GENOR BIOPHARMA HOLDINGS LIMITED
嘉和生物藥業(開曼)控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6998)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022 AND CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

The board (the "**Board**") of directors (the "**Directors**") of Genor Biopharma Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2022 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2021. These interim results have been reviewed by the Company's audit committee and the Company's auditor.

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

FINANCIAL HIGHLIGHTS

- **Total revenue** was approximately RMB3.0 million during the Reporting Period, primarily generated by providing research and manufacturing services to our customers under fee-for-service contracts.
- **Research and development expenses** were approximately RMB295.1 million for the Reporting Period, as compared with approximately RMB271.5 million for the six months ended 30 June 2021. The spending was mainly attributable to (i) our new drugs development fee and ongoing clinical trials expenses and (ii) our employee salary and related benefit cost.
- **Total comprehensive loss** was approximately RMB407.5 million for the Reporting Period, as compared with approximately RMB402.9 million for the six months ended 30 June 2021.
- Under **Non-HKFRS measures**, our adjusted loss(1) was approximately RMB380.7 million for the Reporting Period, as compared with approximately RMB293.5 million for the six months ended 30 June 2021. The increase was mainly due to the increase in our employee benefits expenses and our new drugs development fee and ongoing clinical trials expenses.

(1) Adjusted loss is calculated as loss for the Reporting Period excluding (i) share-based payment expenses and (ii) net foreign currency exchange gains/losses. For details of the reconciliation of the loss for the Reporting Period to the adjusted loss of the Group, please refer to the section headed "Financial Review" in this announcement.

BUSINESS HIGHLIGHTS

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

Updates on Pipeline

GB491 (Lerociclib, differentiated oral CDK4/6 inhibitor) – a CDK4/6 inhibitor with better efficacy and tolerance for breast cancer patients

- In January 2022, the first patient was dosed in a phase III clinical trial of GB491 (Lerociclib) in first line HR+/HER2 – advanced breast cancer.

GB492 (IMSA101, STING Agonist)

- In January 2022, GB492 (IMSA101) was approved by the Center for Drug Evaluation ("**CDE**") of the National Medical Products Administration ("**NMPA**") to conduct the dose escalation research of GB492 with PD-1 in subjects with advanced refractory malignancies, and the 400ug monotherapy dose group escalation of clinical trial was completed.

- The clinical trial of the new drug combining GB492 (IMSA101) with GB226 (PD-1) was approved by the Human Genetic Resources Administration Office of the PRC ("**HGRAO**").

GB261 (CD20/CD3, BsAb) – potential Best in Class CD20/CD3 bi-specific antibodies

- On 18 March 2022, GB261 (CD20/CD3, BsAb) was accepted by the CDE for the treatment of patients with relapsed or refractory B-cell non-Hodgkin Lymphoma (B-NHL) and Chronic Lymphocytic Leukemia/Small Lymphocytic Lymphoma (CLL/SLL).

- On 23 May 2022, implied permission was obtained from the NMPA for the phase I/II clinical trial of GB261 (CD20/CD3, BsAb).

- As of the end of August 2022, the first-in-human ("**FIH**") clinical trial of GB261 (CD20/CD3, BsAb) in Australia is in the process of a dose escalation up to 10mg. We have obtained the preliminary clinical Proof of Concept ("**POC**") data.

GB263T (EGFR/cMET/cMET, TsAb)

- On 28 March 2022, the FIH clinical trial application for GB263T (EGFR/cMET/cMET) was approved by Bellberry Human Research Ethics Committee in Australia to treat advanced non-small cell and other solid tumours.

- On 18 May 2022, the first patient was dosed in the clinical trial of GB263T (EGFR/cMET/cMET) in Australia.

- On 28 March 2022, the Investigational New Drug ("**IND**") application for GB263T (EGFR/cMET/cMET) was officially accepted by the NMPA.

- On 2 June 2022, phase I/II clinical trials of GB263T (EGFR/cMET/cMET) were approved by the NMPA.

GB226 (Aibining® 艾比寧®, Geptanolimab)

- In January 2022, Gxplore-008, as a phase II pivotal clinical study evaluating GB226 (Aibining® 艾比寧®, Geptanolimab) in recurrent or metastatic cervical cancer patients with PD-L1 positive status, who failed in platinum-based chemotherapy, completed the last subject enrollment.

GB221 (Her2, monoclonal antibody)

- In April 2022, the last patient in GB221-004, a randomized, double-blind, multi-center phase III clinical study evaluating GB221 (Her2, monoclonal antibody) or trastuzumab in combination with docetaxel in patients with HER2 + mBC in the first-line setting, was enrolled to complete 12 months of treatment.

Strategic Cooperation and Commercialization

Cooperative Development Agreement with Abogen Biosciences Co., Ltd. ("Abogen")

- In June 2022, the Company entered into a cooperative development agreement with Abogen to jointly develop globally innovative mRNA products and related pharmaceuticals. The Company's antibody development platform will be integrated with Abogen's mRNA technology platform to enable them to jointly research and develop mRNA drugs for tumor treatment.

Jiayoujian 佳佑健® (GB242, Infliximab Biosimilar)

- On 23 February 2022, we obtained approval from the NMPA for the launch of GB242 (Jiayoujian 佳佑健®, Infliximab Biosimilar) in the treatment of Rheumatoid Arthritis, Ankylosing Spondylitis, Psoriasis, Adult Ulcerative Colitis, Adult and over 6 years old Pediatric Crohn's Disease, and Fistulising Crohn's Disease.

- As of 30 June 2022, GB242 (Jiayoujian 佳佑健®, Infliximab Biosimilar) is available for online procurement in Yunnan, Shandong, Hainan, Guangdong Guangzhou, Hubei, Anhui, Shanghai and Tianjin.

New Drugs Research and Development

- Led by Dr. HAN Shuhua, the Chief Scientist Officer of the Group, the R&D team of the Company focused on developing targeted antibodies and projects with first-in-class ("**FIC**") potential, and continued to promote the research and development platform for discovering FIC/best-in-class ("**BIC**") potential bi-specific/multi-specific antibodies in immune-oncology.

- As of June 2022, nearly 10 innovative early research projects involving different drug molecular forms have been carried out, focusing on the field of tumor therapy.

