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 2023

The Board (the "**Board**") of Directors (the "**Directors**") of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2023, together with comparative figures for the six months ended 30 June 2022.

FINANCIAL HIGHLIGHTS

- Our net loss decreased by RMB306.3 million or 59.1% from RMB518.4 million for the six months ended 30 June 2022 to RMB212.1 million for the six months ended 30 June 2023, which was mainly attributable to the decrease of our Group's research and development costs and administrative expenses.

- Our R&D costs decreased by RMB296.5 million or 64.3% from RMB461.1 million for the six months ended 30 June 2022 to RMB164.6 million for the six months ended 30 June 2023. Such decreased costs were mainly attributable to Group's adjustment of core business according to the market environment and financials to continuously advance the clinical trials of core products, such as KX-826 and AR-PROTAC (GT20029) for the treatment of AGA and acne.

- The Group had cash and cash equivalents and time deposits of RMB701.9 million as at 30 June 2023. In addition, the Group had unutilised bank facilities of RMB90.0 million as at 30 June 2023. The Group has sufficient cash on hand to support the advancement of the Group's clinical trials and research and development.

- The Board resolved not to pay any interim dividend for the six months ended 30 June 2023 (for the six month ended 30 June 2022: Nil).

BUSINESS HIGHLIGHTS

As at the date of this announcement, we have seven innovative potential first-in-class/ best-in-class drug candidates at phase I-III clinical stage. Based on the Company's clear strategic layout in the field of dermatology and relying on its strong execution, the Company has rapidly advanced various clinical trials around the world, among which the following milestones and achievements have been achieved since 2023:

KX-826

AGA Indication

- On 28 March 2023, the Company announced the completion of enrollment of all 740 subjects for the phase III clinical trial of KX-826 for treatment of male AGA in China. The Company expects to release the trial's top-line data in the fourth quarter of 2023.

- On 11 May 2023, the Company announced the successful completion of phase II clinical trial of KX-826 for treatment of AGA in the United States. The results after 24 weeks of treatment are statistically and clinically meaningful compared to baseline and demonstrate a favorable safety profile of KX-826.

- On 19 July 2023, first patient enrollment in long-term safety phase III clinical trial of KX-826 in China for treatment of AGA was completed. This trial was approved to be conducted by China National Medical Products Administration ("**NMPA**") on 18 April 2023. The primary endpoint of the trial is the incidence of TEAE. Secondary endpoints include efficacy as measured by the change in TAHC from baseline and other safety indicators.

Acne Vulgaris Indication

- On 14 October 2022, we completed the enrollment of all 160 patients in the phase II clinical trial of KX-826 in China for the treatment of acne vulgaris. Recently, we have completed this trial and the results showed that efficacy and safety profile of KX-826 were good. At week 12, all patients who achieved treatment success (according to the 5-point Investigator's Global Assessment (IGA) Scale, a decrease in IGA score to 0–1 and a decrease of ≥ 2 levels is defined as *success*) appeared in the experimental group. Compared with placebo group, analysis of subgroups with baseline non-inflammatory lesion count ≥ 30 showed that counts of both non-inflammatory and inflammatory lesion in the KX-826 groups were significantly improved, and the improvements had persisted until the twelfth week. Based on the safety and preliminary efficacy results of this trial, the Company will reassess the baseline condition of patients in subsequent trials, such as including moderate and severe acne patients, in order to seek more positive results for KX-826 in treating acne.

AR-PROTAC Compound (GT20029)

- On 10 February 2023, we announced the top-line results of the phase I clinical trial of GT20029 for the treatment of AGA and acne vulgaris in the U.S.. The results showed that GT20029 demonstrated good safety, tolerability and pharmacokinetics following topical single ascending dose (SAD) administration in healthy subjects and multiple ascending dose (MAD) administration in subjects with AGA or acne vulgaris.

- On 14 April 2023, we announced the completion of first subject enrollment in phase II clinical trial of GT20029 for treatment of AGA in China. The phase II clinical trial was designed to evaluate the efficacy and safety of GT20029 for treating male AGA adults and determine the recommended dosage for phase III clinical trial in China.

- On 22 August 2023, we announced the completion of total 180 patients enrollment in phase II clinical trial of GT20029 for treatment of AGA in China, and the Company expects to disclose the top-line data in the first quarter of 2024.

GT1708F

- On 8 May 2023, we announced the successful completion of phase I clinical trial of GT1708F for the treatment of hematologic malignancies in China. The results showed that GT1708F had demonstrated a good safety and tolerability profile, and all patients experienced no dose-limiting toxicity (the "**DLT**") or drug-related serious adverse events (the "**SAE**").

- We are currently exploring and developing GT1708F for the treatment of idiopathic pulmonary fibrosis (IPF) and searching for combination therapy. Based on the safety profile of GT1708F in blood cancer, we expect to enter into a phase II clinical trial for GT1708F for the treatment of IPF after the clearance of NMPA.

For details of any of the foregoing, please refer to the rest of this announcement (if 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 developing potential first-in-class/best-in-class drugs for unmet clinical needs. We are committed to becoming a leader in the research, development and commercialization of innovative therapies. Our products aim at tackling the unmet clinical needs and our pipelines cover indications of dermatology such as AGA and acne vulgaris, and indications of tumors. By virtue of the two core drugs, namely KX-826 and GT20029, we have leading R&D advantage in the field of dermatology, and are hopeful to achieve the first commercialization in hair loss indication on or before 2025.

KX-826 is one of the Company's fast-track drug candidates, and is likely to be the Company's first commercialized drug. The Company's trial progresses are as follows: (1) phase III clinical trial of male AGA in China: enrollment of all 740 subjects has been completed, and top-line data is expected to be released in the fourth quarter this year; (2) long-term safety phase III trial AGA in China: first patient enrollment has been completed, and the trial is expected to provide further supporting data for the Company in terms of the safety and efficacy of long term usage of KX-826; (3) clinical trial of female AGA in China: phase II trial has been completed, and phase III trial is expected to commence in the second half of 2023; (4) phase II clinical trial of AGA in the United States: trial is completed with results that are statistically and clinically meaningful as measured by TAHC, and demonstrate favorable safety profile of KX-826. Based on the positive results, we are in active preparation for the phase III clinical trial plan in the United States/globally; and (5) phase II clinical trial of acne vulgaris in China: trial is completed with initial positive results on efficacy and safety.

