This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

開拓藥業有限公司*

KINTOR PHARMACEUTICAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9939)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Board of Directors of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022, together with comparative figures for the six months ended 30 June 2021.

FINANCIAL HIGHLIGHTS

- We did not generate any revenue for the six months ended 30 June 2022 and the six months ended 30 June 2021.

- Our adjusted loss after adding back share-based compensation expenses for the Employee Incentive Scheme increased by RMB168.7 million or approximately 56.3% from RMB299.9 million for the six months ended 30 June 2021 to RMB468.6 million for the six months ended 30 June 2022.

- Our R&D costs increased by RMB178.9 million or approximately 63.4% from RMB282.2 million for the six months ended 30 June 2021 to RMB461.1 million for the six months ended 30 June 2022.

- The Board does not recommend any payment of interim dividend for the six months ended 30 June 2022.

BUSINESS HIGHLIGHTS

Since 2022, we have been making steady progress with respect to our pipeline and business operations, including the following milestones and achievements:

Pruxelutamide (GT0918)

COVID-19 Indication

- On 10 February 2022, the first patient in China was enrolled and dosed in the international phase III registrational clinical trial of Pruxelutamide for the treatment of COVID-19 patients with mild to moderate symptoms (NCT04869228). The first patient enrollment of this clinical trial in Brazil was completed on 4 August 2021.

- On 6 April 2022, the Company announced the top-line results from the U.S. and global registrational phase III clinical trial of Pruxelutamide on patients with mild to moderate COVID-19 (NCT04870606). Pruxelutamide effectively reduced hospitalisation/mortality within 28 days; for patients who completed the medication for more than 7 days, the protection rate was 100% ($P<0.02$). Pruxelutamide significantly reduced the hospitalisation/mortality rate among patients with high risk factors (especially in the middle and high age group), $P<0.02$, and the protection rate was 100% ($P<0.02$); Pruxelutamide significantly and continuously reduced the COVID-19 viral load, and evidently improve COVID-19 related symptoms, which is of statistical significance. Pruxelutamide was generally well tolerated, safe and controllable, and no serious adverse events (SAE) were found in the study.

- In May 2022, the Elderly Health Center in Zhongshan Hospital Affiliated to Fudan University commenced the study of Pruxelutamide, which was initiated by the developers, for patients with severe or critical conditions (who experienced rebound of COVID-19 infections after Paxlovid). Study showed that there was no virus detected after 7 to 12 days treatment. We will continue to study in particular the efficacy and safety of Pruxelutamide for patients with severe or critical conditions (who experienced rebound of COVID-19 infections after Paxlovid).

Other indications

- On 24 February 2022, we completed the enrollment of 718 patients in the phase III clinical trial of Pruxelutamide in combination therapy with Abiraterone as a first-line combination therapy.

Pyrilutamide (KX-826)

- On 24 January 2022, we enrolled and dosed the first patient in the phase II clinical trial of Pyrilutamide in China for the treatment of acne vulgaris.

- On 28 February 2022, we enrolled and dosed the first patient in the phase II clinical trial of Pyrilutamide in the U.S. for the treatment of male AGA patients. On 1 August 2022, we completed the enrollment of 121 patients, which only took less than six months amid the ongoing impact of the COVID-19 pandemic.

- On 4 March 2022, we completed the enrollment of 160 patients in the phase II clinical trial of Pyrilutamide in China for the treatment of female AGA patients.

- On 27 August 2022, one of the leading principal investigators of the phase II clinical trial of Pyrilutamide in China for the treatment of male AGA patients, Professor Jianzhong Zhang from Peking University People's Hospital, officially released the trial's positive results at the 6th Annual Meeting of Chinese Hair Research Society (第六屆全國毛髮學術會議). The results showed that over 24 weeks of treatment, the 5mg BID (i.e. twice daily) group has demonstrated significant improvement in target area hair counts (TAHC), which, as compared with the baseline, increased by 22.73 hairs per cm^2, $P<0.001$; and compared with placebo group, increased by 15.34 per cm^2, $P=0.024$.

ALK-1 Antibody (GT90001)

- On 2 May 2022, we enrolled and dosed the first patient in the U.S. in its multi regional phase II clinical trial of ALK-1 antibody and Nivolumab combination therapy for the treatment of advanced HCC.

- On 7 July 2022, the last patient last visit was completed in the phase II clinical trial of AK-1 in Taiwan, China. Database lock has been performed and the data are being analysed.

AR-PROTAC Compound (GT20029)

- On 1 February 2022, we enrolled and dosed the first subject in the phase I clinical trial of GT20029 for the treatment of AGA and acne vulgaris in the U.S.

- On 8 August 2022, we completed the enrollment and dosing of 92 subjects for the phase I clinical trial of GT20029 for the treatment of AGA and acne vulgaris in China. We expect to complete the database lock and preform data analysis in the fourth quarter of 2022.

For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the Company's prior announcements published on the websites of the Stock Exchange and the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a clinical-stage novel drug developer in China focusing on the unmet clinical needs. We are committed to becoming a leader in the research, development and commercialisation of innovative therapies.

During the Reporting Period, the first phase III trial of Pruxelutamide, our first Core Product, for COVID-19 indication (NCT04870606) was completed with promising results, and we announced the top-line results. In respect of Pyrilutamide, our another Core Product, for the treatment of male AGA patients, its phase II clinical trial has reached the primary end point, and safety profile was good. The detailed statistics of the trial have been published. The phase III clinical trial for the treatment of male AGA patients has commenced in China. Meanwhile, the phase I clinical trial of AR-PROTAC compound GT20029, one of our Core Products developed for the treatment of AGA and acne vulgaris, is also under way in both China and the U.S..

Our pipelines covers indications of COVID-19, mCRPC, AGA, acne vulgaris, HCC, blood cancer, BCC and so on. We have built self-owned production capacities in Suzhou, and we are actively seeking collaboration opportunities in the market from all business perspectives.

Product Pipeline

Our pipeline of drug candidates includes a risk-balanced and diversified portfolio of products that strategically targets COVID-19, major cancer types and other AR-related indications with substantial market potential. The following chart sets forth a summary of our drug candidates as well as their respective mechanism, indications and development progress:

	Drug Candidate	Target / Mechanism	Indication	Country/ Region	Pre-Clinical	IND Filing (Filed)/ (Accepted)	Phase I	Phase II	Phase III	NDA
Clinical Stage Products	**Pruxelutamide (GT0918)**	Second generation AR antagonist	COVID-19 (Outpatients)	US & Intl					Top-line data readout on Apr 6, 2022	
			COVID-19 (Inpatients)	US, China & Intl					Completed FPI on Oct 1, 2021	
			COVID-19 (Outpatients)	China, Brazil & Intl					Completed FPI on Feb 10, 2022 in China	
			mCRPC	China					Expected to submit NDA in late 2022 or early 2023	
			Combination therapy with Abiraterone for mCRPC	China					Completed patients enrollment on Feb 24, 2022	
			mCRPC	US					Expected to complete phase II in 2022	
			Combination therapy with Exemestane, Letrozole and Fulvestrant for metastatic breast cancer	China					Completed patients enrollment on Aug 25, 2021	
	Pyrilutamide (KX-826)	AR antagonist (for external use)	Androgenetic alopecia (Male)	China					Completed FPI on Dec 31, 2021	
			Androgenetic alopecia (Female)	China					Completed patients enrollment on Mar 4, 2022	
			Androgenetic alopecia (Male)	US					Completed patients enrollment on Aug 1, 2022	
			Acne vulgaris	China					Completed FPI of phase II on Jan 24, 2022	
			Acne vulgaris	US						
	ALK-1 (GT90001)	Angiogenesis inhibitor	Combination therapy with a PD-1 for metastatic HCC (2L)	Taiwan					Last patient last visit completed on Jul 7, 2022	
			Combination therapy with a PD-1 for metastatic HCC (2L)	US & Intl					Completed FPI on May 2, 2022	
			Combination therapy with a PD-1 for metastatic HCC	China					IND was approved on Oct 11, 2021	
	AR-PROTAC (GT20029)	AR-PROTAC compound	AGA and acne vulgaris	China					Completed subjects dosing on Aug 8, 2022	
			AGA and acne vulgaris	US					First subject dosed on Feb 1, 2022	
	GT90008	PD-L1 / TGF-β dual targeting antibody	Multiple types of solid tumours	China					IND was approved on Oct 21, 2021	
	Detorsertib (GT0486)	mTOR kinase inhibitor	Metastatic solid tumours	China					Completed FPI on Feb 18, 2021	
	GT1708F	Hedgehog/ SMO inhibitor	Blood Cancer	China						
			Basal-cell carcinoma	US						
Pre-Clinical		c-Myc inhibitor & molecular glue	Blood cancer and solid tumors							
		Other AR-PROTAC compounds	Multiple indications							
		ALK-1/VEGF bispecific antibody	Solid tumours							

BUSINESS REVIEW

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

Core Products

- ***Pruxelutamide (GT0918)***

  Pruxelutamide (GT0918) (普克魯胺) is a second generation AR antagonist as well as an ACE2 and TMPRSS2 degrader with the potential to be a best-in-class drug. We are currently developing Pruxelutamide for the treatment of COVID-19, mCRPC and AR+ metastatic breast cancer. Its patent is valid until 8 March 2032.

  i. Indication of COVID-19

  Pruxelutamide has a mechanism of effectively lowering the expression of the proteins ACE2 and TMPRSS2, which the SARS-CoV-2 uses to invade host cells. Thus, Pruxelutamide prevents the virus from infecting normal host cells, and viral replication and reproduction, and thus can treat novel coronavirus infections effectively. In addition, Pruxelutamide also promotes the clearance of pathogens and decreases inflammation by activating the Nrf2 pathway, which activates several antioxidative genes and proteins and reduces the intensity of the cytokine response, which is of clinical benefit to COVID-19 inpatients.