Chemistry, Manufacturing and Controls ("CMC")

- Led by Mr. LIANG Qibin, the Chief Technology Officer of the Group, the Company continued to promote efficient innovation and development in technology, research and development, processes, management and other areas.

- In addition to solving the industry pain points such as low heterologous pairing rate, high polymer content, removal of homodimer impurities, unstable intermediates, difficulty in activity analysis methods and difficulty in the development of formulations, especially high-concentration formulations, the CMC team of the Company also demonstrated industry-leading strength and rapid execution in the process technology development of GB261 (CD20/CD3), GB263T (EGFR/cMET/cMET) and other products.

OUR MISSION

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

OVERVIEW

Founded in 2007, the Group has been adhering to the mission of "Providing innovative therapeutics initially for patients in China and gradually for patients globally". The Company is committed to creating an innovative, platform and integrated company capable of drugs innovation, research and development, pre-clinical study, clinical development, registration, CMC development and commercialized manufacturing based in China, with global reach.

In the first half of 2022, the COVID-19 situation was severe. Despite the lockdown in Shanghai due to the epidemic from March to May, the Company completed the enrollment of patients with breast cancer in the clinical trial in an efficient manner, while achieving rapid clinical progress beyond the industry level in terms of GB491 (Lerociclib). As one of the key biomedical enterprises in Zhangjiang area, the Company actively proceeded with communication and application, and thus was included in the list of the second batch of enterprises resuming work released in Shanghai on 28 April 2022. Subsequently, Dr. GUO Feng, chairman of the Board and Chief Executive Officer, immediately served as the leader to set up a project group in person to prepare for the resumption of work, with the active participation by the Company's government affairs department, administration department, human resources department, procurement department as well as the EHS (Health, Safety and Environment) team of the CMC department. Besides, there were 26 employees stationed at the park on Zhangheng Road in Pudong, Shanghai during the epidemic, so as to ensure the steady progress of the core projects.

Strategically focusing on therapeutic areas with substantial unmet medical needs in oncology, autoimmune and other diseases, the Company has successfully established the research and development platform for early discovering global FIC/differential bi-specific/multi-specific antibodies in immune-oncology, focusing on molecules with potential to be the global FIC and BIC products, and with the best potential to become clinically beneficial and commercially viable drugs. We have obtained the preliminary clinical POC data of GB261 (CD20/CD3, BsAb) in the FIH clinical trail in Australia, and the data showed a better efficacy/safety balance compared to similar drugs.

Through paralleled efforts in original innovation and strategic cooperation, the Company is committed to developing its global innovation and actively expanding external cooperation in various aspects such as early-stage research and development and commercialization. The Company's Scientific Advisory Board, which consists of several internationally leading tumor immunologists and clinical oncology key opinion leaders, has been established to evaluate, plan and provide valuable advice on the establishment of the Company's FIC/BIC projects and differentiated pipelines, and support the rapid advance of candidate drugs into clinical development in China, the United States, Australia and Europe. Meanwhile, the strategic cooperation with Abogen and other enterprises which have the advantages of technical platform also enabled the Company to accelerate the exploration and research and development of mRNA and other drugs for tumor treatment.

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

During the Reporting Period, with the official approval for Jiayoujian 佳佑健® (Infliximab Biosimilar) being granted, the Company achieved a major milestone in product commercialization. It is a successful example of the close cooperation and excellent execution of all departments of the Group and actually provides more treatment options to Chinese patients.

With the passion and motivation to tackle the difficulties and its profound expertise accumulated, combined with the internationally advanced process development capability, pre-clinical and clinical drugs manufacturing capability, improved analysis and test capability, comprehensive quality control system and commercial production capability, the Company achieved rapid progress in key projects during the Reporting Period, which not only allowed it to become an industry leader in many areas once again, but also further expanded its advantage over competitors.

THE GROUP'S DRUG CANDIDATES

As at the date of this announcement, the Group has built up rich innovative medicine pipelines. The regulatory applications for clinical trial of the Company's innovative medicine in its product pipelines have been accelerated to promote the clinical progress, driven by its highly specialised departments and the close collaboration between different departments, which include:

- GB491 (Lerociclib, a differentiated oral CDK4/6 inhibitor), whose phase III clinical trial for the first line/second line breast cancer indication is progressing rapidly as planned.

- GB492 (IMSA101, STING Agonist), whose clinical trials for monotherapy and in combination with Aibining® (GB226, Geptanolimab) have achieved first-patient dosing and are progressing rapidly.

The Group directed its efforts towards the strategy of global innovation and the research and development of FIC/BIC potential innovative medicine. Fuelled by the Company's strong antibody discovery platform,

- two bi-specific/multi-specific antibody drugs have achieved breakthroughs and are progressing rapidly, namely GB261 (CD20/CD3, BsAb) and GB263T (EGFR/cMET/cMET, TsAb). Both drugs have achieved patient dosing in the FIH clinical trial in Australia and have been approved by the NMPA for phase I/II clinical trials.

- nearly 10 tumor therapy projects with global differentiation are in early discovery stage.