GT20029, being the first topical PROTAC compound in the world which has entered phase II clinical stage, and the first topical PROTAC compound developed by the Company's in-house PROTAC platform, serves as the Company's core layout following KX-826 in the dermatology field. (1) Phase I clinical trial in China and phase I clinical trial in the U.S. were completed, with results showing that GT20029 demonstrated good safety, tolerability and pharmacokinetics. (2) Phase II clinical trial in China: all subjects have been enrolled, and top-line data is expected to be released in the first quarter of 2024.

Our other drug pipelines are in good progress, and we are seeking clinical combination therapy opportunities to explore more active uses.

In business development, we are seeking for the potential cooperation opportunities for KX-826 and GT20029, advancing the commercialization process in China and globally. In capital market, the stock of the Company has been included in Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect, which further enhanced the stock's liquidity.

Product Pipeline

Our pipeline includes a risk-balanced and diversified portfolio of drug candidates. The Company strategically targets dermatology such as AGA and acne, and indications of tumors with substantial market potential and unmet medical needs. The following chart sets forth a summary of our drug candidates as well as their respective mechanism, indications and development progress as at the date of this announcement:

		Drug Candidate	Target / Mechanism	Indication	Country/ Region	Pre-Clinical / IND Filing (Filed)| (Accepted) / Phase I / Phase II / Phase III / NDA
Clinical stages	Dermatology	KX-826	AR antagonist (for external use)	Androgenetic alopecia (Male)	China	Completed patients enrollment in Mar 2023
				Androgenetic alopecia (Female)	China	Data readout on Dec 1, 2022
				Androgenetic alopecia (Male)	US	Data readout on May 11, 2023
				Androgenetic alopecia (Long-term safety)	China	Completed FPI on Jul 19, 2023
				Acne vulgaris	China	Completed patients enrollment on Oct 14, 2022
				Acne vulgaris	US	
		AR-PROTAC (GT20029)	AR-PROTAC compound	Androgenetic alopecia	China	Completed patients enrollment on Aug 22, 2023
				Acne vulgaris	China	Positive top-line data released on Nov 24, 2022
				Androgenetic alopecia	US	Positive top-line data released on Feb 10, 2023
				Acne vulgaris	US	Positive top-line data released on Feb 10, 2023
	Non-dermatology	Pruxelutamide (GT0918)	Second generation AR antagonist	COVID-19	Intl	
		GT1708F	Hedgehog/ SMO inhibitor	Idiopathic pulmonary fibrosis (IPF)	China	
				Blood cancer	China	Explore combination therapy
		Detorsertib (GT0486)	mTOR kinase inhibitor	Metastatic solid tumours	China	
	Biologics	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
		GT90008	PD-L1 / TGF-β dual targeting antibody	Multiple types of solid tumours	China	IND was approved on Oct 21, 2021
Pre-clinical			c-Myc inhibitor & molecular glue	Blood cancer and solid tumors		
			PROTAC compounds	External therapy		
			ALK-1/VEGF bispecific antibody	Solid tumours		

BUSINESS REVIEW

As at the date of this announcement, we have developed a pipeline of seven clinical-stage drug candidates, for which we had obtained approvals to commence clinical trials in China (including Taiwan), the U.S. and other countries and regions. These clinical-stage drug candidates include KX-826, AR-PROTAC compound GT20029, Pruxelutamide (GT0918), Hedgehog/SMO inhibitor GT1708F, mTOR kinase inhibitor GT0486, ALK-1 antibody GT90001 and PD-L1/TGF-ß dual targeting antibody GT90008, the details of which are set out as follows:

Main Products

- ***KX-826***

KX-826 is a drug for topical use, which can block the signaling pathway of androgen receptor (AR). It acts on the local area of peripheral skin tissue, and can reduce the sensitivity of androgen receptor to androgen in the pilosebaceous gland, and the low AR inhibitory activity of its metabolites can reduce systemic side effects.

KX-826 is the world's first topical AR antagonist that has entered phase III clinical trial for the treatment of AGA. Its patent is valid until 8 September 2030. We are currently developing KX-826 in tincture and gel as a potential first-in-class topical drug for the treatment of AGA and acne vulgaris.

i. AGA Indication

Where AGA occurs, the androgen binds to the AR in the hair follicle cells, and the AR undergoes a complex enzymatic reaction and forms an AR complex. The AR complex enters the nucleus, binds to a specific hormone-responsive element of the gene locus, induces or inhibits the transcription of the target gene, and synthesises specific messenger RNA (mRNA) and corresponding proteins, such as different kinds of cytokines. This regulates cell proliferation and differentiation, which causes the hair to prematurely enter into a resting period and shrinks hair follicles. The hair in the growing period gradually becomes thinner and hair follicles shrink and disappear, resulting in AGA. Abnormal changes in systemic and local androgen metabolism are important factors in the pathogenesis of AGA, and dihydrotestosterone (**DHT**) catalysed by androgen by 5α-reductase is a contributing molecule of AGA. AR is recognised as an attributing factor for AGA. KX-826 is for topical application to locally block the androgen mediated signaling by competing androgen to bind to AR in the targeted tissues.

- On 28 March 2023, we announced completion of enrollment of all 740 subjects in phase III clinical trial of KX-826 for treatment of male AGA in China.

  The phase III clinical trial is a randomized, double-blinded, placebo-controlled, multi-center study designed to evaluate the efficacy and safety of 0.5% BID KX-826 for treating male AGA subjects in China. The primary endpoint for the trial is the change from baseline in non-vellus TAHC after 24 weeks of treatment in comparison to placebo. The safety endpoints mainly include the type, incidence and severity of adverse events. The Company expects to release its top-line data in the fourth quarter of 2023.

- On 19 July 2023, we announced the completion of first patient enrollment in long-term safety phase III trial of KX-826 for treatment of AGA. The trial was approved to be conducted by NMPA on 18 April 2023. It is a multi-center, open-label phase III clinical trial.

