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開拓藥業有限公司\*

**KINTOR PHARMACEUTICAL LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9939)**

## **COMPLETION OF TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that the completion of the Placing took place on 14 December 2022 in accordance with the terms and conditions of the Agreement, where an aggregate of 42,000,000 Placing Shares were successfully placed by the Placing Agents to no less than six placees, who and whose ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, third parties independent of and not connected with the Company or its connected persons, at the Placing Price of HK\$12.94 for each Placing Share.

As all conditions for the completion of the Subscription had been fulfilled, the Company allotted and issued 40,000,000 Subscription Shares to the Vendor at HK\$12.94 per Subscription Share (which is equivalent to the Placing Price) on 16 December 2022 in accordance with the terms and conditions of the Agreement.

Reference is made to the announcement of the Company dated 11 December 2022 (the “**Announcement**”) in respect of the Placing and the Subscription under the General Mandate. Unless defined otherwise, capitalised terms used herein shall have the same respective meanings as those defined in the Announcement.

## COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that the completion of the Placing took place on 14 December 2022 in accordance with the terms and conditions of the Agreement, where an aggregate of 42,000,000 Placing Shares were successfully placed by the Placing Agents to no less than six placees, who and whose ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, third parties independent of and not connected with the Company or its connected persons, at the Placing Price of HK\$12.94 for each Placing Share. None of the placees became a substantial shareholder of the Company upon completion of the Placing.

As all conditions for the completion of the Subscription had been fulfilled, the Company allotted and issued 40,000,000 Subscription Shares to the Vendor at HK\$12.94 per Subscription Share (which is equivalent to the Placing Price) on 16 December 2022 in accordance with the terms and conditions of the Agreement. The Subscription Shares represent approximately 8.9% of the issued share capital of the Company as enlarged by the Subscription. The net proceeds from the Subscription are estimated to be approximately HK\$509.1 million, after deducting related fees and expenses.

The Company intends to use the net proceeds from the Subscription for the clinical development and/or commercialisation of the following pipelines in China and worldwide:

<b>Intended use of net proceeds</b>	<b>Approximate % of total net proceeds (%)</b>	<b>Amount of net proceeds (HK\$’ million)</b>	<b>Expected timeline for utilising the net proceeds</b>
Clinical development and preparation for the commercialisation of prixelutamide (GT0918) for the treatment of COVID-19	70	356.4	Expected to be fully utilised by December 2023
Clinical development of pyrilutamide (KX-826) for the treatment of androgenetic alopecia (“ <b>AGA</b> ”) and acne vulgaris	25	127.3	Expected to be fully utilised by June 2024
Clinical development of AR-PROTAC (GT20029) for the treatment of AGA and acne vulgaris	5	25.4	Expected to be fully utilised by June 2024
<b>Total</b>	<b>100</b>	<b>509.1</b>	

## Reasons for the Placing and the Subscription

The Group is still in the pre-revenue stage and sufficient funding is essential to move forward its clinical development and commercialisation. As the Group's clinical trials progress to more advanced stages (e.g. phase III registrational trial), more substantial funding is required to support the large scale of patients enrollment and the growing number of participating clinical centers as well as to engage clinical research organisations (CROs) to manage the clinical trials. As the Group continues to push forward the vetting processes of praxelutamide (GT0918) for COVID-19 new drug application (NDA) and emergency use authorisation (EUA) in China and worldwide to bring this novel drug to commercialisation stage, it is necessary to raise additional funding to stay robust during such processes. Meanwhile, for the treatment of AGA and acne vulgaris, our self-developed novel topical medication pyrilitamide (KX-826) and AR-PROTAC (GT20029) have been achieving great progress in clinical development, which will also require additional funding to move the clinical trials forward. As COVID-19 continues to impact the capital market, it is essential for the Group to timely capture the market window to conduct the Placing and the Subscription.

In view of the above, the Company is of the view that the Placing and the Subscription will provide an opportunity for the Company to enrich its cash balance to support its ongoing business development, especially under the current macro environment where COVID-19 continues to impact the capital market. As such, the Directors (including the independent non-executive Directors) are of the view that the Placing and the Subscription are in the best interests of the Company and the Shareholders as a whole.

The table below sets out the shareholding structure of the Company (i) immediately before the completion of the Placing and the Subscription; (ii) immediately after the completion of the Placing, but before the completion of the Subscription; and (iii) immediately after the completion of the Placing and the Subscription, respectively:

### Effect of the Placing and the Subscription on the shareholding structure of the Company

Shareholder	Immediately before the completion of the Placing and the Subscription		Immediately after completion of only the Placing (assuming the Subscription is not completed)		Immediately after completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Vendor <sup>(1)</sup>	42,504,770	10.4%	504,770	0.1%	40,504,770	9.1%
Places	–	–	42,000,000	10.3%	42,000,000	9.4%
Other Shareholders	364,994,830	89.6%	364,994,830	89.6%	364,994,830	81.6%
Total	<u>407,499,600</u>	<u>100%</u>	<u>407,499,600</u>	<u>100%</u>	<u>447,499,600</u>	<u>100%</u>

*Notes:*

- (1) As at the date of this announcement, the Vendor is an exempted company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Dr. Tong, the co-founder, chairman of the Board, an executive Director and the Chief Executive Officer of the Company.
- (2) Since the total number of Shares sold by the Vendor under the Placing is more than the total number of Shares subscribed by the Vendor under the Subscription, the Vendor in effect sold down 2,000,000 Shares as part of the consummation of the Placing and the Subscription, representing approximately 0.5% of the issued share capital of the Company immediately before completion of the Placing and the Subscription at the price of HK\$12.94 per Share.
- (3) The percentages of the Shares immediately after completion of the Subscription may not add up to 100% due to rounding.

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

Hong Kong, 16 December 2022

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

\* *For identification purpose only*