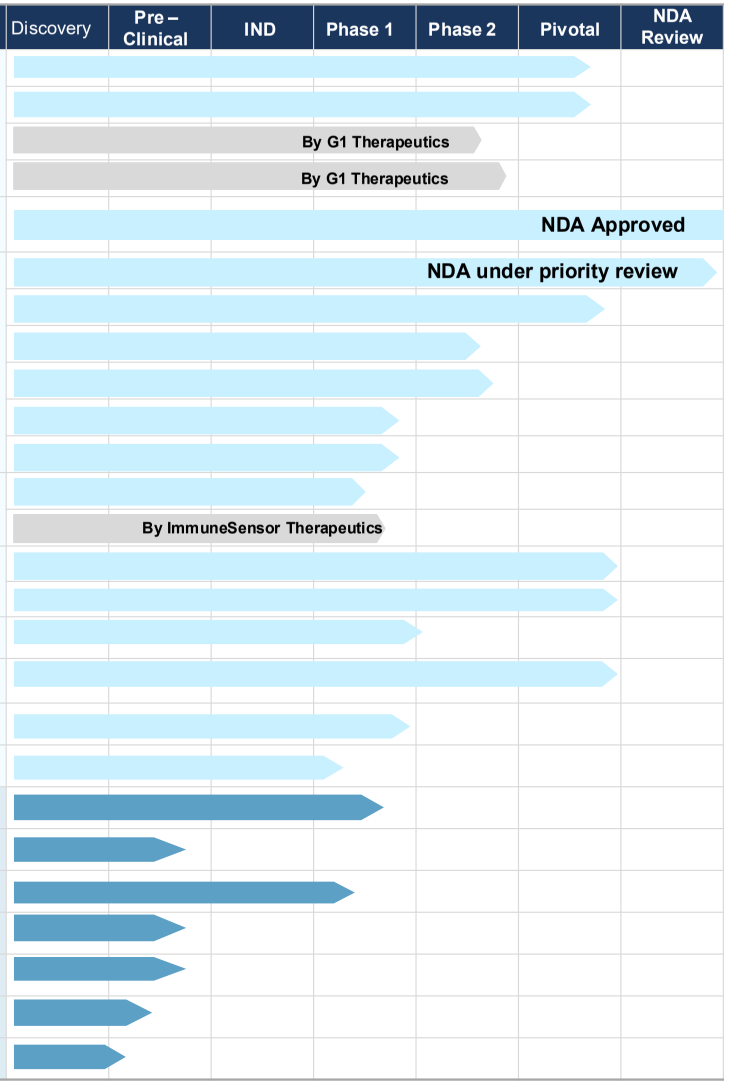
The new drug application ("**NDA**") of Aibining®艾比寧® (GB226, Geptanolimab) is under technical review.

On 23 February 2022, GB242 (Jiayoujian 佳佑健®, Infliximab Biosimilar) was officially approved for marketing by the NMPA for the treatment of Rheumatoid Arthritis, Ankylosing Spondylitis, Psoriasis, Adult Ulcerative Colitis, Crohn's disease in adults and pediatric patients aged above 6 years old and Fistulising Crohn's Disease.

PRODUCT PIPELINE

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

Product	Target/MoA (reference drug)	Indication	Classification	Commercial Rights
GB491 (Lerociclib)	CDK4/6+AI (combo w/ letrozole)	1L HR+/HER2- BC	Novel (In-license)	APAC ex-JP(1)
	CDK4/6+SERD (combo w/ fulvestrant)	2L HR+/HER2- BC		
	CDK4/6+ EGFR (combo w/ osimertinib)	EGFR-Mutant NSCLC		
GB242 (Infliximab)	TNF-α (infliximab)	RA, AS, Ps, CD, UC	Biosimilar (In-house)	Worldwide
GB226 (Geptanolimab)	PD-1	r/r PTCL	Novel (In-license)	China
		2L+ Cervical Cancer (Pivotal)		
		ASPS		
		r/r PMBCL		
	PD-1+VEGFR (combo w/ fruquintinib)	2L/3L+ EGFR+ NSCLC		
		2L+ mCRC		
GB492 (IMSA101)	PD-1 (combo w/ GB226*^)+STING	Solid Tumours	Novel (In-license)	APAC ex-JP(2)
GB221 (Coprelotamab)	HER2	HER2+ 1L mBC	Novel (In-house)	Worldwide
		HER2+ 2L+ mBC		
GB223	RANKL	GCTB, PMO	Novel (Co-develop)	Worldwide
GB241 (Rituximab)	CD20 (rituximab)	1L DLBCL	Biosimilar (In-house)	Co-development
GB224	IL-6	Inflammatory Disease	Novel (In-license)	China
GB251	HER2 ADC	HER2+ 1L/2L+ mBC	Novel (Co-develop)	Worldwide
GB261	CD20×CD3	NHL	Novel (In-house)	Worldwide
GB262	PD-L1×CD55	Cancers	Novel (In-house)	Worldwide
GB263T	EGFR×c-Met×c-Met	NSCLC	Novel (In-house)	Worldwide
GB264	Claudin 18.2×CD3	GI Cancers	Novel (In-house)	Worldwide
GB266	PD-L1xLAG3xLAG3	Cancers	Novel (In-house)	Worldwide
GB267	Undisclosed	Cancers	Novel (In-house)	Worldwide
***	Undisclosed	Cancers	Novel (In-house)	Worldwide



*Notes: (1) Clinical trials are sponsored by G1 Therapeutics. (2) Clinical trial is sponsored by ImmuneSensor Therapeutics; * **five undisclosed candidates in discovery stage***

BUSINESS REVIEW

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

1. Events during the Reporting Period

Research and Development of the Global Innovative New Drugs

Under the leadership of the Chief Scientific Officer of the Group, Dr. HAN Shuhua, the Company's R&D team focused on the development of targets and projects with FIC potential, and continued to promote the research and development platform for FIC/BIC potential bi-specific/multi-specific antibodies in immune-oncology.

As of June 2022, nearly 10 differentiated innovation projects involving different molecular forms have come to early R&D stage.

Continuous Promotion of the Establishment of CMC (Chemistry, Manufacturing and Controls) Platform

The trial application of culture medium, chromatographic filler, disposable products (dispensing bags, storage bags, filling bags and filters) and auxiliary materials that are produced locally has been realized in a number of projects, which could significantly reduce production cost while maintaining the quantity and quality of products. We promoted the establishment and optimization of a molecular developable assessment platform for rapid protein expression, high-throughput purification, full range of characterization and process applicability assessment. We facilitated the development and application of high-concentration preparation development platform in line with the demand of projects, and further improved the quality control and study platform. We strengthened the construction of applicable quality system and MAH-related quality system, initiated the establishment of the drug variety archive, and advanced the construction of CMC platform for internal and external workflow.

Accelerated Registration and Clinical Trials

During the Reporting Period, the Company accelerated the process of clinical trial registration and application for product pipelines in China and Australia. Such rapid advancement in clinical trials was attributable to the high specialization of and close cooperation across departments:

- **Registration Affairs Department**: based on in-depth perception of product science, mechanisms and features, developed the registration and clinical development strategies for the Group, and continuously enhanced communication with drug regulatory authorities and review agencies.

- **Clinical Research and Development Department**: relying on plentiful experience and extensive resources, carried out the layout and establishment of the research centre, project initiating and management, selection and recruitment of, and the entering of agreements with patients and subjects in an efficient and quality manner.