  The trial involves 16 clinical research centers in China. Professor Jianzhong ZHANG (張建中) of Peking University People's Hospital is the leading principal investigator(leading PI). A total of 270 male and female AGA patients will be enrolled to evaluate the long-term safety of the topical use of KX-826 for treatment of AGA in China. The treatment period is 52 weeks. The primary endpoint of the trial is the incidence of TEAE. Secondary endpoints include efficacy as measured by the change in TAHC from baseline and other safety indicators.

- On 11 May 2023, the Company announced successful completion of phase II clinical trial of KX-826 for treatment of AGA in the United States. The results after 24 weeks of treatment are statistically and clinically meaningful compared to baseline and demonstrate a favorable safety profile of KX-826.

  The phase II clinical trial is a randomized, double-blind, placebo-controlled and parallel group clinical study designed to evaluate the efficacy and safety of KX-826 for treatment of male AGA. A total of 123 male AGA patients, who were classified into stage III vertex, IV or V using the Hamilton-Norwood scale, were enrolled in the trial. Among them, 93 patients were randomly assigned to different dosage groups, including 0.25% QD, 0.5% QD and 0.5% BID; and 30 patients were randomly assigned to placebo groups receiving different dosages. The results showed that:

  - The TAHC of the 0.5% BID KX-826 group had increased by approximately 10 hair counts per cm^2 compared with baseline after treatment of 24 weeks, which was statistically significant (P=0.0088).

  - KX-826 had indicated an improvement in TAHC versus placebo, and a dose-response relationship was observed from different KX-826 dosage groups. Other relevant results indicated that KX-826 promoted hair growth clinically in male AGA patients.

  - Same with phase II clinical trial in China, 0.5% BID KX-826 was determined to be the optimal dose in the phase II clinical trial. 0.5% BID KX-826 was also determined to be the recommended dose for phase III clinical trial for male AGA in the United States/globally.

- KX-826 demonstrated a favorable safety profile in male AGA treatment. During the study, most TEAE were mild and local scalp sensitivity similar to those of placebo in terms of occurrences. No TEAE resulted in patient withdrawal from the trial, nor death was reported.

Based on the results of the phase II clinical trial, the Company is communicating with U.S. FDA about a phase III clinical trial plan in the United States/globally.

Previously, the Company has successfully completed the phase II trials for male and female AGA in China. Results of the phase II clinical trial for treatment of male AGA showed that after 24 weeks of treatment, 0.5% BID KX-826 group demonstrated significant improvement in non-vellus TAHC, which increased by 15.34 hair counts per cm^2 as compared with the placebo group with statistical significance (P=0.024). KX-826 demonstrated good safety profile in different dosage groups. Results of the phase II clinical trial for treatment of female AGA showed that after 24 weeks of treatment, the non-vellus TAHC of the 0.5% QD group had increased by 11.39 hair counts per cm^2 compared with the placebo group from baseline, which was statistically significant (P=0.0087), and KX-826 showed good safety profile in this trial. In view of the positive results in the previous trials, the Company is proactively planning to conduct a phase III clinical trial of KX-826 for treatment of female AGA in the second half year of 2023 in China.

ii. Acne vulgaris indication

Acne vulgaris is the eighth most prevalent disease in the world which affects more than 9.4% of the global population. Acne vulgaris is particularly common among adolescents and young adults as an facial disease. The pathogenesis of acne vulgaris is complicated. The influence of androgen and its receptor signaling pathway on sebaceous glands and sebum secretion is one of the important factors causing acne vulgaris. The U.S. FDA approved the first AR antagonist over the past 40 years for treatment of acne in August 2020, which had paved the way for our ongoing clinical trials in China. To date, there has been significant unmet clinical needs as no effective topical AR antagonist was approved for acne vulgaris treatment in China.

KX-826 is a well-targeted topical AR antagonist, which competitively inhibits the combination of androgen with 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 AR signal pathway in human body. Through external application, KX-826 is able to inhibit the combination of AR with androgen in hair follicle sebaceous glands for treatment of acne vulgaris.

We have completed a phase II clinical trial of KX-826 for treatment of acne. The phase II clinical trial is a multicenter, randomized, double-blind and placebo-controlled clinical study designed to evaluate the safety, efficacy, tolerance and PK of topical application of KX-826 for the treatment of patients with acne vulgaris. This study included a total of 160 acne patients who met the Pillsbury grading system's grade I-III or IGA grading system's grade 2–3 and the Company has completed the patients enrollment on 14 October 2022. Among them, 120 patients were randomly assigned to four different dose groups of KX-826, with 30 people in each group, including the 0.25% QD group and BID group, the 0.5% QD group and BID group, and the remaining 40 patients were randomly assigned to the placebo QD and BID groups (20 people each). The results show:

- At week 12, all patients who achieved treatment success appeared in the experimental groups.

- Compared with placebo group, post hoc analysis of subgroups with baseline non-inflammatory lesion count ≥ 30 showed that counts of both non-inflammatory and inflammatory lesion in the KX-826 group were significantly improved, and the improvements had persisted until the twelfth week. The improvement effect was initially observed at the second week.

- The safety profile of KX-826 is good. During the research, most adverse events were mild local skin irritation, and the incidence rate in the KX-826 group was similar to that of the placebo group. There were no adverse events that led to withdrawal from the trial or death.

- ***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 the Group's in-house PROTAC platform. It is also the first topical PROTAC compound in the world which has entered phase II clinical stage. The preclinical studies demonstrated that GT20029 has a topical curative effect and can avoid systemic exposure by limiting skin penetration, and thus achieving good safety profile. The repeated pharmacodynamics studies in DHT-induced mouse model showed that GT20029 significantly promoted hair growth with statistical difference. The study of testosterone propionate ("**TP**")-induced skin hamster flank organ acne model showed that GT20029 significantly inhibited the enlargement of the flank organ, with statistical difference. As at the date of this announcement, the Company has completed phase I clinical trials of GT20029 for treatment of AGA and acne in both China and the United States, and the enrollment of all the subjects in the phase II clinical trial for the treatment of male AGA in China.