  So far, the in vitro studies in the P3 laboratory have demonstrated that Pruxelutamide can effectively inhibit infections caused by the wild type, Alpha and Delta variants. The outcome of genome sequencing on COVID-19 inpatients in Brazil IIT has shown that Pruxelutamide has effectively treated inpatients infected by Gamma variant. Our self-sponsored phase III clinical trial results also proved that Pruxelutamide is effective against the Omicron variant.

ii. Clinical Trials of COVID-19 indication

1. The US and International Registration Phase III Clinical Trial for Outpatients (NCT04870606)

   The study is a randomised, double-blind, placebo-controlled phase III MRCT. We have completed the study and enrolled 733 patients scored 7 and 8 in NIAID scoring scale. Its primary endpoint is the percentage of subjects who experienced hospitalization or required oxygen, or death by Day 28 and the secondary endpoints include but not limited to clinical status, symptom improvement or resolution, SARS-CoV-2 viral load clearance, etc.

   The result showed that Pruxelutamide effectively reduced hospitalisation/mortality within 28 days; for patients who completed the medication for more than 7 days, the protection rate was 100% ($P<0.02$); Pruxelutamide significantly reduced the hospitalisation/mortality rate among subjects with high risk factors (especially in the middle and high age group), and the protection rate was 100% ($P<0.02$); Pruxelutamide significantly and continuously reduced the COVID-19 viral load, and improved COVID-19 related symptoms. Pruxelutamide was generally well tolerated, safe and controllable, and no serious adverse events were found in the study.

Note 1 NIAID 8-point scoring scale: By National Institute of Allergy and Infectious Diseases in U.S., 1) Death; 2) Hospitalised, on invasive mechanical ventilation or extracorporeal membrane oxygenation (ECMO); 3) Hospitalised, on non-invasive ventilation or high flow oxygen devices; 4) Hospitalised, requiring supplemental oxygen; 5) Hospitalised, not requiring supplemental oxygen – requiring ongoing medical care (COVID-19 related or otherwise); 6) Hospitalised, not requiring supplemental oxygen – no longer requires ongoing medical care; 7) Not hospitalised, limitation on activities and/or requiring home oxygen; 8) Not hospitalised, no limitations on activities.

Pruxelutamide effectively reduced hospitalisation/mortality:

1. Among all randomized subjects with at least one day of study treatment (N=730), 8 subjects in the placebo arm were hospitalized (including one death) as compared to 4 subjects in the Pruxelutamide arm (no death). Pruxelutamide reduced the risk of hospitalization or death by 50% as compared to the controlled group (all hospitalizations were COVID-19 related).

2. Among subjects with more than 1 day of treatment (N=721), 7 subjects in the placebo arm were hospitalized (including one death) as compared to 2 subjects (no death) in the Pruxelutamide arm. Pruxelutamide reduced the risk of hospitalization or death by 71% as compared to the controlled group.

3. Among subjects with more than 7 days of treatment (N=693), 6 subjects in the placebo arm were hospitalized (including one death) as compared to no hospitalization/death ($p<0.02$) in the Pruxelutamide arm. Pruxelutamide reduced the risk of hospitalization or death by 100% compared to the controlled group.

4. Among subjects who aged ≥50 with obesity, and ≥60 with or without any underlying medical conditions (such as obesity, diabetes, hypertension, etc.), Pruxelutamide significantly reduced the risk of hospitalization/ death ($p<0.02$). The respective protection rate was 100%.

In comparison with the placebo group, results showed that Pruxelutamide could evidently improve COVID-19 related symptoms, in particular, respiratory and feverish symptoms, and continuously shortened the time to sustain recovery of symptoms:

1. In patients with at least one moderate-to-severe respiratory symptom (stuffed nose, runny nose, sore throat, shortness of breath or cough) at baseline, the symptom scores were reduced more in Pruxelutamide group than that in placebo group over the treatment period.

2. In patients with at least one moderate-to-severe feverish symptom (chills, shivering, feeling hot or feverish) at baseline, the symptom scores were reduced more in Pruxelutamide group than that in placebo group over the treatment period.

3. In patients with at least one moderate-to-severe respiratory symptom or feverish symptom, the time to sustain recovery of symptoms was shortened in Pruxelutamide group.

As compared to the controlled group, Pruxelutamide significantly and continuously reduced SARS-CoV-2 viral load from Day 3 to Day 28.

It is also noteworthy that the subjects treated with Pruxelutamide took less COVID-19 standard of care (i.e. Acetaminophen (Tylenol), Ascorbic Acid, Ibuprofen, Azithromycin, Guaifenesin, Dexamethasone, Acetylsalicylic Acid, Zinc and Cholecalciferol, etc.) compared to subjects treated with Placebo during the study, which further supports the efficacy of Pruxelutamide.

In addition, the testosterone level significantly increased with the treatment of Pruxelutamide (mostly within the normal range), indicating the possible function of reducing risk of hypogonadism.

In terms of safety, the clinical trial demonstrated that Pruxelutamide was well tolerated and manageable in mild to moderate patients with mild to moderate COVID-19 symptoms. The incidence of treatment-emergent adverse events (TEAE) were 7.9% and 9.6% respectively in the controlled group and Pruxelutamide group, the majority of which was mild. The most common adverse event was dizziness (1.1% in both Pruxelutamide and controlled groups), the incidence of any of the remaining adverse events was less than 1%. There was no serious adverse event in the study.

2. The U.S., China and International Registration Phase III Clinical Trial for Inpatients (NCT05009732)

   The study is a randomised, double-blind, placebo-controlled phase III MRCT being conducted in various countries and regions including U.S., China, the Philippines, South Africa, Mexico and Australia, etc.

   On 18 May 2021, we announced that US FDA has greenlighted the phase III clinical trial of Pruxelutamide for the treatment of hospitalised COVID-19 patients to be conducted, which would recruit both male and female patients. On 1 September 2021, we announced that the clinical trial received the approval from NMPA. On 22 September 2021, the study was conditionally approved by ANVISA. Given the prevalence of the Omicron variant, the endpoint of this clinical trial is under amendment.

3. The China, Brazil and International Phase III Clinical Trial for Outpatients (NCT04869228)

   The study is a randomised, double-blind, placebo-controlled, phase III MRCT to be conducted in various countries and regions, including China, Brazil, Malaysia and the Philippines.

   We received the approval for the phase III clinical trial for treatment of mild to moderate patients with mild to moderate COVID-19 symptoms from CONEP on 27 May 2021, from ANVISA on 11 June 2021, and from NMPA on 1 September 2021. On 10 February 2022, the first patient in China was enrolled and dosed in the phase III clinical trial of Pruxelutamide for the treatment of COVID-19 outpatients (NCT04869228). Given the prevalence of the Omicron variant, the endpoint of this clinical trial is under amendment.

4. The IIT for Patients with Severe or Critical Conditions (ChiCTR2200061250)

In May 2022, the Elderly Health Center in Zhongshan Hospital Affiliated to Fudan University commenced the study of Pruxelutamide, which was initiated by the developers, for patients with severe or critical conditions (who experienced rebound of COVID-19 infections after Paxlovid). Study showed that there was no virus detected after 7 to 12 days treatment. We will continue to study in particular the efficacy and safety of Pruxelutamide for patients with severe or critical conditions (who experienced rebound of COVID-19 infections after Paxlovid).

iii. Commercialisation of Pruxelutamide as a Treatment for COVID-19

As of the date of announcement, we have been granted EUAs in various countries. We are constantly seeking for international partnerships to commercialize Pruxelutamide.

On 14 July 2021, we entered into a licensing agreement with Fosun Pharmaceutical, a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (Stock Code (Shanghai Stock Exchange): 600196, Stock Code (the Stock Exchange): 02196) on the commercialisation of Pruxelutamide for the treatment of COVID-19 in India and 28 African countries, and the parties agreed to collaborate on EUA applications, promotion, and sales of Pruxelutamide. Pursuant to the agreement, Fosun Pharmaceutical will be granted exclusive rights of registration and commercialisation of Pruxelutamide in the Collaboration Regions. The Company will be eligible to receive upfront and milestone payments up to RMB560 million as well as royalty payments that are not less than 50% of the total operating profit in the Collaboration Regions, based on a tiered structure per the amount of net sales as agreed by both parties.