- **CMC Process Technology R&D Centre** fully supported the advancement of projects at different stages. It promoted and completed the validation of API process for the project at late clinical stage (i.e. GB491 (Lerociclib)), and initiated the validation of the preparation process and packaging of such project; and the preparation of relevant research and data for approval of IND projects (i.e. GB261 (CD20/CD3) and GB263T (EGFR/cMET/cMET)) with clinical approvals successfully obtained. Moreover, it facilitated the development of early research projects to IND, and completed the developability assessment of GB267.

During the Reporting Period, three INDs/Clinical Trial Notifications (CTNs) approvals were soon granted for our core products including GB261 (CD20/CD3) and GB263T (EGFR/cMET/cMET).

During the Reporting Period, we continued our efforts on promoting the clinical pipelines development and achieved milestones as follows: 1) the first patient of 1L phase III clinical trials of GB491 (Lerociclib) was dosed; 2) the monotherapy clinical trial of dose escalation up to 400ug of GB492 (IMSA101) was completed; 3) the implied permission for phase I/II clinical trials of GB261 (CD20/CD3) was granted by the NMPA, and the dose escalation up to 10mg for the treatment of B-NHL is ongoing in Australia which has obtained the preliminary clinical POC data; 4) GB263T (EGFR/cMET/cMET) was approved by the Ethics Committee (EC) for FIH clinical trial in Australia and the first patient was dosed; approved by the NMPA for phase I/II clinical trials; and 5) GB226-008 pivotal phase II trial enrolment was completed.

GB491 (Lerociclib, a differentiated oral CDK4/6 inhibitor) – developed for breast cancer patients with better safety and excellent efficacy

GB491 (Lerociclib), is a novel, potent, selective oral bioavailable CDK4/6 inhibitor co-developed by the Company and G1 Therapeutics, a US based company, for use in combination with endocrine therapy in advanced breast cancer.

Based on the data published at European Society for Medical Oncology 2020 conference, GB491 (Lerociclib) has demonstrated a better safety and tolerability profile, enabling uninterrupted daily dosing and better long-term benefits, and could potentially be a BIC CDK4/6 drug candidate.

The phase III trials for both first and second line could be continuously accelerating via adaptive and seamless study design, scientific reference and data bridging, seamless registration strategy, and excellent execution.

In January 2022, the first patient of phase III clinical trials of GB491 (Lerociclib) in combination with Letrozole in first line HR+/HER2 - advanced breast cancer was dosed.

GB492 (IMSA101, STimulator of interferon genes, STING) – Potentially Best-In-Class Sting Agonist

GB492 (IMSA101) is the major mediator of innate immune sensing of cancerous cells, which the Group exclusively licensed from ImmuneSensor Therapeutic in June 2020.

STING agonist, as an immune stimulatory therapy, may further increase the response of immune checkpoint inhibitors for patients. Multiple studies have shown that STING agonists can activate the cGAS-STING signaling and significantly enhance the efficacy of cancer immunity cycle when using in combination with other immune checkpoint inhibitors (ICI), which may become a potential FIC therapy.

In phase I/II clinical trial of GB492 (IMSA101) as a monotherapy or in combination with GB226 (Aibining® 艾比寧®, Geptanolimab) in patients with advanced/treatment-refractory malignancies:

- In January 2022, we finished monotherapy clinical trials.

- In January 2022, we completed a dose escalation up to 400ug.

- In January 2022, we obtained approval from CDE to directly conduct a dose-escalating study of GB492 (IMSA101) in combination with PD-1 in patients with advanced malignancy, based on the available data on 400ug dose group in the monotherapy study in China and all data of the monotherapy dose-escalation study in the United States. In this clinical trial, an innovative FIH trial design was employed to combine the dose escalations when GB492 (IMSA101) is administered alone and when it is administered with GB226 (Aibining® 艾比寧®, Geptanolimab). It is the first STING agonist combination therapy that has obtained clinical trial approval in China.

GB261 (CD20/CD3, BsAb):

GB261 (CD20/CD3) is a highly differentiated CD20/CD3 bi-specific antibody developed in-house. GB261 (CD20/CD3) is the first T-cell engager with ultra-low affinity to bind CD3 and has Fc functions (ADCC and CDC).

With similar binding affinity to CD20 as rituximab, GB261 (CD20/CD3) significantly inhibits rituximab-resistant cancer cell proliferation by in vitro assays and in vivo models. More importantly, GB261 (CD20/CD3) induces low levels of cytokine production by Human Peripheral Blood Mononuclear Cell (hPBMC) in monkeys, indicating low occurrences of cytokine release syndrome (CRS). Thus, GB261 (CD20/CD3) is a highly promising bi-specific therapeutic antibody for B cell malignancies. It may ultimately provide a conceptual shift to better and safer T-cell engager antibody drugs for various cancers.

On 18 March 2022, the NMPA accepted GB261 (CD20/CD3)'s IND application, and gave an implied permission for its phase I/II clinical trial on 23 May.

Currently, we are in process of the dose escalation up to 10mg in the clinical trial of GB261 (CD20/CD3) for the treatment of B-cell non-Hodgkin Lymphoma (B-NHL) in Australia. We have obtained the preliminary clinical POC data and observed objective responses, which were consistent with the molecular design mechanism of GB261 (CD20/CD3), indicating a good safety and pharmacokinetic profile.

GB263T (EGFR/cMET/cMET, TsAb):

GB263T (EGFR/cMET/cMET) was the first tri-specific antibody of EGFR/cMET/cMET in the world, targeting EGFR and two different cMET epitopes to enhance its safety and efficacy. Such design has two Fabs to bind EGFR. Its Fc fragment has been mutated to enhance Fc functions.

GB263T (EGFR/cMET/cMET) with highly differentiated design, exhibits multiple mechanisms of action to inhibit primary and secondary EGFR mutations and cMet signalling pathway simultaneously. The significant anti-tumor activities have been demonstrated by in vitro studies and in vivo animal models.

The EC approval for the FIH clinical trial of GB263T (EGFR/cMET/cMET) was obtained in Australia on 28 March 2022, with the first patient dosed on 18 May.

The research and development of GB263T (EGFR/cMET/cMET) fully demonstrated the advantages of cross-team collaboration and enhanced the Company's globalization capabilities and innovation practices. By working closely with the globally renowned Key-Opinion-Leaders (KOLs), the clinical trial protocol was finalised on the date of obtaining the toxicology data, substantially speeding up the submission to the EC.