  - On 10 February 2023, we announced the top-line results of the phase I clinical trial of GT20029 for treatment of AGA and acne vulgaris in the U.S.. The results showed that GT20029 demonstrated good safety, tolerability and pharmacokinetics following topical single ascending dose ("**SAD**") administration in healthy subjects and multiple ascending dose ("**MAD**") administration in subjects with AGA or acne vulgaris. In the SAD stage, subjects had no systemic exposure at all dose levels, and all sample concentrations were below the LLOQ (0.003 ng/mL). In the MAD stage, after 14 days of continuous administration in subjects with AGA or acne vulgaris, the systemic exposure was limited and the mean maximum observed concentration (Cmax) of all dose levels fluctuated near the LLOQ, with the highest not exceeding 0.015 ng/mL. No TEAE relating to GT20029 in the SAD stage was reported. Most of the TEAEs in the MAD stage were mild, including dryness, itching, burning and pain at application sites. No SAE, severe TEAE (Grade ≥3), subject withdrawal or death caused by TEAE were reported.

  - On 14 April 2023, we announced completion of first subject enrollment in phase II clinical trial of GT20029 for treatment of AGA in China. The trial is a multi-center, randomized, double-blind, placebo-controlled study, which was designed to evaluate the efficacy and safety of GT20029 for treating male AGA adults and determine the recommended dosage for phase III clinical trial in China. The primary endpoint of this trial is the change from baseline in non-vellus TAHC after 12 weeks of treatment in comparison to placebo.

  - On 22 August 2023, we announced the completion of total 180 patients enrollment in phase II clinical trial of GT20029 for treatment of AGA in China, and the Company expects to release top-line data in the first quarter of 2024.

- ***Pruxelutamide (GT0918)***

  Pruxelutamide is a second-generation AR antagonist as well as an ACE2 and TMPRSS2 degrader with the potential to be a best-in-class drug, whose patent is valid until 8 March 2032. Pruxelutamide has a novel chemical structure and constitutes a dual-action mechanism which not only inhibits androgen from binding to AR, but also reduces AR expression. On 6 April 2022, we announced the top-line results of phase III clinical trial of Pruxelutamide in patients with mild to moderate COVID-19 indication. Based on the results, we are seeking the conditional approval or EUA from Southeast Asian countries.

- ***GT1708F (Hedgehog/SMO Inhibitor)***

  GT1708F is an inhibitor of the hedgehog signal transduction pathway. We are currently developing GT1708F primarily for treatment of IPF and blood cancer.

  i. IPF Indication

  The global incidence rate of IPF reaches 14 to 43 per 100,000 people. The incidence rate in China reaches 2 to 29 per 100,000 people, which means around 28 to 406 thousand patients in total. GT1708F affects the activity of Hh pathway and expression of the relevant downstream proteins by inhibiting the activity of SMO protein. Reactivation of the Hh signaling pathway is a feature of fibrotic lung tissue in IPF which affects in fibroblast migration and proliferation. Many nonclinical studies have shown that the Hh signaling pathway played a crucial role in IPF. According to reports, in IPF tissue, the expression of genes or proteins such as SMO and Gli1 is higher than that in normal lung tissue, and after stimulating Hh in pulmonary fibrosis cells isolated from lung tissue of patients suffering from IPF, the expression of SMO and Gli1 proteins and genes is increased. In-vitro study showed that GT1708F could significantly decrease the expression of Gli1, Gli2 and pulmonary fibrosis related α-SMA protein.

  The results of the bleomycin-induced pulmonary fibrosis model on Sprague-Dawley(SD) rats showed that after GT1708F treatment, the damage of the terminal bronchial wall and pulmonary arteriole wall and inflammatory cell infiltration (in the lesion and on the edge of the lesion) were effectively improved. Compared with the active comparator nintedanib, different doses of GT1708F have similar improvement effects on lung damage and inflammatory cell infiltration. In addition, GT1708F can significantly improve the degree of pulmonary fibrosis ($P<0.001$).

  We are seeking clearance from NMPA to enter into phase II clinical trial for GT1708F for treatment of IPF.

ii. Blood Cancer Indication

On 8 May 2023, we announced the successful completion of phase I clinical trial of GT1708F (Hedgehog/SMO Inhibitor) for treatment of hematologic malignancies in China.

The phase I clinical trial is a study to evaluate the safety, tolerability, pharmacokinetic and preliminary efficacy of GT1708F for treatment of patients with hematological malignancies. Professor Jianxiang WANG (王建祥) and Professor Junyuan QI (齊軍元) of the Institute of Hematology, Chinese Academy of Medical Sciences are the leading PIs of this trial. A total of 18 patients were enrolled in the trial, including 15 patients with AML and 3 patients with myelodysplastic syndrome (MDS). The doses and enrollment were 20mg QD (1 case), 40mg QD (1 case), 80mg QD (4 cases), 120mg QD (3 case), 180mg QD (3 cases), 240mg QD (3 cases), 320mg QD (3 cases), respectively. The results showed that all patients experienced no dose-limiting (DLT) or drug-related SAE. The overall safety of each dose group was good, most TEAE were mild, and no TEAE resulted in death. Preliminary efficacy was observed starting from 180mg dose level in dose escalation stage for patients with acute myeloid leukemia (the AML) who failed multi-line therapies, and the myeloid blasts decreased by up to 62% compared to the baseline in AML patients.

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

ALK-1 antibody is a fully human IgG2 neutralising monoclonal antibody that inhibits ALK-1/TGF-ß signal transduction and tumor angiogenesis and a potential first-in-class antibody for which the Company obtained an exclusive global license of ALK-1 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 treatment of a variety of solid tumours.

In Taiwan, China, our phase II clinical trial of ALK-1 antibody and Nivolumab combination therapy for treatment of advanced HCC has completed last patient last visit on 7 July 2022. Previously, the preliminary data was 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 and completed the first patient dosing. In China, we also obtained approval for the clinical trial of combination therapy of ALK-1 antibody and Nivolumab for treatment of advanced HCC.