On 25 August 2021, we entered into a licensing agreement with in relation to the commercialisation of Pruxelutamide for the treatment of COVID-19 in Indonesia and the parties agreed that the Company will receive from PT Etana Biotechnologies Indonesia upfront and milestone payments and economic benefit relating to the sales from the launch of Pruxelutamide in Indonesia.

On 16 July 2021, we announced that the MSPBS of Paraguay granted an EUA for Pruxelutamide for the treatment of inpatients with COVID-19 at the MSPBS hospitals. It was the first EUA obtained for Pruxelutamide globally. The first hospital to use Pruxelutamide under the EUA, Hospital Barrio Obrero, part of the MSPBS network, has reported promising initial results. As at the date of this announcement, Pruxelutamide has also been granted EUA by, among others, the Ministry of Health of the state of Sarajevo, Bosnia and Herzegovina in January 2022 and authorisation for use by the Ministry of Health of the Republic of Ghana in March 2022.

iv. Indication of mCRPC and AR+ metastatic breast cancer

Pruxelutamide is a potential best-in-class small molecule AR antagonist based on well-researched AR mechanism. Pruxelutamide has a novel chemical structure and constitutes a dual-action mechanism. We developed Pruxelutamide for the treatment of mCPRC and AR+ breast cancer.

Our pre-clinical and clinical research on Pruxelutamide for mCPRC and AR+ breast cancer were recognised as a Science and Technology Major Project for "Major New Drugs Innovation and Development" (「重大新藥創製」科技重大專項) in 2011 and 2017, respectively.

We received approval from the CDE in 2018 to conduct phase III clinical trial for Pruxelutamide in combination therapy with Abiraterone for mCRPC as a first-line combination therapy, the phase III clinical trial has completed 718 patients enrollment on 24 February 2022.

As of 4 August 2020, the Group completed patients enrollment under the final trial protocol for Pruxelutamide's phase III clinical trial for the monotherapy of mCRPC in China and is conducting data analysis.

We are carrying out an open and multi-center phase Ic clinical trial to evaluate the safety, pharmacokinetic characteristics and initial efficacy of Pruxelutamide in combination with Exemestane, Letrozole and Fulvestrant in patients with AR+ metastatic breast cancer. The trial has completed patients enrollment for phase Ic on 25 August 2021.

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

Pyrilutamide (KX-826) (福瑞他恩) is a topical treatment being developed to locally block the androgen mediated signalling instead of reducing androgen level systematically, and its metabolite has substantially reduced AR agonist activity in vivo, thereby reducing its side effects.

We are currently developing Pyrilutamide as a potential first-in-class topical drug for the treatment of androgenic alopecia and acne vulgaris. Its patent is valid until 8 September 2030.

i. Indication of AGA

On 27 August 2022, Professor Jianzhong Zhang from Peking University People's Hospital, one of the leading principal investigators of the phase II clinical trial of Pyrilutamide in China for the treatment of male AGA patients, officially released the positive results of the trial at the 6th Annual Meeting of Chinese Hair Research Society (第六屆全國毛髮學術會議).

- For efficacy, the KX-826 (0.5%) 5mg BID (i.e. twice daily) group demonstrated significant improvement in target area hair counts (TAHC) as compared with the baseline (increased by 22.73 hairs per cm^2, $P<0.001$) and placebo group (increased by 15.34 hairs per cm^2, $P=0.024$) after 24 weeks of treatment. The recommended phase III dose is determined as KX-826 (0.5%) 5 mg BID.

- For safety, the overall safety profile of KX-826 was good and manageable. No serious adverse event (SAE), adverse drug reaction (ADR), nor death occurred. After 14 days of topical application, the systemic exposure of KX-826 and its metabolites in vivo reached a steady state; the drug concentration percutaneously entered the blood in each dose group was low.

Pyrilutamide is the first topical AR antagonist which has entered phase III clinical trial of AGA globally. On 24 November 2021, we announced that the IND application for the pivotal study (phase III clinical trial) of Pyrilutamide for the treatment of male AGA patients was cleared by NMPA. As at the date of this announcement, we have completed the enrollment and dosing of the first patient of the phase III clinical trial for the treatment of male AGA patients in China. We have also completed the enrollment and dosing of patients in the phase II clinical trial for the treatment of female AGA patients in China, and completed the enrollment of patients in the phase II clinical trial of Pyrilutamide for the treatment of male AGA patients in the U.S. despite the ongoing impact of the COVID-19 pandemic.

ii. Indication of acne vulgaris

Pyrilutamide is a well-targeted topical AR antagonist, which competitively inhibits the combination of androgen with the AR in the skin tissue and is able to topically control the activation of the AR signal pathway caused by the excessive level of androgen without affecting the activity of the AR signal pathway in human body. Through external application, Pyrilutamide is able to inhibit the combination of AR with androgen in hair follicle sebaceous glands for the treatment of acne vulgaris.

The phase I trial of Pyrilutamide as treatment for the acne vulgaris were commenced in China on 16 April 2021, which has demonstrated a preliminary positive safety and tolerability profile in terms of dose-escalation and dosing frequency. On 24 January 2022, we have enrolled and dosed the first patient in the phase II clinical trial of Pyrilutamide as a treatment for acne vulgaris in China.

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

ALK-1 antibody is a fully human IgG2 neutralising monoclonal antibody that inhibits ALK-1/TGF–β signal transduction and tumor angiogenesis and a potential first-in-class antibody for which the Company obtained an exclusive global license for all the oncological areas from Pfizer in February 2018.

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

In Taiwan, China, our phase II clinical trial of ALK-1 antibody and Nivolumab combination therapy for the treatment of advanced HCC has completed the last patient last visit on 7 July 2022. Previously, the preliminary data were released at the 2021 American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO-GI). The results showed that among the 20 evaluable patients, 8 patients (40.0%) were observed partial remission (PR).

In the U.S., we obtained IND approval for the combination therapy of ALK-1 antibody and Nivolumab for a global multi-center phase II clinical trial for the second-line treatment of advanced HCC on 18 February 2021, and completed the first patient dosing on 2 May 2022. In China, we also obtained approval for the combination therapy of ALK-1 antibody and Nivolumab for the treatment of advanced HCC on 9 October 2021.

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

  GT20029 has the potential to become a new generation of treatment for AGA and acne vulgaris. GT20029 is a topical AR-PROTAC compound developed by using the Group's in-house PROTAC platform, and the first topical PROTAC compound for external topical use which entered the clinical stage around the world.

  We obtained IND approval of GT20029 for the treatment of AGA and acne vulgaris in China and the U.S. on 14 April 2021 and in July 2021 respectively. The phase I clinical trial of GT20029 for the treatment of AGA and acne vulgaris was completed in China on 8 August 2022. We expect to complete the database lock and perform data analysis in the fourth quarter of 2022.

Other Clinical Stage Products

On 20 August 2020, we entered into an exclusive license agreement with Gensun Biopharma Inc. ("**Gensun**"), pursuant to which we obtained from Gensun, among others, an exclusive license to conduct research, development, clinical trials, registration, manufacture and commercialisation of PD-L1/TGF-ß (GT90008) dual-targeting antibody in Greater China. GT90008 is a dual-targeting antibody composed of an antagonist antibody of PD-L1 and the extracellular domain of TGF-ß with high activity in inhibiting PD-L1 and TGF-ß simultaneously. The Compound has the potential in the treatment of a variety of solid tumours, including non-small cell lung cancer, biliary tract cancer, triple negative breast cancer and HPV-associated tumours such as cervical cancer and has the potential to become a best-in-class drug. On 21 October 2021, the clinical trial of GT90008 for the treatment of advanced solid tumours was approved by NMPA.

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

Hedgehog/SMO Inhibitor (GT1708F) is an inhibitor of the hedgehog signal transduction pathway. We are currently developing GT1708F primarily for the treatment of blood cancer and BCC. We obtained IND approval for GT1708F from NMPA in February 2020 and recorded the first patient enrollment on 27 November 2020. We also obtained IND approval for GT1708F in the U.S. on 23 November 2020.

Pre-Clinical Stage Products

In addition to the drug candidates described above, we are also in the discovery phase for the development of other potential drug candidates, including c-Myc inhibitor, compound of other targets (such as c-Myc) out of PROTAC platform and ALK-1/VEGF bispecific antibody for the treatment of multiple indications such as blood cancer and solid tumours, respectively.

WARNING UNDER RULE 18A.08(3) OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR DRUG CANDIDATES (INCLUDING OUR CORE PRODUCTS) SUCCESSFULLY.

RESEARCH AND DEVELOPMENT

We have established an integrated R&D platform to support our drug development programmes from drug discovery to clinical trials. We conduct proprietary laboratory research to identify and select new compounds as our potential drug candidates, and we manage our drug development process primarily using our internal R&D resources to ensure that the process meets the quality standards we have set internally.