The new drug clinical trial application of GB263T (EGFR/cMET/cMET) in China was formally accepted by the NMPA on 28 March 2022, the phase I/II clinical trial of which was approved by the NMPA on 2 June 2022.

Aibining®艾比寧® (GB226, Geptanolimab)

In January 2022, Gxplore-008, as a phase II pivotal clinical study evaluating GB226 (Aibining®艾比寧®, Geptanolimab) in recurrent or metastatic cervical cancer patients with PD-L1 positive status, who failed in platinum-based chemotherapy, completed the last subject enrollment.

GB221 (Her2, monoclonal antibody)

In April 2022, the last patient in GB221-004, a randomized, double-blind, multi-center phase III clinical study evaluating GB221 (Her2, monoclonal antibody) or trastuzumab in combination with docetaxel in patients with HER2 + mBC in the first-line setting, was enrolled to complete 12 months of treatment.

Strategic Cooperation and Commercialization

In June 2022, the Company entered into a cooperative development agreement with Abogen to jointly develop globally innovative mRNA products and related pharmaceuticals. The Company's antibody development platform will be integrated with Abogen's mRNA technology platform to enable them to jointly research and develop mRNA drugs for tumor treatment.

Currently, the Group is exploring opportunities to conduct cooperative development projects with various innovative technology platforms.

Commercialization – GB242 (Infliximab, biosimilar to Remicade, Jiayoujian 佳佑健®) has been approved for commercialization

On 23 February 2022, the NMPA has granted marketing approval for GB242 (Jiayoujian 佳佑健®, Infliximab Biosimilar) which is used for the treatment of Rheumatoid Arthritis, Ankylosing Spondylitis, Psoriasis, Adult Ulcerative Colitis, Adult and Pediatric (aged above 6 years old) Crohn's Disease and Fistulising Crohn's Disease.

As of 30 June 2022, GB242 (Jiayoujian 佳佑健®, Infliximab Biosimilar) has obtained approval for online procurement in Yunnan, Shandong, Hainan, Guangzhou of Guangdong Province, Hubei, Anhui, Shanghai and Tianjin. By the end of August, approval has been obtained for online procurement in more than 20 provinces.

GB242 (Jiayoujian 佳佑健®, Infliximab Biosimilar) will be commercialized through cooperation with a focus on the development of gastrointestinal indications, such as ulcerative colitis. By doing so, we are able to create a differentiation advantage from other competing products in the market and maximize the value of Inflixib biosimilar.

2. Events after the Reporting Period

Up to the date of this announcement, there is no significant event that requires additional disclosures or might affect the Company after the Reporting Period.

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

BUSINESS OUTLOOK

The Group strives to build an innovative, platform-based and integrated company capable of drugs innovation, research and development, pre-clinical study, clinical development, registration, CMC development and commercialized manufacturing.

To achieve this mission, the Group will continue to concentrate its efforts on potential global FIC and BIC innovation pipelines, and maximize its existing product portfolio by developing and executing a comprehensive strategy to conduct research on moleculars with the best potential to become clinically beneficial and commercially viable drugs, and to address unmet medical needs in China and globally.

In respect of key drug candidates treating breast cancer, the Group plans to submit the NDA application to the NMPA in the next 12 to 24 months depending on the results of the two phase III clinical trials of GB491 (Lerociclib) in 1L and 2L HR+/HER2-breast cancer. We remain committed to addressing the large market of breast cancer in China even around the world with a safe, effective and well tolerated novel therapy.

The Group will continue to accelerate the development of clinical trials for several kinds of bi-specific and multi-specific antibody drug candidates in Australia and China, advancing the clinical POC of GB261 (CD20/CD3) and GB263T (EGFR/cMET/cMET) in the clinical phase I.

Upon further validation of the POC of GB261 (CD20/CD3), the Company will continue to advance the POC of phase I clinical trial of GB263T (EGFR/cMET/cMET), and strives to enable external cooperation in pre-clinical and clinical projects while achieving global clinical POC on our own products. Meanwhile, the clinical trials of GB261 (CD20/CD3) and GB263T (EGFR/cMET/cMET) are going to be carried out rapidly in China.

The Company will further expand its strategic cooperation with a focus on premium original innovation. In terms of early stage R&D, the Company will pursue cooperation with new technology platforms while actively exploring in-depth collaboration on different forms of advanced technologies, which will involve more early stage R&D projects with highly differentiated multi-dimensions in addition to bi-specific and multi-specific antibodies. Other than early stage research and development, the Company is also proactively seeking a wide range of strategic cooperation with a view towards the acceleration of clinical advancement, diversification of market expansion, maximisation of the corporate value and provision of more superior products to respond quickly to the unmet needs of patients in China and even in the world.

We will put continuous effort in seeking approval for GB226 (Aibining®艾比寧®, Geptanolimab) in other indications and exploring potential of new combination therapy, further advancing the phase I clinical trial and POC of GB226 (Aibining®艾比寧®, Geptanolimab) with GB492 (IMSA101, STING Agonist).

Through the collaboration, the Company will commercialize GB242 (Jiayoujian 佳佑健®, Infliximab Biosimilar) in the PRC market to meet the unfulfilled needs of patients.

FINANCIAL REVIEW

The Reporting Period compared to the six months ended 30 June 2021

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Revenue	**2,956**	–
Cost of revenue	**(787)**	–
Gross profit	**2,169**	–
Selling expenses	**(63,049)**	(27,115)
Administrative expenses	**(84,063)**	(117,420)
Research and development expenses	**(295,140)**	(271,527)
Other income	**4,678**	5,640
Other (losses)/gains – net	**(94)**	16,215
Operating loss	**(435,499)**	(394,207)
Finance income	**27,974**	7,447
Finance costs	**(1,727)**	(19,734)
Finance income/(costs) – net	**26,247**	(12,287)
Loss before income tax	**(409,252)**	(406,494)
Income tax credit	**2,634**	3,950
Loss for the six months ended 30 June	**(406,618)**	(402,544)

Revenue

Our revenue for the six months ended 30 June 2022 was approximately RMB3.0 million, primarily generated by providing research and manufacturing services to our customers under fee-for-service contracts. Our revenue for the six months ended 30 June 2021 was nil.