Other Clinical Stage Products

Detorsertib (GT0486) is an inhibitor of PI3K/mTOR signaling 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 and the phase I clinical trial has been completed.

PD-L1/TGF-ß (GT90008) is a dual-targeting antibody licensed from Gensun Biopharma Inc. ("**Gensun**") which is 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 a potential in 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 treatment of advanced solid tumours was approved by NMPA.

Pre-Clinical Stage Products

In addition to drug candidates described above, we are also at the discovery stage 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 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 discovery to clinical stage. 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 quality standards we have set internally will be met.

Through the development of AR inhibitors, we have accumulated significant expertise in AR-related know-how and have developed a leading AR technology platform. We believe that we have accumulated industry-leading expertise in the field of AR signaling pathway, molecule design and PK/PD modelling. Leveraging our AR technology platform, we have developed KX-826 in China and the U.S. for the topical treatment of AGA and acne, with mature target and clear mechanism, laying the foundation for our leading position in the development of innovative topical drugs in dermatology.

PROTAC is a novel drug discovery technology for targeting and/or degrading target protein. The molecular weight of PROTAC compound is relatively large, resulting in low oral bioavailability, which limits their oral druggability, so we are currently giving priority to the development of topical compounds. Based on AR targets, we are currently developing GT20029 for AGA and acne vulgaris. GT20029 is the first topical PROTAC compound globally that has entered phase II clinical stage. We also possess molecule glue technology for targeting and/or degrading undruggable and oncogene mutant drivers that drive the resistance to the targeted therapies.

By in-licensing and developing ALK-1 antibody and PD-L1/TGF-ß dual-targeting antibody, we have gradually established and expanded our R&D capabilities in the field of biological drugs for treatment of multiple solid tumors. We expanded our geographical presence to the Zhuhai International Health Port through our Zhuhai subsidiary, which focused on tumor immunity and promoted 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 Dr. TONG and several experienced scientists who have accumulated decades of pharmaceutical R&D and entrepreneurship experience in reputable pharma and biotech companies in the world and together provide us with integrated 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.

MANUFACTURING AND COMMERCIALISATION

We plan to use our in-house production and R&D base in Suzhou and Pinghu in China for the manufacture of our products. On 28 August 2020, our manufacturing and R&D facility in Suzhou commenced operation. 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 at the date of this announcement, we had not commercialised any of our drug candidates. We plan to prepare the commercialization of our products through both co-development and license-out.

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 2023. We have never generated any profit since our inception. Our loss and total comprehensive loss were RMB212.1 million and RMB518.4 million for the six months ended 30 June 2023 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 RMB170.3 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 2023 and the six months ended 30 June 2022.

Cost of Sales

We did not record any cost of sales for the six months ended 30 June 2023 and the six months ended 30 June 2022.

Gross Profit

We did not record any gross profit for the six months ended 30 June 2023 and the six months ended 30 June 2022.

Other Income

Our other income primarily consisted of government grants and interest income from bank balances and time deposits. Our other income increased by RMB9.1 million or 119.7% from RMB7.6 million for the six months ended 30 June 2022 to RMB16.7 million for the six months ended 30 June 2023, which was mainly attributable to (i) a RMB4.6 million increase in government grants which we have received to compensate for the expenses of our Group's research and development; and (ii) a RMB4.7 million increase and RMB1.6 million increase in interest income from bank balances and time deposits respectively as a result of increased interest rate during the Reporting Period. Such increase in interest income was partially offset by a RMB1.8 million decrease in interest income from related parties as a result of recovery 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 decreased by RMB2.0 million from RMB10.6 million for the six months ended 30 June 2022 to RMB8.6 million for the six months ended 30 June 2023, which was mainly attributable to (i) a decrease of RMB3.7 million in RSU expenses; and (ii) a decrease of RMB0.6 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, partially offset by an increase of RMB2.4 million in salary of our sales and marketing team in preparation for our product's commercialization, such as KX-826.

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			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Employee benefit expenses	**21,406**	**41.8**	27,433	41.9
Add: share-based compensation expenses	**13,760**	**26.9**	15,714	24.0
Employee benefit expenses (including share-based compensation expenses)	**35,166**	**68.7**	43,147	65.9
Utilities and office expenses *(Note)*	**7,221**	**14.1**	10,638	16.3
Depreciation and amortization	**4,672**	**9.1**	4,134	6.3
Others	**4,143**	**8.1**	7,556	11.5
Total	**51,202**	**100.0**	65,475	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 decreased by RMB14.3 million or 21.8% from RMB65.5 million for the six months ended 30 June 2022 to RMB51.2 million for the six months ended 30 June 2023, which was mainly attributable to (i) a RMB8.0 million decrease in employee benefit expenses and share-based compensation expenses primarily resulting from the decrease in the number of our staff; (ii) a RMB3.4 million decrease in utilities and office expenses and (iii) a RMB3.4 million decrease in other administrative expenses primarily relating to the decrease in the repair and maintenance expenses incurred for our self-owned properties, and the decrease in our professional advisory expenses such as compliance consulting fees, legal consulting fees and construction and environment consulting fees, as well as the decrease in our materials and consumables expenses in line with the 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) employee benefit expenses, which primarily consisted of compensation to R&D personnel (including the share-based compensation expenses for the Employee Incentive Scheme); and (iii) others which primarily consisted of materials and consumables expenses in connection with our R&D, third-party contracting fees, 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			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Clinical research expenses	**64,969**	**39.5**	306,051	66.4
Materials and consumables used	**2,297**	**1.4**	45,028	9.8
Employee benefit expenses	**56,501**	**34.3**	53,220	11.5
Add: share-based compensation expenses	**27,319**	**16.6**	29,703	6.4
Employee benefit expenses (including share-based compensation expenses)	**83,820**	**50.9**	82,923	17.9
Third party contracting fees	**5,563**	**3.4**	17,191	3.7
Others	**7,975**	**4.8**	9,894	2.2
Total	**164,624**	**100.0**	461,087	100.0

Our R&D costs decreased by RMB296.5 million or 64.3% from RMB461.1 million for the six months ended 30 June 2022 to RMB164.6 million for the six months ended 30 June 2023, which was mainly attributable to (i) a decrease of RMB241.1 million in clinical research expenses and a decrease of RMB11.6 million for third party contracting fees (considering the easing of the COVID-19 epidemic and the fact that several small molecule COVID-19 drugs have been approved globally and in China, the Company's expenditure on pruxelutamide for the treatment of COVID-19 has been greatly reduced); and (ii) a decrease of RMB42.7 million in materials and consumables used for R&D purposes, partially offset by an increase of RMB0.9 million in R&D employee benefit expenses primarily due to the adjustment of R&D staff's salary.