Through the development of Pruxelutamide and Pyrilutamide, we have accumulated significant expertise in AR-related know-how and have developed a leading AR technology platform. We believe we have accumulated industry-leading expertise in the field of AR signalling pathway, molecule design and PK/PD modelling. Leveraging our AR technology platform, we have successfully progressed Pruxelutamide to phase III clinical trials in China, the U.S. and the globe, expanded the indication of Pruxelutamide to COVID-19, and have also developed Pyrilutamide and AR-PROTAC for AGA and acne vulgaris. As at the date of this announcement, we have successfully progressed Pyrilutamide to phase III clinical trials for the treatment of male AGA patients and phase II clinical trials for the treatment of female AGA patients and Pyrilutamide to phase II clinical trial for treatment of acne vulgaris in China.

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

By in-licensing and developing ALK-1, we have gradually established and expanded our R&D capabilities in the field of biological drug. We have carried forward ALK-1 to phase II, and explored the combination therapy with other drugs. In addition, we also introduced the second macromolecular drug PD-L1/TGF-ß dual-targeting antibody for the treatments of multiple solid tumors. On 30 April 2021, we expanded our geographical presence to the Zhuhai International Health Port. Our Zhuhai subsidiary will focus on tumor immunity and promote the clinical R&D, production and commercialization of the Group's biological drugs. This is a step forward in our strategy to enrich our drug pipeline.

Our R&D work is led by senior scientists, including Dr. TONG, supported by several other returnee scientists who have accumulated decades of pharmaceutical R&D and entrepreneurship experience in reputable pharma and biotech companies in the U.S. and who together provide us with combined expertise covering small molecule, biologics, and compound design. As part of our global expansion strategy, our various products have been granted IND approvals in multiple countries and regions and our in-house R&D team has collaborated with local and overseas CROs to conduct MRCTs of drug candidates such as Pruxelutamide and ALK-1. As a PRC biotech company, we are actively exploring our overseas development path.

For the six months ended 30 June 2021 and 2022, our research and development expenses were approximately RMB282.2 million and RMB461.1 million, respectively.

MANUFACTURING AND COMMERCIALISATION

We plan to use our in-house production and R&D base in Suzhou and Pinghu in China for APIs and final products of Pruxelutamide and Pyrilutamide. On 28 August 2020, our manufacturing and R&D facility in Suzhou commenced operations in preparation for the production of Pruxelutamide. In November 2020, our Suzhou production and R&D base was granted the Pharmaceutical Production License issued by Jiangsu Medical Products Administration. In July 2022, the Pinghu industrial base held its foundation stone laying ceremony, which marked the official start of construction.

As of the date of this announcement, we had not commercialised any of our drug candidates. We plan to prepare for the commercialisation work for our Core Products through both distribution and license-out partnerships.

IMPACT OF COVID-19

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

The Directors confirm that, save as disclosed above, there has been no material adverse change in our financial, operational or trading positions or prospects during the Reporting Period. Besides, following the outbreak of COVID-19, the Company has expanded indication of Pruxelutamide, a Core Product, to treat COVID-19 and we have been conducting various clinical trials of Pruxelutamide for the treatment of COVID-19. As of the date of this announcement, Pruxelutamide had been administered with an EUA in hospitals under MSPBS in Paraguay for treatment of hospitalised COVID-19 patients, where promising initial results had been observed. Pruxelutamide has also been granted EUA by, among others, the Ministry of Health of the state of Sarajevo, Bosnia and Herzegovina in January 2022 and authorisation for use by the Ministry of Health of the Republic of Ghana in March 2022. The Group will continue to advance clinical trials and EUA applications for Pruxelutamide to be used for the purposes of treating COVID-19 patients in other countries and regions to drive the sales and the progress of commercialisation of Pruxelutamide.

FINANCIAL REVIEW

Overview

We currently have no drugs approved for commercial sale and have not generated any revenue from drug sales for the six months ended 30 June 2022. We have never been profitable and have incurred operating losses in each year since our inception. Our loss and total comprehensive loss were RMB325.8 million and RMB518.4 million for the six months ended 2021 and 2022, respectively. Our adjusted loss and total comprehensive loss for the same periods after adding back share-based compensation expenses for the Employee Incentive Scheme were RMB299.9 million and RMB468.6 million, respectively. Our operating losses mainly resulted from R&D costs (primarily consisting of clinical research expenses) and administrative expenses.

Revenue

We did not generate any revenue for the six months ended 30 June 2022 and the six months ended 2021.

Cost of Sales

We did not record any cost of sales for the six months ended 30 June 2022 and the six months ended 30 June 2021.

Gross Profit

We did not record any gross profit for the six months ended 30 June 2022 and the six months ended 30 June 2021.

Other Income

Our other income primarily consisted of government grants, interest income from bank balances and time deposits and interest income from related parties. Our other income decreased by RMB2.9 million or 27.6% from RMB10.5 million for the six months ended 30 June 2021 to RMB7.6 million for the six months ended 30 June 2022, which was mainly attributable to (i) a RMB1.6 million decrease in government grants which we have received to compensate for the expenses of our Group's research and development; (ii) a RMB1.6 million decrease in interest income from time deposits as a result of our decreased bank balances in time deposit account during the Reporting Period; and (iii) a RMB1.4 million decrease in interest income from bank balances primarily as a result of the decrease of our bank balances. Such decrease in interest income was partially offset by a RMB1.8 million increase in interest income from related parties as a result of loans to related parties.

Marketing Costs

Our marketing costs primarily consisted of (i) salaries and other benefits of our sales and marketing team; and (ii) administrative expenses including business trip expenses and other business development expenses. Our marketing costs increased from RMB6.2 million for the six months ended 30 June 2021 to RMB10.6 million for the six months ended 30 June 2022, which was mainly attributable to (i) an increase of RMB1.3 million in salary of our sales and marketing team in preparation for Pruxelutamide's commercialisation; (ii) an increase of RMB0.5 million of administrative costs which includes, business development expenses, traveling expenses, office expenses and other expenses incurred by marketing staff for marketing and business development purposes; and (iii) an increase of RMB2.7 million in RSU expenses.

Administrative Expenses

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

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

	For the six months ended 30 June			
	2022		2021	
	RMB'000 (unaudited)	***%***	*RMB'000 (unaudited)*	*%*
Employee benefit expenses	**27,433**	**41.9**	22,570	45.5
Add: share-based compensation expenses	**15,714**	**24**	9,114	18.4
Employee benefit expenses (including share-based compensation expenses)	**43,147**	**65.9**	31,684	63.9
Utilities and office expenses *(Note)*	**10,638**	**16.3**	8,120	16.4
Depreciation and amortization	**4,134**	**6.3**	2,584	5.2
Others	**7,556**	**11.5**	7,198	14.5
Total	**65,475**	**100.0**	49,586	100.0

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

Our administrative expenses increased by RMB15.9 million or 32.1% from RMB49.6 million for the six months ended 30 June 2021 to RMB65.5 million for the six months ended 30 June 2022, which was mainly attributable to (i) a RMB11.5 million increase in employee benefit expenses primarily resulting from new recruitments and annual adjustment of remuneration for all employees and the grant of RSUs to senior management and employees with administrative functions on 31 March 2021 and 30 September 2021; (ii) a RMB2.5 million increase in utilities and office expenses due to the increase of our staff; and (iii) a RMB1.9 million increase in other administrative expenses primarily relating to the increase in the repair and maintenance expenses incurred for our self-owned properties, and the increase in our professional advisory expenses such as compliance consulting fees, legal consulting fees and construction and environment consulting fees, as well as the increase in our materials and consumables expenses in line with the fast-paced development of our business.

R&D Costs

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

The following table sets forth a breakdown of our R&D costs, by amount and as a percentage of our total R&D costs, for the periods indicated:

	For the six months ended 30 June			
	2022		2021	
	RMB'000 (unaudited)	***%***	*RMB'000 (unaudited)*	*%*
Clinical research expenses	**306,051**	**66.4**	158,176	56.1
Materials and consumables used	**45,028**	**9.8**	46,687	16.5
Employee benefit expenses	**53,220**	**11.5**	29,197	10.3
Add: share-based compensation expenses	**29,703**	**6.4**	15,125	5.4
Employee benefit expenses (including share-based compensation expenses)	**82,923**	**17.9**	44,322	15.7
Third party contracting fees	**17,191**	**3.7**	22,063	7.8
Others	**9,894**	**2.2**	10,932	3.9
Total	**461,087**	**100.0**	282,180	100.0

Our R&D costs increased by RMB178.9 million or 63.4% from RMB282.2 million for the six months ended 30 June 2021 to RMB461.1 million for the six months ended 30 June 2022, which was mainly attributable to (i) an increase of RMB147.9 million in clinical research expenses primarily paid to hospitals and CROs in relation to clinical trials for Pruxelutamide for the COVID-19 indication; (ii) an increase of RMB38.6 million in R&D employee benefit expenses primarily due to the expansion of our R&D personnel and the grant of RSUs to certain of our R&D employees under the Employee Incentive Scheme, partially offset by (i) a decrease of RMB4.9 million for third party contracting fees primarily consisting of fees paid to CROs and CMOs for preclinical trials and (ii) a decrease of RMB1.7 million for materials and consumables used in relation to R&D use.