Cost of Revenue

Our cost of revenue for the six months ended 30 June 2022 was approximately RMB0.8 million, and that for the six months ended 30 June 2021 was nil. The change was primarily due to the increase of our revenue.

Selling Expenses

Our selling expenses increased by 132.5% from approximately RMB27.1 million for the six months ended 30 June 2021 to approximately RMB63.0 million for the six months ended 30 June 2022, primarily due to the increase in employee benefits expenses of commercial personnel.

Administrative Expenses

Our administrative expenses decreased by 28.4% from approximately RMB117.4 million for the six months ended 30 June 2021 to approximately RMB84.1 million for the six months ended 30 June 2022, primarily due to the decrease of our employee benefit expenses, mainly employee share-based payment expenses for managerial and administrative personnel.

Research and Development Expenses

Our research and development expenses increased by 8.7% from approximately RMB271.5 million for the six months ended 30 June 2021 to approximately RMB295.1 million for the six months ended 30 June 2022, primarily due to the increase in our new drugs development fee and ongoing clinical trials expenses.

The following table summarizes the components of our research and development expenses for the six months ended 30 June 2022 and 2021 respectively:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Development fee and clinical trial expenses	**115,479**	90,858
Employee benefits expenses	**105,814**	106,433
Raw material and consumables used	**39,136**	30,641
Depreciation and amortization	**24,822**	26,415
Utilities	**3,546**	5,020
Traveling and transportation expenses	**2,816**	2,354
Professional and technical service fee	**2,303**	5,934
Others	**1,224**	3,872
Total	**295,140**	271,527

Loss for the Reporting Period

As a result of the foregoing, our losses increased to approximately RMB406.6 million for the six months ended 30 June 2022 from approximately RMB402.5 million for the six months ended 30 June 2021.

Liquidity and Source of Funding and Borrowing

Our management monitors and maintains a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flow. We rely on equity financing as the major source of liquidity. Historically, we had borrowed loans from related parties and bank.

As at 30 June 2022, the Group's cash and cash equivalents decreased to approximately RMB1,858.2 million from approximately RMB2,200.6 million as at 31 December 2021. The decreased was mainly due to operating loss for the six months ended 30 June 2022.

Non-HKFRS Measure

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

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
HKFRS Loss for the six months ended 30 June	**(406,618)**	(402,544)
Add:		
Share-based payment expense	**40,824**	90,368
Net foreign currency exchange (gain)/loss	**(14,920)**	18,627
Adjusted Loss for the six months ended 30 June	**(380,714)**	(293,549)

Key Financial Ratios

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

	As at 30 June 2022	As at 31 December 2021
Current ratio[1]	**8.53**	7.62
Quick ratio[2]	**8.10**	7.17
Gearing ratio[3]	**0.13**	0.13

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

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

3. Gearing ratio is calculated using total liabilities divided by total assets as of the same date.

Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5 percent or more of the Company's total assets as at 30 June 2022) during the Reporting Period.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the Reporting Period.

Pledge of Assets

As at 30 June 2022, none of the Group's assets were pledged.

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2022 (as at 31 December 2021: nil).

Foreign Exchange Exposure

During the Reporting Period, we operated in the PRC with most of the transactions settled in Renminbi. Our presentation and functional currency is Renminbi. We were not exposed to significant foreign exchange risk as there were no significant financial assets or liabilities of us denominated in the currencies other than Renminbi, except for the cash at bank in USD and HKD, which were primarily received from the investors as capital contributions and the proceeds obtained from the initial public offering.

As at 30 June 2022, if RMB weakened or strengthened by 10% against USD, with all other variables held constant, loss for the six months ended 30 June 2022 would have been approximately RMB26.2 million lower or higher (for the year ended 31 December 2021: RMB35.9 million lower or higher).

As at 30 June 2022, if RMB weakened or strengthened by 10% against HKD, with all other variables held constant, loss for the six months ended 30 June 2022 would have been approximately RMB0.4 million lower or higher (for the year ended 31 December 2021: RMB32.9 million lower or higher).

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

Employees and Remuneration

As at 30 June 2022, the Group had a total of 452 (as at 31 December 2021: 640) employees including 345 employees in Shanghai, 96 employees in Yuxi, Yunnan, 2 employee in Hong Kong and 9 employees in San Francisco, United States. The following table sets forth the total number of employees by function as of 30 June 2022:

	Number of employees	% of total
Function		
Research and Development	249	55.1%
Clinical Development	62	13.7%
Commercial Operation	78	17.3%
General and Administration	63	13.9%
Total	**452**	**100.0%**

The total remuneration cost incurred by the Group for the six months ended 30 June 2022 was approximately RMB221.8 million, as compared to approximately RMB220.5 million for the six months ended 30 June 2021.

Our employees' remuneration comprises salaries, bonuses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. As of 30 June 2022, we had complied with all statutory social security insurance fund and housing fund obligations applicable to us under Chinese laws in all material aspects.

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

CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance standards. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders.

The Company has adopted the principles and code provisions of the Corporate Governance Code – Principles of good corporate governance, code provisions and recommended best practices (the "**CG Code**") set out in Part 2 of Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices.

During the Reporting Period, save for code provision C.2.1 of the CG Code, the Company has complied with all the code provisions set out in the CG Code where applicable.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. Guo Feng ("**Dr. Guo**"), the executive Director, performs both the roles as the chairman and the chief executive officer of the Company with effect from 2 November 2021. This deviates from code provision C.2.1 of the CG Code.

After evaluation of the current situation of the Company and taking into account of the experience and past performance of Dr. Guo, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Dr. Guo to hold both positions as the chairman and the chief executive officer of the Company as it helps facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which comprises one executive Director, three non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders.

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

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

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

Audit Committee

The Group has established an audit committee in compliance with Rule 3.21 of the Listing Rules and the CG Code, which comprises three members, being Mr. FUNG Edwin, Mr. ZHOU Honghao and Mr. LIU Yi, with Mr. FUNG Edwin (being the Company's independent non-executive Director with the appropriate professional qualifications) as the chairman of the audit committee.

The audit committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2022 and this announcement. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters.

