing Rules), other key products and other pipeline products and their planned application and actual utilisation as at 31 December 2021:

	Net Proceeds to be Allocated to Each Stage (Note 3)					
	Pre-clinical *RMB million*	**Clinical** *RMB million*	**Commercialisation (including registration)** *RMB million*	**Utilisation as at 31 December 2021** *RMB million*	**Unutilised as at 31 December 2021** *RMB million*	**Expected timeline to fully utilise the remaining unutilised net proceeds** (Note 4)
Core Products						
GB226, including combination trials with GB492	–	380.4	253.6	**209.4**	**424.6**	On or before 31 December 2025
GB221	–	126.8	126.8	**109.8**	**143.8**	On or before 31 December 2025
GB242	–	51.5	126.0	**93.8**	**83.7**	On or before 31 December 2024
Other Key Products						
GB491	–	380.4	–	**163.5**	**216.9**	On or before 31 December 2024
GB223	–	202.9	–	**7.2**	**195.7**	On or before 31 December 2025
Other Pipeline Products						
(including GB241, GB222, GB224, GB235, GB251, GB232, GB261, GB262, GB263 and GB264)	125.5	254.9	–	**111.8**	**268.6**	On or before 31 December 2025
Total				**695.5**	**1,333.3**	

Notes:

3. The net proceeds include the additional net proceeds from the partial exercise of the over-allotment option. As set out in the Company's announcement dated 28 October 2020, the Company shall utilise the additional net proceeds on a pro-rata basis for the purposes set out in the Prospectus. The net proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

4. The expected timeline for fully utilising the remaining unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2021 *RMB'000*	2020 *RMB'000*
Revenue	3	**–**	10,331
Cost of revenue		**–**	(2,596)
Gross profit		**–**	7,735
Selling expenses		**(98,603)**	–
Administrative expenses		**(207,350)**	(241,440)
Research and development expenses		**(612,718)**	(696,574)
Other income – net		**44,813**	(4,429)
Other gains/(losses) – net		**14,751**	(1,968,314)
Operating loss		**(859,107)**	(2,903,022)
Finance income		**23,729**	3,715
Finance costs		**(30,928)**	(137,003)
Finance costs – net		**(7,199)**	(133,288)
Loss before income tax		**(866,306)**	(3,036,310)
Income tax credit	4	**932**	5,806
Loss for the year		**(865,374)**	(3,030,504)
Loss for the year is attributable to:			
Owners of the Company		**(865,224)**	(3,027,102)
Non-controlling interests		**(150)**	(3,402)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
– Exchange differences on translation of foreign operations		**(465)**	(2,271)
Total comprehensive loss for the year		**(865,839)**	(3,032,775)
Total comprehensive loss for the year is attributable to:			
Owners of the Company		**(865,689)**	(3,029,373)
Non-controlling interests		**(150)**	(3,402)
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (in RMB)	5	**(1.75)**	(12.36)
Diluted loss per share (in RMB)		**(1.77)**	(12.36)

CONSOLIDATED BALANCE SHEET

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
ASSETS		
Non-current assets		
Property, plant and equipment	**200,033**	200,288
Right-of-use assets	**23,334**	28,875
Intangible assets	**171,043**	156,936
Other receivables, deposits and prepayments	**76,121**	80,300
Deferred income tax assets	**5,732**	5,643
Total non-current assets	**476,263**	472,042
Current assets		
Inventories	**49,653**	31,465
Contract cost	**1,755**	1,755
Other receivables, deposits and prepayments	**132,529**	108,690
Amounts due from related parties	**–**	27,754
Restricted bank deposits	**2,000**	2,000
Cash and cash equivalents	**2,200,641**	2,929,743
Total current assets	**2,386,578**	3,101,407
Total assets	**2,862,841**	3,573,449

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Notes	As at 31 December 2021 RMB'000	2020 RMB'000
EQUITY			
Equity attributable to the ordinary equity holders of the Company			
Share capital		**68**	67
Share premium		**9,290,903**	9,187,780
Treasury shares		**(5,198)**	(6,813)
Other reserves		**(1,409,824)**	(1,426,445)
Accumulated losses		**(5,385,760)**	(4,520,536)
		2,490,189	3,234,053
Non-controlling interests		**2,922**	3,072
Total equity		**2,493,111**	3,237,125
LIABILITIES			
Non-current liabilities			
Contract liabilities		**–**	755
Lease liabilities		**20,107**	16,014
Amounts due to related parties		**5,004**	34,797
Deferred income		**18,149**	21,903
Deferred income tax liabilities		**13,282**	14,125
Total non-current liabilities		**56,542**	87,594
Current liabilities			
Trade payables	6	**129,666**	91,732
Contract liabilities		**5,648**	4,893
Other payables and accruals		**124,930**	116,346
Short-term borrowings		**29,700**	–
Lease liabilities		**7,601**	15,045
Amounts due to related parties		**4,056**	17,022
Provisions		**7,895**	–
Deferred income		**3,692**	3,692
Total current liabilities		**313,188**	248,730
Total liabilities		**369,730**	336,324
Total equity and liabilities		**2,862,841**	3,573,449

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

1.1 General information

Genor Biopharma Holdings Limited (the "Company"), previously known as JHBP (CY) Holdings Limited, and its subsidiaries (together the "Group"), have principally engaged in developing and commercializing oncology and autoimmune drugs in the People's Republic of China (the "PRC").