The increase in R&D costs primarily results from (i) the advancement of our clinical trials for Pruxelutamide for COVID-19; (ii) the increase in share-based compensation expenses due to the new grant of RSU on 31 March 2021 and 30 September 2021; and (iii) the expansion of offices and facilities for our R&D staff.

Other Gains – Net

We had other gains of RMB13.5 million for the six months ended 30 June 2022 primarily as a result of net foreign exchange gains, as well as the proceeds from the disposal of financial assets at fair value. We had other gains of RMB3.0 million for the six months ended 30 June 2021.

Finance Costs

Our finance costs during the Reporting Period primarily consisted of the interest we paid on our borrowings. Our finance costs increased by RMB0.9 million or 64.3% from RMB1.4 million for the six months ended 30 June 2021 to RMB2.3 million for the six months ended 30 June 2022, which was mainly attributable to (i) the increase in loan principal; and (ii) the increase in interest expenses on lease liabilities due to the increase in gross lease area.

Income Tax Expenses

We did not have any income tax expenses for the six months ended 30 June 2021 as we had no taxable income. Our income tax expenses for the six months ended 30 June 2022 was RMB9,000, which was income tax expense paid for service fee received by Kintor Pharmaceuticals Inc., a wholly-owned subsidiary of the Company, from the Company for the purpose of general R&D activities in the US which was recognised as revenue.

Net Loss for the Reporting Period

Our net loss increased by RMB192.6 million or 59.1% from RMB325.8 million for the six months ended 30 June 2021 to RMB518.4 million for the six months ended 30 June 2022.

Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss and total comprehensive loss for the Reporting Period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss and total comprehensive loss for the Reporting Period represents the loss and total comprehensive loss for the Reporting Period excluding the effect of certain non-cash items, namely share-based compensation expenses. The term adjusted loss and total comprehensive loss for the Reporting Period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and it should not be considered in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures reflect the Group's normal operating results by eliminating impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparison of operating performance form period to period and company to company to the extent applicable.

The table below sets forth a reconciliation of the loss and total comprehensive loss for the period to adjusted loss and total comprehensive loss for the period during the periods indicated:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Loss and total comprehensive loss for the period	**(518,423)**	(325,821)
Added:		
Share-based compensation expenses	**49,845**	25,965
Adjusted loss and total comprehensive loss for the period	**(468,578)**	(299,856)

Employees and Remuneration Policies

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

	As at 30 June 2022	
	Number of employees	**As a percentage of total**
Core management	11	3.4%
Clinical	68	20.7%
R&D	100	30.5%
Manufacturing	69	21.0%
Commercial	13	4.0%
Project Management	18	5.5%
Others	49	14.9%
Total	328	100%

As at 30 June 2022, the Group had a total of 328 full time employees, among whom, the total staff with clinical and R&D mission accounted for over 51.2%. We generally formulate our employees' remuneration package to include basic salary, position-specific salary, performance-based remuneration, project-based remuneration and various allowances. We conduct periodic performance reviews for our employees. We have also adopted the Employee Incentive Scheme to retain and incentivise our key management and staff.

Liquidity and Capital Resources

Our cash and cash equivalents consisted of deposits with banks and cash on hand. As at 30 June 2022, cash and cash equivalents decreased by RMB592.9 million from RMB930.1 million as at 31 December 2021 to RMB337.3 million. The decrease was primarily attributable to more cash used in (i) purchasing raw materials for COVID-19 related products, and (ii) R&D activities.

The current ratio (total current assets as a percentage of total current liabilities) of the Group decreased from 694.4% as at 31 December 2021 to 343.7% as at 30 June 2022, mainly due to the decrease in cash and cash equivalents and the increase in borrowings and trade and other payables during the Reporting Period.

As at 30 June 2022, we had utilised bank facilities of RMB221.7 million and unutilised bank facilities of RMB120 million.

Significant Investments, Material Acquisitions or Disposals

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

Cash Flow

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Cash used in operations	**(709,397)**	(430,874)
Income tax paid	**(73)**	–
Net interest received/(paid)	**1,364**	(902)
Net cash used in operating activities	**(708,106)**	(431,776)
Net cash generated from/(used) in investing activities	**42,010**	(243,785)
Net cash generated from financing activities	**66,595**	842,207
Net (decrease)/increase in cash and cash equivalents	**(599,501)**	166,646
Cash and cash equivalent at the beginning of the period	**926,331**	1,065,588
Exchange gains/(losses) on cash and cash equivalents	**10,437**	(255)
Cash and cash equivalent at the end of the period	**337,267**	1,231,979

Net Cash Used in Operating Activities

During the Reporting Period, we derived our cash inflows from operating activities primary from government grants. Our net cash used in operating activities mainly consisted of R&D expenses and administrative expenses.

During the six months ended 30 June 2022, our net cash used in operating activities was RMB708.1 million, consisting of RMB709.4 million of cash used in operations, interest paid on borrowings of RMB4.6 million, interest received on bank balances of RMB6.0 million and income tax paid of RMB73,000.

During the six months ended 30 June 2021, our net cash used in operating activities was RMB431.8 million, consisting of RMB430.9 million of cash used in operations, interest paid on borrowings of RMB3.6 million and interest received on bank balances of RMB2.7 million.

Net Cash Generated from Investing Activities

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

During the six months ended 30 June 2022, our net cash generated from investing activities was RMB42.0 million, which primarily consisted of (i) proceeds from time deposits with maturities of over three months of RMB124.4 million; and (ii) proceeds from disposal of financial assets at fair value through profit or loss of RMB93.4 million, partially offset by (i) purchases of financial assets at fair value through profit or loss of RMB133.1 million; (ii) purchase of property, plant and equipment of RMB11.1 million; (iii) purchases of time deposits with maturities of over three months of RMB10 million; and (iv) payment for investment in joint ventures of RMB18.5 million.

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

Net Cash Generated from Financing Activities

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

During the six months ended 30 June 2022, our net cash generated from financing activities was RMB66.6 million, primarily consisted of proceeds from borrowing of RMB70.0 million, partially offset by (i) repayments of borrowings of RMB3.2 million; and (ii) payment of lease liabilities of RMB1.2 million.

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

Financial Position

Our net current assets decreased from RMB1,306.2 million as at 31 December 2021 to RMB834.4 million as at 30 June 2022, primarily due to a decrease in current assets mainly attributable to the decrease in cash and cash equivalents and an increase in current liabilities mainly attributable to the increase in borrowings and trade and other payables. Current assets decreased from RMB1,525.9 million as at 31 December 2021 to RMB1,176.8 million as at 30 June 2022.

Significant Change in Accounting Policy

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

Indebtedness

As at 30 June 2022, the balance of our bank borrowings consisted of (i) long-term bank borrowings of RMB94.5 million which were secured by certain land use right, buildings and construction in progress; (ii) unsecured long-term bank borrowings of RMB87.2 million; and (iii) unsecured short-term bank borrowings of RMB40.0 million.

As at 30 June 2022 and 31 December 2021, cash and cash equivalents are more than total borrowings of the Group, therefore, the gearing ratio is not applicable.

Financial Risks

We are exposed to various types of financial risks: market risks (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. We currently do not hedge or consider it is necessary to hedge any of these risks.

There have been no changes in the risk management policies since 31 December 2021.

Foreign Exchange Risk

The Group's exposure to foreign exchange risk as at 30 June 2022 mainly came from the cash and cash equivalents and time deposits at bank denominated in USD and HKD which primarily consisted of the proceeds we received from the Global Offering and the Top-up Placing.

Cash flow and Fair Value Interest Rate Risk

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

Our interest rate risk mainly arises from borrowings. Borrowings obtained at fixed rates expose us to fair value interest rate risk. As at 30 June 2022 and 31 December 2021, our borrowings carried at fixed rates, which exposed the Group to fair value interest rate risk.

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

Credit risk

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

We expect that there is no significant credit risk associated with cash and cash equivalents, restricted cash, time deposits, and wealth management products since they are substantially deposited at or purchased from state-owned banks and large-sized foreign banks. Our management does not expect that there will be any significant losses from non-performance by these counterparties and the loss allowance provision is considered immaterial.

We have assessed that during the Reporting Period, other receivables have not had a significant increase in credit risk since their initial recognition. Therefore, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by our management. As at 30 June 2022 and 31 December 2021, other receivables mainly comprise deposits to lessors in respect of the Group's leased properties.

We expect that there is no significant credit risk associated with other receivables since the counterparties have no history of default. Accordingly, the expected credit loss of other receivables is considered immaterial.

Liquidity risk

We finance our working capital requirements mainly through the issue of new shares, borrowings and government grants. Our management monitors rolling forecasts of our liquidity reserve on the basis of expected cash flow.

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents and the ability to apply for credit facilities if necessary. We had net current assets of RMB834.4 million as at 30 June 2022. We are able to meet our financial obligations and fund our R&D activities through our cash on hand and consecutive capital raising activities.