In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2022 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

OTHER INFORMATION

Purchase, sale or redemption of the Company's listed securities

During the Reporting Period, the Company repurchased a total of 1,344,000 Shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for an aggregate consideration of HK$5,710,955. All of the Shares repurchased were subsequently cancelled. As at 30 June 2022, the total number of Shares in issue was 505,259,462 (out of which, 1,344,000 Shares repurchased in June 2022 were cancelled on 26 July 2022).

Details of the Shares repurchased during the period are as follows:

Month	Number of Shares repurchased	Purchase price per share		Aggregate consideration
		Highest *(HK$)*	Lowest *(HK$)*	*(HK$)*
June 2022	1,344,000	4.39	3.86	5,710,955

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Material litigation

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

Use of proceeds from Global Offering

The Company's shares were listed on the Stock Exchange on 7 October 2020 with a total of 129,683,500 offer shares (including shares issued as a result of the partial exercise of the over-allotment option) issued and the net proceeds raised during the global offering were approximately HK$2,923 million (the "**Net Proceeds**").

As at 30 June 2022, the Company had utilised RMB1,154.0 million of Net Proceeds in accordance with the plan disclosed in the Prospectus of the Company.

As at 30 June 2022, approximately RMB1,382.0 million of the Net Proceeds remained unutilised (the "**Unutilised Net Proceeds**"). Details of the use of the Net Proceeds are set out as below:

	Allocation of Net Proceeds in the proportion disclosed in the Prospectus *(Note 1)* *RMB million*	**Utilised Net Proceeds as at 30 June 2022** *RMB million*	**Unutilised Net Proceeds as at 30 June 2022** *RMB million*	**Expected timeline to fully utilise the remaining Unutilised Net Proceeds** *(Note 2)*
Fund research and development activities of our Core Products, including ongoing and planned clinical trials, indication expansion and preparation for registration filings, and commercialisation	1,065.1	498.9	566.2	On or before 31 December 2025
Fund research and development activities of our other key products, including ongoing and planned clinical trials, indication expansion and preparation for registration filings	583.3	317.1	266.2	On or before 31 December 2024
Fund ongoing and planned clinical trials, indication expansion and preparation for registration filings of the other drug candidates in our pipeline	380.4	127.4	253.0	On or before 31 December 2025
Fund the expansion of our drug pipeline	253.6	57.0	196.6	On or before 31 December 2025
General corporate purposes	253.6	153.6	100.0	On or before 31 December 2024
Total	2,536.0	1,154.0	1,382.0	

Notes:

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

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

Change in use of proceeds from Global Offering

The table below specifies further breakdown for the Net Proceeds to be allocated to different stages of each of our Core Products (has the meaning ascribed to it under the Chapter 18A of the Listing Rules), other key products and other pipeline products and their utilisation as at 30 June 2022. The Board, have considered the reasons set out in "Reasons for the Change in Use of Proceeds" below, resolved to change in the use of the Unutilised Net Proceeds among our other key products. The change and the revised allocation of the Unutilised Net Proceeds are set out as following:

	Net Proceeds to be Allocated to Each Stage *(Note 3)*						
	Pre-clinical *RMB million*	**Clinical** *RMB million*	**Commercialisation (including registration)** *RMB million*	**Unutilised as at 30 June 2022** *RMB million*	**Change** *RMB million*	**Revised allocation of Unutilised Net Proceeds** *RMB million*	**Expected timeline to fully utilise the remaining Unutilised Net Proceeds** *(Note 4)*
Core Products							
GB226, including combination trials with GB492	–	380.4	253.6	**346.5**	**–**	**346.5**	On or before 31 December 2025
GB221	–	126.8	126.8	**136.7**	**–**	**136.7**	On or before 31 December 2025
GB242	–	51.5	126.0	**83.0**	**–**	**83.0**	On or before 31 December 2024
Other Key Products							
GB491	–	380.4	–	**70.5**	**195.7**	**266.2**	On or before 31 December 2024
GB223	–	202.9	–	**195.7**	**(195.7)**	**–**	
Other Pipeline Products							
(including GB261, GB263 and other products) *(Note 5)*	125.5	254.9	–	**253.0**	**–**	**253.0**	On or before 31 December 2025
Total				**1,085.4**		**1,085.4**	

Notes:

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

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

5. As set out in the Prospectus, other products include GB241, GB222, GB224, GB235, GB251, GB232, GB262, GB264, and also GB223 moved from other key products. The Company will make investment on those products according to the current and future development conditions and market competition environment.

Reasons for the Change in Use of Proceeds

Considering the rapidly changing market competition environment, reflecting the Company's strategy of focusing on the therapeutic areas with substantial unmet medical needs, prioritizing and accelerating highly differentiated product pipelines, the Board decided to concentrate more on the research and development of GB491, and move GB223 to other pipeline products. Please refer to "Management Discussion and Analysis – Business Review" above for further information about GB491. The Board confirms that there is no material change in the business nature of the Company as set out in the Prospectus, and considers that the above changes in the use of the Net Proceeds will not have material adverse impact on the operations of the Company and is in the best interests of the Company and its shareholders as a whole.

Dividend

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended 30 June	
		2022	2021
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	3	**2,956**	–
Cost of revenue		**(787)**	–
Gross profit		**2,169**	–
Selling expenses		**(63,049)**	(27,115)
Administrative expenses		**(84,063)**	(117,420)
Research and development expenses		**(295,140)**	(271,527)
Other income		**4,678**	5,640
Other (losses)/gains – net		**(94)**	16,215
Operating loss		**(435,499)**	(394,207)
Finance income		**27,974**	7,447
Finance costs		**(1,727)**	(19,734)
Finance income/(costs) – net		**26,247**	(12,287)
Loss before income tax		**(409,252)**	(406,494)
Income tax credit	4	**2,634**	3,950
Loss for the six months ended 30 June		**(406,618)**	(402,544)
Loss for the six months ended 30 June is attributable to:			
Owners of the Company		**(405,631)**	(400,893)
Non-controlling interests		**(987)**	(1,651)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
– Exchange differences on translation of foreign operations		**(913)**	(342)
Total comprehensive loss for the six months ended 30 June		**(407,531)**	(402,886)
Total comprehensive loss for the six months ended 30 June is attributable to:			
Owners of the Company		**(406,544)**	(401,235)
Non-controlling interests		**(987)**	(1,651)
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (in RMB)	5	**(0.81)**	(0.82)
Diluted loss per share (in RMB)	5	**(0.82)**	(0.82)