The Company was incorporated in the Cayman Islands on 10 April 2017 as an exempted company with limited liability under the Companies Law (Cap.22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The company has its primary listing on The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country through the whole year of 2021. As at the reporting date, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Genor Biopharma Holdings Limited and its subsidiaries.

2.1 Basis of preparation

(a) Compliance with HKFRS and the disclosure requirements of HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

(c) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 - amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS16

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 REVENUE

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Revenue on fee-for-service contracts at a point in time	**–**	10,331

All revenues are generated in the PRC.

4 INCOME TAX CREDIT

(a) Income tax credit

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Current tax		
Current tax on profits for the year	**–**	–
Total current tax expense	**–**	–
Deferred income tax		
Increase in deferred tax assets	**(89)**	(4,963)
Decrease in deferred tax liabilities	**(843)**	(843)
Total deferred tax credit	**(932)**	(5,806)
Income tax credit	**(932)**	(5,806)

(b) Numerical reconciliation of loss before income tax to income tax credit

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Loss before income tax	**(866,306)**	(3,036,310)
Calculated at the PRC taxation rate of 25%	**(216,577)**	(759,078)
Effect of different tax rates of operating entities in other jurisdictions	**13,436**	548,244
Expenses not deductible for taxation purposes	**34,184**	66,755
Super deduction of research and development expenses	**(91,750)**	(94,047)
Unused tax loss not recognised as deferred tax assets	**259,775**	232,320
Income tax credit	**(932)**	(5,806)

(i) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly is exempted from Cayman Islands income tax.

(ii) Hong Kong Profits Tax

Hong Kong profits tax rate is 16.5% for the year ended 31 December 2021(2020: 16.5%). No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax for the years ended 31 December 2021 and 2020.

(iii) United States of America ("USA") Corporate Income Tax

The corporate income tax rate of AB Therapeutics Inc. and Genor Biopharma (USA), Inc. are subject to both federal income tax rate and California income tax rate, which is 29.84% in total for the year ended 31 December 2021 (2020: 29.84%). No USA profit tax was provided for as there was no estimated assessable profit that was subject to USA profits tax for the years ended 31 December 2021 and 2020.

(iv) PRC Corporate Income Tax

Subsidiaries established and operated in Mainland China are subject to the PRC corporate income tax at the rate of 25% for the year ended 31 December 2021 (2020: 25%).

5 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Year ended 31 December	
	2021	2020
Loss attributable to owners of the Company (in RMB'000)	**(865,224)**	(3,027,102)
Weighted average number of ordinary shares in issue (in thousand)	**495,180**	244,890
Basic loss per share (in RMB)	**(1.75)**	(12.36)

(b) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of fair value changes with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The Group has potential dilutive shares throughout for the year ended 31 December 2021 related to the shares held for employee option plan and shares to be issued to an employee and ABS.

The loss attributable to the owners of the Company (the "numerator") has been adjusted by the effect of fair value changes on the contingent consideration to ABS, excluding those which have anti-dilutive effect to the Group's diluted loss per share.

In addition, diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of potential dilutive ordinary shares arising from shares to be issued to ABS.

	Year ended 31 December	
	2021	**2020**
Loss attributable to owners of the Company (in RMB'000)		
Used in calculating basic earnings per share	**(865,224)**	(3,027,102)
Less: the fair value gains on contingent consideration to ABS	**11,278**	–
Loss attributable to owners of the Company for the calculation of diluted loss per share	**(876,502)**	(3,027,102)
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share (in thousand)	**495,180**	244,890
Adjustments for calculation of diluted earnings per share:		
Shares to be issued to ABS	**1,023**	–
Weighted average number of ordinary shares in issue for the calculation of diluted loss per share	**496,203**	244,890
Diluted loss per share (in RMB)	**(1.77)**	(12.36)

6 TRADE PAYABLES

An aging analysis, based on invoice date, of trade payables as at the consolidated statements of balance sheet date were as follows:

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Within 1 year	**127,594**	90,497
1-2 years	**1,772**	1,235
2-3 years	**300**	–
	129,666	91,732

The carrying amounts of trade payables are denominated in RMB. The carrying amounts approximate their fair values due to short-term maturities.

7 DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 December 2021 and 2020.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.genorbio.com. The annual report of the Company for the Reporting Period will be published on the aforesaid websites and dispatched to the Company's shareholders in due course.

By order of the Board
Genor Biopharma Holdings Limited
Dr. Guo Feng
Chief Executive Officer and Chairman

Hong Kong, 30 March 2022

As at the date of this announcement, the Board comprises Dr. ZHOU Joe Xin Hua and Dr. GUO Feng as executive Directors; Dr. LYU Dong, Mr. CHEN Yu and Dr. NI Lin as non-executive Directors; Mr. ZHOU Honghao, Mr. FUNG Edwin and Mr. CHEN Wen as the independent non-executive Directors.