Other Gains — Net

We had other gains of RMB1.3 million for the six months ended 30 June 2023 primarily as a result of net foreign exchange gains due to exchange rates movement and gains from the disposal of financial assets at fair value through profit or loss. We had other gains of RMB13.5 million for the six months ended 30 June 2022.

Finance Costs

Our finance costs during the Reporting Period primarily increased by RMB3.8 million from RMB2.3 million for the six months ended 30 June 2022 to RMB6.1 million for the six months ended 30 June 2023, which was mainly attributable to (i) the increase in loan amount; and (ii) the decrease in borrowing costs capitalised in property, plant and equipment.

Income Tax Expenses

We had over-provision of income tax in prior period of RMB0.5 million for the six months ended 30 June 2023 primarily due to the tax refund of the pre-paid income tax of our subsidiary, Kintor Pharmaceutical (Zhejiang) Co. Ltd in 2022. Our income tax expense 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 decreased by RMB306.3 million or 59.1% from RMB518.4 million for the six months ended 30 June 2022 to RMB212.1 million for the six months ended 30 June 2023.

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 the 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 from 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:

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss and total comprehensive loss for the period	**(212,111)**	(518,423)
Added:		
Share-based compensation expenses	**41,789**	49,845
Adjusted loss and total comprehensive loss for the period	**(170,322)**	(468,578)

Employees and Remuneration Policies

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

	As at 30 June 2023	
	Number of employees	**As a percentage of total**
Core management	**8**	**2.8%**
Clinical	**67**	**23.1%**
R&D	**80**	**27.6%**
Manufacturing	**47**	**16.2%**
Commercial	**18**	**6.2%**
Project management	**17**	**5.8%**
Others	**53**	**18.3%**
Total	**290**	**100.0%**

As at 30 June 2023, the Group had a total of 290 full time employees, among whom, the total staff with clinical and R&D roles accounted for over 50%. We generally formulate our employees' remuneration package to include basic salary, position-specific salary, performance-based bonus, project-based bonus 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.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2022 and 2023.

Liquidity and Capital Resources

Our cash and cash equivalents and time deposits consisted of deposits with banks and cash on hand. As at 30 June 2023, cash and cash equivalents and time deposits decreased by RMB173.4 million from RMB875.3 million as at 31 December 2022 to RMB701.9 million. The change in our cash and cash equivalents for the Reporting Period was mainly attributable to (i) payment of administrative expenses; (ii) payment to third parties (including CROs and CDMOs) of pruxelutamide's COVID-19 indication; and (iii) other R&D activities.

The current ratio (total current assets as a percentage of total current liabilities) of the Group increased from 474.0% as at 31 December 2022 to 488.8% as at 30 June 2023, mainly due to the decrease in trade and other payables during the Reporting Period.

As at 30 June 2023, we had utilised bank facilities of RMB314.9 million and unutilised bank facilities of RMB90.0 million.

Significant Investments, Material Acquisitions or Disposals

As at 30 June 2023, there was no significant investments held by the Company nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, we do not have any future plans for material investments or capital assets as at the date of this announcement.

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	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cash used in operations	**(214,814)**	(709,397)
Income tax paid	**–**	(73)
Net interest received	**1,017**	1,364
Net cash used in operating activities	**(213,797)**	(708,106)
Net cash generated from investing activities	**238**	42,010
Net cash generated from financing activities	**36,638**	66,595
Net decrease in cash and cash equivalents	**(176,921)**	(599,501)
Cash and cash equivalent at the beginning of the period	**864,470**	926,331
Exchange gains on cash and cash equivalents	**3,158**	10,437
Cash and cash equivalent at the end of the period	**690,707**	337,267

Net Cash Used in Operating Activities

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

During the six months ended 30 June 2023, our net cash used in operating activities was RMB213.8 million, mainly consisting of RMB214.8 million of cash used in operations, interest paid on borrowings of RMB5.9 million, interest received on bank balances of RMB6.9 million.

During the six months ended 30 June 2022, our net cash used in operating activities was RMB708.1 million, mainly 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.

Net Cash Generated from Investing Activities

During the Reporting Period, our cash flows relating to investing activities primarily reflected purchases of time deposits, financial products and equipments.

During the six months ended 30 June 2023, our net cash generated from investing activities was RMB0.2 million, which primarily consisted of (i) proceeds received upon maturity of certain time deposits with maturities of over three months of RMB87.7 million; (ii) proceeds from disposal of financial assets at fair value through profit or loss of RMB48.6 million, and (iii) interests received upon maturity of certain time deposits with maturities of over three months of RMB1.4 million, partially offset by (i) purchase of time deposits with maturities of over three months of RMB89.0 million; and (ii) purchase of financial assets at fair value through profit or loss of RMB48.1 million.

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 received upon maturity of certain 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) purchase of financial assets at fair value through profit or loss of RMB133.1 million; (ii) payment for investment in an associate and a joint venture of RMB18.5 million; (iii) purchase of property, plant and equipment of RMB11.1 million; and (iv) purchase of time deposits with maturities of over three months of RMB10.0 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 2023, our net cash generated from financing activities was RMB36.6 million, primarily consisted of proceeds from borrowings of RMB50.0 million; and partially offset by (i) repayments of borrowings of RMB11.6 million; and (ii) payment of lease liabilities of RMB2.4 million.

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

Financial Position

Our net current assets decreased from RMB1,189.7 million as at 31 December 2022 to RMB1,064.9 million as at 30 June 2023, which was mainly attributable to the decrease of current assets due to the decrease of cash and cash equivalents. Current assets decreased from RMB1,507.9 million as at 31 December 2022 to RMB1,338.7 million as at 30 June 2023.