FINANCIAL INFORMATION

The Board announces the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022, with comparative figures for the corresponding period in the previous year as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	**Six months ended 30 June 2022** ***RMB'000*** ***(Unaudited)***	Six months ended 30 June 2021 *RMB'000* *(Unaudited)*
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other income		**7,567**	10,505
Marketing costs		**(10,641)**	(6,155)
Administrative expenses		**(65,475)**	(49,586)
Research and development costs		**(461,087)**	(282,180)
Other gains – net		**13,526**	3,015
Operating loss	*5*	**(516,110)**	(324,401)
Finance costs		**(2,304)**	(1,420)
Loss before income tax		**(518,414)**	(325,821)
Income tax expense	*7*	**(9)**	–
Loss and total comprehensive loss for the period attributable to the equity holders of the Company		**(518,423)**	(325,821)
Basic and diluted loss per share attributable to the equity holders of the Company (in RMB)	*9*	**(1.42)**	(0.93)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	*10*	**234,546**	223,686
Intangible assets	*10*	**235,693**	235,621
Right-of-use assets	*10*	**44,876**	38,614
Investments in joint ventures		**18,513**	–
Other non-current assets		**39,918**	44,173
		573,546	542,094
Current assets			
Inventories		**605,646**	351,362
Other receivables, deposits and prepayments		**61,286**	117,655
Amount due from related parties		**116,976**	–
Financial assets at fair value through profit or loss		**40,000**	–
Time deposits		**10,223**	125,071
Restricted cash		**5,436**	1,658
Cash and cash equivalents		**337,267**	930,149
		1,176,834	1,525,895
Total assets		**1,750,380**	2,067,989
Liabilities			
Non-current liabilities			
Borrowings	*11*	**170,300**	147,500
Deferred income		**3,611**	4,009
Lease liabilities		**7,653**	2,764
Deferred income tax liabilities		**38,818**	38,818
		220,382	193,091

	Note	**As at 30 June 2022** ***RMB'000*** ***(Unaudited)***	As at 31 December 2021 *RMB'000* *(Audited)*
Current liabilities			
Trade and other payables	*12*	**285,600**	209,863
Borrowings	*11*	**51,400**	7,400
Lease liabilities		**5,186**	2,069
Amounts due to related parties		**258**	408
		342,444	219,740
Total liabilities		**562,826**	412,831
Equity			
Equity attributable to the equity holders of the Company			
Share capital		**273**	273
Shares held for the Employee Incentive Scheme		**(14)**	(17)
Reserves		**1,187,295**	1,654,902
Total equity		**1,187,554**	1,655,158
Total equity and liabilities		**1,750,380**	2,067,989

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

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

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2022 has been prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

3 ACCOUNTING POLICIES

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

(a) New standards and interpretations adopted by the Group

The following new standards and interpretations have been adopted by the Group for the first time for the financial period beginning on or after 1 January 2022:

Standards	Key requirements
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16	2018-2020 Annual Improvement Cycle

These new standards and interpretations did not have material impact on the financial performance and position of the Group and did not require retrospective adjustments.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to existing standards and interpretations that are relevant to the Group have been issued but are not yet effective for the financial year beginning on 1 January 2022 and have not been early adopted by the Group. These new standards and amendments are set out below:

Standards	Key requirements	Effective for accounting periods beginning on or after
IFRS 17	Insurance contracts	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

5 OPERATING LOSS

Operating loss is stated after charging the following:

	For the six months ended 30 June 2022 ***RMB'000*** ***(Unaudited)***	For the six months ended 30 June 2021 *RMB'000* *(Unaudited)*
Clinical research expenses	**306,051**	158,176
Employee benefit expenses	**134,289**	80,211
Materials and consumables used	**45,028**	47,106
Outsourced research and development expenses	**17,191**	21,870
Utilities and office expenses	**17,617**	14,656
Depreciation of property, plant and equipment *(Note 10)*	**5,663**	2,836
Depreciation of right-of-use assets *(Note 10)*	**2,923**	1,722
Less: amounts capitalised in property, plant and equipment	**(99)**	(99)
	2,824	1,623
Amortisation of intangible assets *(Note 10)*	**88**	81

6 OTHER GAINS – NET

	For the six months ended 30 June 2022 ***RMB'000*** ***(Unaudited)***	For the six months ended 30 June 2021 *RMB'000* *(Unaudited)*
Net foreign exchange gains	**13,168**	2,582
Gains on disposal of financial assets at fair value through profit or loss	**332**	445
Gains/(losses) on disposal of property, plant and equipment	**31**	(12)
Others	**(5)**	–
	13,526	3,015

7 INCOME TAX EXPENSE

	For the six months ended 30 June 2022 ***RMB'000*** ***(Unaudited)***	For the six months ended 30 June 2021 *RMB'000* *(Unaudited)*
Current income tax expense		
– Underprovision in prior year:	**9**	–
Deferred income tax expense	**–**	–
	9	–

(i) Income tax expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Group is not subject to tax on income or capital gains.

Hong Kong

Kintor Science Limited, Koshine Pharmaceuticals Limited and Kintor Pharmaceuticals Hong Kong Limited were incorporated in Hong Kong in 2018 and are subject to Hong Kong profits tax at the rate of 16.5% (2021: 16.5%). Since these companies did not have assessable profits during the six months ended 30 June 2022 and 2021, no Hong Kong profits tax has been provided.

United States of America

Kintor Pharmaceuticals Inc. was incorporated in the United States of America in 2018 and is subject to federal and state income tax rate of 23.5% (2021: 23.5%).

Ireland

Kintor Pharmaceutical Ireland Limited was incorporated in the Ireland in 2021 and is subject to corporate income tax rate of 12.5% (2021: 12.5%). Since Kintor Pharmaceutical Ireland Limited did not have assessable profit during the six months ended 30 June 2022, no corporate income tax has been provided.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% on the taxable income. Since the Group's PRC entities did not have assessable profits during the six months ended 30 June 2022 and 2021, no corporate income tax has been provided.

8 DIVIDEND

No dividend has been paid or declared by the Company or companies comprising the Group during the six months ended 30 June 2022 and 2021.

9 LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2022 and 2021.

In determining the weighted average number of ordinary shares in issue during the six months ended 30 June 2022 and 2021, 20,119,665 shares (2021:23,613,590 shares) held for the employee incentive scheme (including 18,107,699 shares (2021: 21,252,231 shares) arising from the relevant capitalisation issue) was not taken account into in determining the weighted average number of ordinary shares in issue.

	For the six months ended 30 June 2022 ***RMB'000*** ***(Unaudited)***	For the six months ended 30 June 2021 *RMB'000* *(Unaudited)*
Loss for the period	**(518,423)**	(325,821)
Weighted average number of ordinary shares in issue (in thousand)	**365,723**	348,910
Basic loss per share (in RMB)	**(1.42)**	(0.93)

Diluted loss per share

Diluted loss per share is same as basic loss per share as there is no dilutive potential ordinary share during the six months ended 30 June 2022 and 2021.

10 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

	Property, plant and equipment *RMB'000*	Intangible assets *RMB'000*	Right-of-use assets *RMB'000*	Total *RMB'000*
(Unaudited)				
At 1 January 2022				
Cost	**237,810**	**235,947**	**45,315**	**519,072**
Accumulated depreciation/amortisation	**(14,124)**	**(326)**	**(6,701)**	**(21,151)**
Net book amount	**223,686**	**235,621**	**38,614**	**497,921**
For the six months ended 30 June 2022				
Opening net book amount	**223,686**	**235,621**	**38,614**	**497,921**
Additions	**16,562**	**160**	**9,185**	**25,907**
Disposal	**(39)**	**–**	**–**	**(39)**
Depreciation/amortisation charge *(Note 5)*	**(5,663)**	**(88)**	**(2,923)**	**(8,674)**
Closing net book amount	**234,546**	**235,693**	**44,876**	**515,115**
At 30 June 2022				
Cost	**254,021**	**236,107**	**51,125**	**541,253**
Accumulated depreciation/amortisation	**(19,475)**	**(414)**	**(6,249)**	**(26,138)**
Net book amount	**234,546**	**235,693**	**44,876**	**515,115**
(Unaudited)				
At 1 January 2021				
Cost	182,255	209,943	17,157	409,355
Accumulated depreciation/amortisation	(7,643)	(183)	(5,089)	(12,915)
Net book amount	174,612	209,760	12,068	396,440
For the six months ended 30 June 2021				
Opening net book amount	174,612	209,760	12,068	396,440
Additions	27,664	–	25,681	53,345
Disposal	(23)	–	–	(23)
Depreciation/amortisation charge *(Note 5)*	(2,836)	(81)	(1,722)	(4,639)
Closing net book amount	199,417	209,679	36,027	445,123
At 30 June 2021				
Cost	209,771	209,943	42,838	462,552
Accumulated depreciation/amortisation	(10,354)	(264)	(6,811)	(17,429)
Net book amount	199,417	209,679	36,027	445,123

Land use rights represents the land use rights granted by the PRC government authority on the use of land within the pre-approved lease period. The original lease terms of the land use rights of the Group held in the PRC are 50 years. As at 30 June 2022, certain land use right, buildings and construction in progress were pledged for the Group's borrowings amounting to RMB94,500,000 (31 December 2021: RMB96,500,000) (Note 11).