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 June 2022 *RMB'000 (Unaudited)*	As at 31 December 2021 *RMB'000 (Audited)*
ASSETS		
Non-current assets		
Property, plant and equipment	**192,230**	200,033
Right-of-use assets	**51,540**	23,334
Intangible assets	**166,486**	171,043
Other receivables, deposits and prepayments	**12,539**	76,121
Deferred tax assets	**7,944**	5,732
Total non-current assets	**430,739**	476,263
Current assets		
Inventories	**46,496**	49,653
Contract cost	**1,341**	1,755
Other receivables, deposits and prepayments	**90,979**	132,529
Restricted bank deposits	**–**	2,000
Cash and cash equivalents	**1,858,181**	2,200,641
Total current assets	**1,996,997**	2,386,578
Total assets	**2,427,736**	2,862,841

CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

	Note	As at 30 June 2022 *RMB'000 (Unaudited)*	As at 31 December 2021 *RMB'000 (Audited)*
EQUITY			
Equity attributable to the ordinary equity holders of the Company			
Share capital		**69**	68
Share premium		**9,371,432**	9,290,903
Treasury shares		**(10,084)**	(5,198)
Other reserves		**(1,450,434)**	(1,409,824)
Accumulated losses		**(5,791,391)**	(5,385,760)
		2,119,592	2,490,189
Non-controlling interests		**1,935**	2,922
Total equity		**2,121,527**	2,493,111
LIABILITIES			
Non-current liabilities			
Lease liabilities		**40,028**	20,107
Amounts due to related parties		**3,357**	5,004
Deferred income		**15,830**	18,149
Deferred tax liabilities		**12,860**	13,282
Total non-current liabilities		**72,075**	56,542
Current liabilities			
Trade payables	7	**92,714**	129,666
Contract liabilities		**4,893**	5,648
Other payables and accruals		**115,671**	124,930
Short-term borrowings		**–**	29,700
Lease liabilities		**14,778**	7,601
Amounts due to related parties		**2,386**	4,056
Provision		**–**	7,895
Deferred income		**3,692**	3,692
Total current liabilities		**234,134**	313,188
Total liabilities		**306,209**	369,730
Total equity and liabilities		**2,427,736**	2,862,841

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

Following the outbreak of Coronavirus Disease 2019 in early 2020 and the Omicron variant in 2022 (together, the "COVID-19 pandemic"), a series of precautionary and control measures have been and continued to be implemented across the country in the first half of the year. As at the reporting date, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 pandemic.

The interim condensed consolidated financial report is presented in Renminbi ("RMB") and rounded to nearest thousand yuan, unless otherwise stated.

2 BASIS OF PREPARATION OF INTERIM REPORT

This condensed consolidated interim financial report for the interim reporting period ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard 34 Interim financial reporting.

The condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Group for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the HKICPA, and any public announcements made by the Company during the six months ended 30 June 2022.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in those annual financial statements, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(b) Impact of standards issued but not yet applied by the entity

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 REVENUE

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue from contracts with customers		
Revenue on fee-for-service contracts-at a point in time	**2,956**	–

All revenues are generated in the PRC.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Customer A	**2,051**	–
Customer B	**755**	–
	2,806	–

4 INCOME TAX CREDIT

(a) Income tax credit

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current tax		
Current tax on profits for the period	**–**	–
Total current tax credit	**–**	–
Deferred income tax		
Increase in deferred tax assets	**(2,212)**	(3,528)
Decrease in deferred tax liabilities	**(422)**	(422)
Total deferred tax credit	**(2,634)**	(3,950)
Income tax credit	**(2,634)**	(3,950)

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Loss before income tax	**(409,252)**	(406,494)
Calculated at PRC taxation rate of 25%	**(102,313)**	(101,624)
Effect of different tax rates of operating entities in other jurisdictions	**1,891**	2,087
Expenses not deductible for taxation purposes		
– Share-based payment expenses	**10,241**	22,617
– Others	**703**	346
Super deduction of research and development expenses	**(50,569)**	(39,020)
Unused tax loss not recognised as deferred tax assets	**137,413**	111,644
Income tax credit	**(2,634)**	(3,950)

5 LOSS PER SHARE

(a) Basic loss per share

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

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited)*
Loss attributable to owners of the Company (in RMB'000)	**(405,631)**	(400,893)
Weighted average number of ordinary shares in issue (in thousand)	**499,230**	491,387
Basic loss per share (in RMB)	**(0.81)**	(0.82)

(b) Diluted loss per share

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

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

The Group has potential dilutive shares throughout for the six months ended 30 June 2022 related to the shares held for employee option plan and shares to be issued to an employee and Ab Studio Inc. (the "ABS").

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

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

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited)*
Loss attributable to owners of the Company (in RMB'000)		
Used in calculating basic loss per share	**(405,631)**	(400,893)
Less: the fair value changes on contingent consideration to ABS	**(2,627)**	–
Loss attributable to owners of the Company for the calculation of diluted loss per share	**(408,258)**	(400,893)
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share (in thousand)	**499,230**	491,387
Adjustments for calculation of diluted loss per share:		
Shares to be issued to ABS	**1,023**	–
Weighted average number of ordinary shares in issue for the calculation of diluted loss per share	**500,253**	491,387
Diluted loss per share (in RMB)	**(0.82)**	(0.82)

6 DIVIDENDS

No dividend has been declared by the Company during the six months ended 30 June 2022 and 30 June 2021.

7 TRADE PAYABLES

An ageing analysis, based on invoice date, of trade payables as at the condensed consolidated balance sheet dates is as follows:

	As at 30 June	As at 31 December
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Within 1 year	**92,288**	127,594
1-2 years	**371**	1,772
2-3 years	**55**	300
	92,714	129,666

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

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.genorbio.com). The interim report of the Company for the six months ended 30 June 2022 will be dispatched to the Shareholders and made available for review on the same websites in due course.

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

Hong Kong, 30 August 2022

As at the date of this announcement, the Board comprises Dr. GUO Feng (Chief Executive Officer and Chairman) as executive director; Dr. LYU Dong, Mr. CHEN Yu and Mr. LIU Yi as non-executive directors; Mr. ZHOU Honghao, Mr. FUNG Edwin and Mr. CHEN Wen as independent non-executive directors.