Significant Change in Accounting Policy

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

Indebtedness

As at 30 June 2023, the balance of our bank borrowings consisted of long-term bank borrowings of RMB87.5 million which were secured by certain land use right, buildings and construction in progress, unsecured long-term bank borrowings of RMB187.4 million, and short-term unsecured bank borrowings of RMB40.0 million. In the balance of our bank borrowings (including long-term and short-term borrowings), RMB100.6 million is repayable within one year or on demand.

As at 30 June 2023, cash and cash equivalents are more than total borrowings of the Group, therefore, the gearing ratio is not applicable.

Financial Risks

The Group is 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. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. There have been no changes in the financial risk management policies of our Group since 31 December 2022.

Foreign Exchange Risk

The Group mainly operates in the PRC with most of the transactions settled in RMB. The Group currently does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group is not exposed to foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the functional currency, except for cash and cash equivalents, restricted cash and time deposits at bank in USD and HKD which were primarily received from the investors as capital contributions.

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 2023 and 31 December 2022, our borrowings were 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

The Group is exposed to credit risk in relation to receivables, cash and cash equivalents, restricted cash, time deposits and wealth management products. The carrying amounts of receivables, cash and cash equivalents, restricted cash, time deposits and wealth management products represent our maximum exposure to credit risk in relation to financial assets.

The Group expects 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 other medium or large-sized foreign banks. The 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.

The management has 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 management. As at 30 June 2023 and 31 December 2022, other receivables mainly comprise deposits to lessors in respect of the Group's leased properties.

The management expects 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

The Group finances its working capital requirements through the issue of new shares, borrowings and government grants. The management monitors rolling forecasts of the Group's 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 RMB1,064.9 million as at 30 June 2023. We are able to meet our financial obligations and fund our operation 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 2023, with comparative figures for the corresponding period in the previous year as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**Six months ended 30 June 2023** ***RMB'000*** **(Unaudited)**	Six months ended 30 June 2022 *RMB'000* (Unaudited)
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other income		**16,713**	7,567
Marketing costs		**(8,640)**	(10,641)
Administrative expenses		**(51,202)**	(65,475)
Research and development costs		**(164,624)**	(461,087)
Other gains — net	*6*	**1,316**	13,526
Operating loss	*5*	**(212,618)**	(516,110)
Finance costs		**(6,050)**	(2,304)
Share of losses of an associate and a joint venture		**(131)**	–
Loss before income tax		**(212,618)**	(518,414)
Income tax expense	*7*	**507**	(9)
Loss and total comprehensive loss for the period attributable to the equity holders of the Company		**(212,111)**	(518,423)
Basic and diluted loss per share for loss attributable to the equity holders of the Company (in RMB)	*9*	**(0.50)**	(1.42)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2023** ***RMB'000*** **(Unaudited)**	As at 31 December 2022 *RMB'000* (Audited)
Assets			
Non-current assets			
Property, plant and equipment	*10*	**233,301**	240,250
Intangible assets	*10*	**235,586**	235,648
Investment in an associate		**17,301**	17,432
Investment in a joint venture		**513**	513
Right-of-use assets	*10*	**39,702**	42,227
Other non-current assets		**8,991**	11,197
		535,394	547,267
Current assets			
Inventories	*11*	**603,101**	603,503
Other receivables, deposits and prepayments		**27,844**	23,421
Time deposits		**10,631**	10,223
Restricted cash		**5,853**	5,641
Cash and cash equivalents		**691,317**	865,081
		1,338,746	1,507,869
Total assets		**1,874,140**	2,055,136
Liabilities			
Non-current liabilities			
Borrowings	*12*	**214,300**	177,600
Lease liabilities		**3,492**	5,451
Deferred income tax liabilities		**38,818**	38,818
Deferred income		**18,132**	19,952
		274,742	241,821

	Note	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Current liabilities			
Trade and other payables	*13*	**167,649**	214,534
Borrowings	*12*	**100,600**	98,900
Lease liabilities		**4,174**	4,435
Amounts due to related parties		**1,467**	258
		273,890	318,127
Total liabilities		**548,632**	559,948
Equity			
Equity attributable to the equity holders of the Company			
Share capital		**315**	315
Shares held for the Employee Incentive Scheme		**(13)**	(14)
Reserves		**1,325,206**	1,494,887
Total equity		**1,325,508**	1,495,188
Total equity and liabilities		**1,874,140**	2,055,136

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 2023 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 2022, 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 2023:

Standards	Key requirements
IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

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 2023 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
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 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024
Amendment to IFRS 16	Leases on Sale and Leaseback	1 January 2024

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 2022.

5 OPERATING LOSS

Operating loss is stated after charging the following:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**125,850**	134,289
Clinical research expenses	**64,969**	306,051
Utilities and office expenses	**11,687**	17,617
Depreciation of property, plant and equipment *(Note 10)*	**7,076**	5,663
Outsourced research and development expenses	**5,563**	17,191
Materials and consumables used	**3,027**	45,028
Depreciation of right-of-use assets *(Note 10)*	**2,525**	2,923
Less: amounts capitalised in property, plant and equipment	**–**	(99)
	2,525	2,824
Amortisation of intangible assets *(Note 10)*	**62**	88

6 OTHER GAINS — NET

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange gains	**827**	13,168
Gains on disposal of financial assets at fair value through profit or loss	**491**	332
(Losses)/gains on disposal of property, plant and equipment	**(2)**	31
Others	**–**	(5)
	1,316	13,526

7 INCOME TAX EXPENSE

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax expense		
— (Overprovision)/underprovision in prior period	**(507)**	9
Deferred income tax expense	**–**	–
	(507)	9

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% (2022: 16.5%). Since these companies did not have assessable profits during the six months ended 30 June 2023 and 2022, 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% (2022: 23.5%). Since Kintor Pharmaceuticals Inc. did not have assessable profit during the six months ended 30 June 2023 and 2022, no corporate income tax has been provided.