11 BORROWINGS

	As at 30 June 2022 *RMB'000 (Unaudited)*	As at 31 December 2021 *RMB'000 (Audited)*
Non-current		
Long-term bank borrowings *(Note (a))*	**170,300**	147,500
Current		
Short-term bank borrowings *(Note (b))*	**40,000**	–
Long-term bank borrowings *(Note (a))*	**11,400**	7,400
	51,400	7,400
Total	**221,700**	154,900

(a) As at 30 June 2022, the Group had long-term bank borrowings of RMB94,500,000 (31 December 2021: RMB96,500,000) which were secured by certain land use right, buildings and construction in progress and unsecured long-term bank borrowings of RMB87,200,000 (31 December 2021: RMB58,400,000).

As at 30 June 2022, borrowings of RMB48,000,000 (31 December 2021: RMB49,000,000) bore a fixed interest rate at 4.90% per annum, borrowings of RMB46,500,000 (31 December 2021: RMB47,500,000) bore a fixed interest rate at 4.75% per annum, borrowings of RMB37,600,000 (31 December 2021: RMB38,400,000) bore a fixed interest rate at 3.95% per annum, borrowings of RMB19,600,000 (31 December 2021: RMB20,000,000) bore a fixed interest rate at 4.05% per annum and borrowings of RMB30,000,000 bore a fixed interest rate at 4.05% per annum. RMB11,400,000 of these loans should be repaid by 30 June 2023, while the remaining should be repaid by instalments during the period from 10 August 2023 to 23 March 2026.

(b) As at 30 June 2022, the Group had unsecured short-term bank borrowings totalling RMB40,000,000 which bore a fixed interest rate at 4.00% per annum (31 December 2021: Nil).

The maturity date is as follows:

	As at 30 June 2022 *RMB'000 (Unaudited)*	As at 31 December 2021 *RMB'000 (Audited)*
Less than 1 year or repayment on demand	**51,400**	7,400
1-2 years	**48,800**	46,100
2-5 years	**121,500**	101,400
	221,700	154,900

12 TRADE AND OTHER PAYABLES

	As at 30 June 2022	As at 31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Payables for materials and consumables *(Note (a))*	**149,359**	128,256
Payables for service suppliers *(Note (a))*	**101,446**	44,700
Salary and staff welfare payables	**16,492**	21,905
Payables for property, plant and equipment	**12,504**	7,223
Payables for individual income tax and other taxes	**2,948**	2,097
Payables for interest expenses	**268**	213
Payables for audit services	**–**	3,000
Others	**2,583**	2,469
	285,600	209,863

As at 30 June 2022 and 31 December 2021, all trade and other payables of the Group were non-interest bearing, and their fair value approximated their carrying amounts due to their short maturities.

(a) As at 30 June 2022 and 31 December 2021, the ageing analysis of payables for materials and consumables and payables for service suppliers based on invoice date are as follows:

	As at 30 June 2022	As at 31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
– Within 1 year	**250,805**	172,956

13 COMMITMENTS

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

As at 30 June 2022 and 31 December 2021, the Group leases some offices and equipment under irrevocable lease contracts with lease term less than one year and leases of low value that have been exempted from recognition of right-of-use assets permitted under IFRS 16. The future aggregate minimum lease payment under irrevocable lease contracts for these exempted contracts are as follows:

	As at 30 June 2022	As at 31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
No later than 1 year	**490**	462

(ii) Capital commitments

Capital expenditure contracted for as at 30 June 2022 and 31 December 2021 but not yet incurred by the Group are as follows:

	As at 30 June 2022	As at 31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Property, plant and equipment	**5,484**	17,180
Investment in joint ventures	**42,513**	–
	47,997	17,180

FUTURE AND OUTLOOK

Our vision is to focus on developing potential "best-in-class" and "first-in-class" novel drugs (including small molecules and biologics) and commercialisation platform, to meet the unmet medical needs in indications including COVID-19, prostate cancer, HCC, AGA and acne vulgaris. In response to the global spread of COVID-19 pandemic, we have been making our best effort to promote the commercialisation of Pruxelutamide and make it an effective and safe treatment for COVID-19 patients with mild to moderate symptoms and severe symptoms as soon as possible, so as to make our contribution to the combat against COVID-19.

To accomplish that mission, we are dedicated to advancing the clinical development, regulatory approvals and commercial launch of Pruxelutamide in China and strategically progressing the clinical development and commercialisation of Pruxelutamide in other countries and regions out of China. Since July 2020, we have been progressing our clinical trials of Pruxelutamide for the treatment of COVID-19. According to the clinical data we have collected, the safety and efficacy profiles of Pruxelutamide in the treatment of patients with COVID-19 are outstanding. We strive to launch Pruxelutamide to the market for COVID-19 treatment as soon as possible.

We also plan to leverage our expertise in AR-related research and continue our clinical development of Pyrilutamide for AGA and acne vulgaris in both China and the U.S. Also, we plan to develop ALK-1 as a potential first-in-class drug, as well as PD-Ll/TGF-ß as a potential best-in-class drug, in combination therapies with a variety of antibodies or bispecific antibodies for the treatment of various solid tumours and leveraging the expertise of our biologics R&D personnel to enhance our biologics R&D capabilities. We also plan to further leverage our PROTAC platform in development of small molecule drugs such as GT20029 and seeking innovative drug strategies of applying PROTAC molecule in satisfying unmet clinical needs.

In order to support our further growth, we will continue our investment in R&D infrastructure and talent to advance the clinical development of our clinical-stage drug candidates as well as the pre-clinical development of our existing and future drug candidates. We also plan to seek collaboration opportunities in various aspects of our drug development process, including pre-clinical technology, clinical combination therapies and commercialisation.

COMPLIANCE WITH THE CG CODE

The Company has applied the principles and code provisions as set out in the CG Code contained in Appendix 14 to the Listing Rules. During the six months ended 30 June 2022, the Board is of the opinion that the Company has complied with all the code provisions under the CG Code apart from the deviation stated below.

Under code provision C.2.1 of part 2 of the CG Code, the responsibilities between the chairman and chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. TONG currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in Dr. TONG has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors and that our Board comprises three independent non-executive Directors out of eight Directors, and we believe there is sufficient check and balance in our Board; (ii) Dr. TONG and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which requires, among other things, that they act for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of our Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both our Board and senior management levels. Finally, our Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for and communication within our Group. Our Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

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

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

Specific enquiries have been made of all the Directors and they have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2022 and up to the date of this announcement.

The Company's employees, who are likely to be in possession of inside information of the Group, are subject to the Model Code. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company throughout the six months ended 30 June 2022 and up to the date of this announcement.

USE OF PROCEEDS FROM THE LISTING

With the Shares listed on the Stock Exchange on 22 May 2020, the net proceeds from the Global Offering were approximately HK$1,717.3 million (the "**IPO proceeds**"), which will be utilised for the purposes as set out in our Prospectus. As of 30 June 2022, IPO proceeds of HK$1,585.8 million has been utilised and we expect to utilise the balance therefrom by 31 December 2022.

As at 30 June 2022, details of intended application of net proceeds are set out as follow:

	Approximate % of total net proceeds	**Planned use of actual net proceeds**	**Utilized net proceeds up to 30 June 2022**	**Proceeds unused**	**Expected timeline for utilizing the remaining balance of net proceeds from the Global Offering[(1)]**
	%	*HKD'million*	*HKD'million*	*HKD'million*	
Development and commercialisation of Pruxelutamide	42.0	721.3	697.2	24.1	Expected to be fully utilized by 31 December 2022
Development and commercialisation of Pyrilutamide	28.0	480.8	385.9	94.9	Expected to be fully utilized by 31 December 2022
Our ongoing and planned clinical trials for our other clinical-stage drug candidates	14.0	240.4	227.9	12.5	Expected to be fully utilized by 31 December 2022
The R&D of pre-clinical stage drug candidates	6.0	103.1	103.1	–	–
Working capital and general corporate purposes	10.0	171.7	171.7	–	–
Total	100.0	1,717.3	1,585.8	131.5	

Note:

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

During the Reporting Period, the Group had followed the proposed use of proceeds as set out in the Prospectus.

Top-up Placing

The completion of the Top-up Placing took place on 31 May 2021. The Top-up Placing was for the purposes of supplementing the Group's long-term funding of its expansion plan and growth strategies, and to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company. The net proceeds received by the Company are approximately HK$1.16 billion, net of professional fees and out-of-pocket expenses. The Company intends to use all of the net proceeds for development and commercialisation of Pruxelutamide and working capital for general corporate purpose.

