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開拓藥業有限公司*

KINTOR PHARMACEUTICAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9939)

**SUPPLEMENTAL ANNOUNCEMENT
CONNECTED TRANSACTION
PROVISION OF LOAN**

Reference is made to the announcement of the Kintor Pharmaceutical Limited dated 8 February 2022 and the supplemental announcement of the Company dated 22 April 2022 in relation to the entering into of a loan agreement with Dr. Youzhi Tong (collectively, the “**Announcements**”). Unless otherwise stated, all the capitalised terms used herein shall have the same meaning as those adopted in the Announcements.

EXTENSION OF THE LOAN

On 29 June 2022, the Company entered into a supplemental loan agreement (the “**Supplemental Loan Agreement**”) with Dr. Tong to extend the repayment date of the Loan to 30 November 2022. (the “**Loan Extension**”) The outstanding principal amount of the Loan as at the date of this announcement is HK\$110,087,408 (equivalent to approximately RMB94,023,845).

Save as amended by the Supplemental Loan Agreement, the other terms of the Loan Agreement shall remain valid.

Reasons for and benefits of entering into the Supplemental Loan Agreement

As disclosed in the Announcements, it was the intention of Dr. Tong to repay the Loan in full by 30 June 2022 by way of, including but not limited to, selling his Shares in the Company at an appropriate time. The Company was informed by Dr. Tong that, due to (i) restrictions on his dealing in the Shares as a Director since the provision of the Loan on 8 February 2022 including those in relation to a blackout period for the publication of the Company’s annual results and possession of potential inside information of the Company under the Listing

Rules; and (ii) difficulties in consummating a block trade of the Shares within the specified time period considering the potential adverse effect on the stock price of the Shares and the Shareholders, Dr. Tong is unable to repay the Loan in full by 30 June 2022. Dr. Tong also represented to the Company that he would continue to liquidate his investments in the stock and property markets (including but not limited to dispose his Shares in the Company) to repay the Loan in full by 30 November 2022. The Company has in place, and will continue to strictly implement, various internal control and risk management measures as disclosed in the Announcements to ensure timely repayment of the Loan (as extended pursuant to the Supplemental Loan Agreement) by Dr. Tong.

As disclosed in the Announcements, the primary purpose of the Loan was to provide lifeline to Dr. Tong and to enable him to continue to focus on the Group's business and daily operation and properly perform his duties as an executive Director and the chief executive officer of the Company, as Dr. Tong is the founder and business leader of the Group and the Group is highly dependent on his expertise and leadership in biopharmaceutical R&D and management. Having considered the financial capability of Dr. Tong, his credibility and integrity as shown by his long-term service and his inextricable ties with the Company, the Board considers that the risk of a further extension or default of the Loan is relatively low and the Loan Extension is more appropriate at this stage as opposed to legal action, which will involve substantial time, costs and adverse effect on the operation and research and development activities of the Group in general. Furthermore, the Loan Extension will continue to generate higher interest income on funds which would otherwise be idle as compared to the time deposits and wealth management products currently held by the Group.

As the terms and conditions of the Supplemental Loan Agreement were determined in accordance with prevailing market terms with reference to the interest rates charged by major Hong Kong banks on unsecured personal loans, the Board (including the independent non-executive Directors) considers that the terms of the Supplemental Loan Agreement are fair and reasonable, and the Loan Extension, although not in the ordinary and usual course of business of the Group, was on normal commercial terms and in the interest of the Company and its Shareholders as a whole.

Dr. Tong is regarded as having material interest in the transaction and has thereby abstained from voting on the Board resolutions approving the transactions contemplated under the Supplemental Loan Agreement. Save as disclosed above, none of the Directors have a material interest in the transactions under the Supplemental Loan Agreement and were required to abstain from voting on the Board resolutions for considering and approving the same.

The Company does not contemplate that the Loan Extension will lead to any adverse effect on the Company's operations or research and development activities.

Listing Rules Implications

Dr. Tong is an executive Director, the chief executive officer and a substantial Shareholder of the Company, and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Supplemental Loan Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Supplemental Loan Agreement is more than 0.1% but less than 5%, the Supplemental Loan Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The additional information as disclosed above does not affect any other information contained in the Announcements and all other information and content set out in the Announcements shall continue to be valid for all purposes. This supplemental announcement is supplemental to, and should be read in conjunction with, the Announcements.

By order of the Board
KINTOR PHARMACEUTICAL LIMITED
Dr. Youzhi Tong
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 29 June 2022

For the purpose of this announcement and for illustration purpose only, conversion of RMB to HK\$ is based on the exchange rate of RMB to HK\$1.17. No representation is made that any amounts in RMB have been or could be converted at the above rate or any other rates.

As of the date of this announcement, the executive Directors are Dr. Youzhi Tong and Ms. Yan Lu; the non-executive Directors are Mr. Weipeng Gao, Ms. Geqi Wei and Mr. Chengwei Liu; and the independent non-executive Directors are Dr. Michael Min Xu, Mr. Wallace Wai Yim Yeung and Prof. Liang Tong.

* *For identification purpose only*