The following table sets out a breakdown of the use of net proceeds as at 30 June 2022:

	Approximate % of total net proceeds *%*	**Planned use of actual net proceeds** *HKD'million*	**Utilised net proceeds up to 30 June 2022** *HKD'million*	**Proceeds unused** *HKD'million*	**Expected timeline for utilizing the remaining balance of net proceeds from the Top-up Placing**
Phase III multicenter clinical trials (MRCT) of Pruxelutamide in the U.S., China and a few other countries	60	696.0	577.9	118.1	Expected to be fully utilised by 30 June 2023
Procurement of study material and active pharmaceutical ingredient (API) in preparation for the commercialisation of Pruxelutamide	33	382.8	382.8	–	–
Working capital for general corporate purpose	7	81.2	81.2	–	–
Total	100	1,160	1,041.9	118.1	

During the Reporting Period, the Group had followed the proposed use of proceeds as set out in the announcement of the Company dated 26 May 2021.

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

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CHARGE ON GROUP'S ASSETS

As at 30 June 2022, certain land use right, buildings and construction in progress were pledged for the Group's borrowings amounting to RMB94,500,000 (31 December 2021: RMB96,500,000)

SUBSEQUENT EVENTS

Save as disclosed in this announcement, there are no important events affecting the Group which have occurred since the end of the Reporting Period.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive Directors, namely, Mr. Wallace Wai Yim YEUNG and Dr. Michael Min XU and one non-executive Director, namely, Mr. Chengwei LIU. The chairman of the Audit Committee is Mr. Wallace Wai Yim YEUNG. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022. The Audit Committee has also discussed with the management and the independent auditors of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended 30 June 2022) of the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2022.

PUBLICATION OF THE 2022 CONDENSED CONSOLIDATED INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the Company's website (**www.kintor.com.cn**). The interim report for the six months ended 30 June 2022 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

"Abiraterone"	a synthetic, steroidal CYP17A1 inhibitor and the active metabolite of abiraterone acetate, an ester and prodrug of abiraterone that is used in the treatment of prostate cancer
"ACE2"	angiotensin converting enzyme-2, a protein on the surface of many cell types, which has been identified as the receptor for the SARSCoV-2 viral entry
"AGA"	androgenetic alopecia
"ALK-1"	activin receptor-like kinase-1, an antagonistic mediator of lateral transforming growth factor-beta/ALK-5 signalling, also known as GT90001
"ALK-5"	the transforming growth factor-beta type I receptor kinase, an attractive target for intervention in transforming growth factor-beta signalling due to its druggability as well as its centrality and specificity in the pathway
"ANVISA"	the Brazilian Health Regulatory Agency
"API"	Active Pharmaceutical Ingredient
"AR"	androgen receptor
"AR+"	androgen receptor positive
"Audit Committee"	the audit committee of the Board
"BCC"	basal-cell carcinoma
"Board"	the board of directors of the Company
"c-Myc"	MYC proto-oncogene, bHLH transcription factor, a protein that codes for transcription factors

"CDE"	the Centre for Drug Evaluation of the NMPA
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "PRC"	The People's Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macao and Taiwan
"CMO(s)"	a company that offers manufacturing services, with volume capabilities ranging from small amounts for preclinical R&D to larger volumes necessary for clinical trials purposes and commercialisation
"Company"	Kintor Pharmaceutical Limited, formerly known as KTKM Holdings Inc., an exempted company with limited liability incorporated in the Cayman Islands on 16 May 2018 whose Shares are listed on the Main Board of the Stock Exchange with Stock Code 9939
"CONEP"	Brazilian National Research and Ethics Committee
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this announcement, our Core Products consist of Pruxelutamide (GT0918), Pyrilutamide (KX-826) and ALK-1 (GT90001)
"COVID-19"	coronavirus disease 2019
"CRO(s)"	contract research organisation, a company hired by another company or research center to take over certain parts of running a clinical trial. The company may design, manage, and monitor the trial, and analyse the results
"CTLA-4"	a protein receptor that functions as an immune checkpoint and downregulates immune responses
"Detorsertib" or "GT0486"	an inhibitor of the PI3K/mTOR signalling pathway and a second generation mTOR inhibitor under development by the Group primarily for the treatment of metastatic solid tumours such as breast cancer, prostate cancer and liver cancer
"Director(s)"	director(s) of the Company
"Dr. TONG"	Dr. Youzhi TONG, one of the co-founders, as executive Director, chairman, chief executive officer of the Company

"Employee Incentive Scheme"	the employee incentive scheme of the Company approved and adopted by the Board on 31 March 2020, as amended or supplemented from time to time
"EUA"	emergency use authorisation
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"HCC"	hepatocellular carcinoma, a common type of liver cancer
"Hedgehog"	one of the anticancer targets, when hedgehog is not turned off during adulthood, it promotes the growth of cancer cells
"HKD" or "HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board
"IIT"	investigator-initiated trial
"IND"	investigational new drug
"KN046"	a bispecific antibodies (bsAb) immune checkpoint inhibitor simultaneously targeting two clinically-validated immune checkpoints, PD-L1 and CTLA-4
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Macao"	The Macao Special Administrative Region of the PRC
"mCRPC"	metastatic castration-resistant prostate cancer
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"MRCT"	Multicenter Clinical Trial
"MSPBS"	Ministry of Public Health and Social Welfare of the Republic of Paraguay
"mTOR"	mammalian target of rapamycin, a critical effector in cell-signalling pathways commonly deregulated in human cancers

"NDA"	new drug application
"Nivolumab"	a human immunoglobulin G4 (IgG4) monoclonal antibody, which targets the negative immunoregulatory human cell surface receptor programmed death-1 (PD-1, PCD-1,) with immune checkpoint inhibitory and antineoplastic activities
"NMPA"	the National Medical Products Administration (國家藥品監督管理局) of the PRC, successor to the China Food and Drug Administration according to the Institutional Reform Plan of the State Council
"Nrf2"	nuclear factor erythroid 2–related factor 2
"Paxlovid"	a small molecule oral medicine developed by Pfizer for the treatment of COVID-19
"PD"	Pharmacodynamics
"PD-1" or "PCD-1"	programmed cell death protein 1, a protein that in humans is encoded by the programmed cell death 1 (PDCD1) gene
"PD-L1"	programmed cell death-ligand 1, part of an immune checkpoint system that is essential for preventing autoimmunity and cancer
"Pfizer"	Pfizer, Inc., a corporation organised and existing under the laws of the State of Delaware, United States, and a research-based global biopharmaceutical company
"PI3K"	the acronym of Phosphoinositide 3-kinase, a family of enzymes involved in cellular functions such as cell growth, proliferation, differentiation, motility, survival, and intracellular trafficking, which in turn are involved in cancer
"PK"	Pharmacokinetics
"Prospectus"	the prospectus of the Company dated 12 May 2020
"PROTAC"	proteolysis targeting chimera, a small molecule composed of (i) a recruiting element for a protein of interest; (ii) an E3 ubiquitin ligase recruiting element; and (iii) a linker binding (i) and (ii)
"Pruxelutamide" or "GT0918"	formerly known as "Proxalutamide", a small molecule second generation AR antagonist under development by our Group for the treatment of mCRPC and AR+ metastatic breast cancer

"Pyrilutamide" or "KX-826"	an AR antagonist under development by the Group as a topical drug for the treatment of AGA and acne vulgaris
"R&D"	research and development
"Reporting Period"	the six months ended 30 June 2022
"RMB"	Renminbi yuan, the lawful currency of the PRC
"RSU"	a restricted share unit award granted to a participant under the Employee Incentive Scheme that is subject to such terms and conditions as set forth in the rules of the Employee Incentive Scheme, and each restricted share unit represents one underlying Share
"SARS-CoV-2"	severe acute respiratory syndrome coronavirus 2
"Share(s)"	share(s) in the share capital of the Company, of nominal value US$0.0001 each
"Shareholder(s)"	holder(s) of the Shares
"SMO"	smoothened, a Class Frizzled G protein-coupled receptor that is a component of the hedgehog signalling pathway
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TGF-ß"	a regulatory cytokine that has multifunctional properties that can enhance or inhibit many cellular functions, including interfering with the production of other cytokines and enhancing collagen deposition
"TMPRSS2"	transmembrane serine protease 2, a membrane anchored protease primarily expressed by epithelial cells of respiratory and gastrointestinal systems and has been linked to multiple pathological processes in humans including tumor growth, metastasis and viral infections

"Top-up Placing"	(i) the placing of 18,200,000 existing Shares by KT International Investment Limited and 3,700,000 existing Shares by KG Development Limited to independent professional, institutional and/or individual investors procured by the placing agent pursuant to a placing agreement dated 26 May 2021; and (ii) the subscription by KT International Investment Limited of an aggregate of 18,200,000 new Shares issued by the Company on 2 June 2021 pursuant to a subscription agreement dated 26 May 2021
"U.S." or "US"	the United States of America
"US FDA"	Food and Drug Administration of the United States
"USD" or "US$"	United States dollars, the lawful currency of the United States
"VEGF"	vasoactive endothelial growth factor, a potent angiogenic factor and was first described as an essential growth factor for vascular endothelial cells
"we", "us" or "our"	the Company and, unless the context indicates otherwise, its subsidiaries

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

Hong Kong, 29 August 2022

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 purposes only*