Ireland

Kintor Pharmaceutical Ireland Limited was incorporated in the Ireland in 2021 and deregistered on 12 June 2023. It is subject to corporate income tax rate of 12.5% (2022: 12.5%). Since Kintor Pharmaceutical Ireland Limited did not have assessable profit during the six months ended 30 June 2023 and 2022, no corporate income tax has been provided.

The Mainland of China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in the Mainland of China are subject to CIT at a rate of 25% (2022:25%) on the taxable income. Since the Group's PRC entities did not have assessable profits during the six months ended 30 June 2023 and 2022, 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 2023 and 2022.

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 2023 and 2022, excluding 17,975,542 shares (2022: 20,119,665 shares) held for the Employee Incentive Scheme (including 16,177,988 shares (2022: 18,107,699 shares) arising from the relevant capitalisation issue of initial public offering).

	For the six months ended 30 June 2023 ***RMB'000*** **(Unaudited)**	For the six months ended 30 June 2022 *RMB'000* (Unaudited)
Loss for the period	**(212,111)**	(518,423)
Weighted average number of ordinary shares in issue *(in thousand)*	**428,452**	365,723
Basic loss per share *(in RMB)*	**(0.50)**	(1.42)

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 2023 and 2022.

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 2023				
Cost	**267,052**	**236,125**	**54,532**	**557,709**
Accumulated depreciation/ amortisation	**(26,802)**	**(477)**	**(12,305)**	**(39,584)**
Net book amount	**240,250**	**235,648**	**42,227**	**518,125**

	Property, plant and equipment *RMB'000*	Intangible assets *RMB'000*	Right-of-use assets *RMB'000*	Total *RMB'000*
For the six months ended 30 June 2023				
Opening net book amount	**240,250**	**235,648**	**42,227**	**518,125**
Additions	**325**	**–**	**–**	**325**
Disposal	**(198)**	**–**	**–**	**(198)**
Depreciation/amortisation charge *(Note 5)*	**(7,076)**	**(62)**	**(2,525)**	**(9,663)**
Closing net book amount	**233,301**	**235,586**	**39,702**	**508,589**
At 30 June 2023				
Cost	**267,179**	**236,125**	**54,532**	**557,836**
Accumulated depreciation/ amortisation	**(33,878)**	**(539)**	**(14,830)**	**(49,247)**
Net book amount	**233,301**	**235,586**	**39,702**	**508,589**
(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

Land use right represents the land use right 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 2023, certain land use right, buildings and construction in progress were pledged for the Group's borrowings amounting to RMB87,500,000 (31 December 2022: RMB91,500,000) *(Note 12)*.

11 INVENTORIES

	As at 30 June 2023 ***RMB'000*** **(Unaudited)**	As at 31 December 2022 *RMB'000* (Audited)
Raw materials	**603,101**	603,503

12 BORROWINGS

	As at 30 June 2023 ***RMB'000*** **(Unaudited)**	As at 31 December 2022 *RMB'000* (Audited)
Non-current		
Long-term bank borrowings *(Note (a))*	**214,300**	177,600
Current		
Short-term bank borrowings *(Note (b))*	**40,000**	40,000
Long-term bank borrowings *(Note (a))*	**60,600**	58,900
	100,600	98,900
Total	**314,900**	276,500

Notes:

(a) As at 30 June 2023, the Group had long-term bank borrowings of RMB87,500,000 which were secured by certain land use right, buildings and construction in progress and unsecured long-term bank borrowings of RMB187,400,000. Borrowings of RMB45,000,000 bore a fixed interest rate at 4.90% per annum, borrowings of RMB42,500,000 bore a fixed interest rate at 4.75% per annum, borrowings of RMB45,600,000 bore a fixed interest rate at 3.95% per annum, borrowings of RMB46,800,000 bore a fixed interest rate at 4.05% per annum, borrowings of RMB45,000,000 bore a fixed interest rate at 4.00% per annum, and borrowings of RMB50,000,000 bore a fixed interest rate at 3.90% per annum. RMB60,600,000 of these loans should be repaid by 30 June 2024, while the remaining should be repaid by instalments during the period from 15 July 2024 to 23 March 2026.

As at 31 December 2022, the Group had long-term bank borrowings of RMB91,500,000 which were secured by certain land use right, buildings and construction in progress and unsecured long-term bank borrowings of RMB145,000,000. Borrowings of RMB47,000,000 bore a fixed interest rate at 4.90% per annum, borrowings of RMB44,500,000 bore a fixed interest rate at 4.75% per annum, borrowings of RMB46,800,000 bore a fixed interest rate at 3.95% per annum, borrowings of RMB48,200,000 bore a fixed interest rate at 4.05% per annum, and borrowings of RMB50,000,000 bore a fixed interest rate at 4.00% per annum. RMB58,900,000 of these loans should be repaid by 31 December 2023, while the remaining should be repaid by instalments during the period from 10 February 2024 to 23 March 2026.

(b) As at 30 June 2023, the Group had unsecured short-term bank borrowings totalling RMB40,000,000 (31 December 2022: RMB40,000,000) which bore a fixed interest rate at 4.00% per annum.

The maturity date is as follows:

	As at 30 June 2023	As at 31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Less than 1 year or repayment on demand	**100,600**	98,900
1–2 years	**155,100**	44,200
2–5 years	**59,200**	133,400
	314,900	276,500

The carrying amounts of borrowings were denominated in RMB.

13 TRADE AND OTHER PAYABLES

	As at 30 June 2023	As at 31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Payables for service suppliers *(Note (a))*	**81,283**	78,453
Payables for materials and consumables *(Note (a))*	**58,952**	101,948
Salary and staff welfare payables	**16,736**	16,131
Payables for property, plant and equipment	**2,519**	4,810
Payables for audit services	**1,956**	3,400
Payables for individual income tax and other taxes	**1,084**	1,899
Payables for interest expenses	**369**	361
Others	**4,750**	7,532
	167,649	214,534

As at 30 June 2023 and 31 December 2022, 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.

Note:

(a) As at 30 June 2023 and 31 December 2022, 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 2023	As at 31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
— Within 1 year	**140,235**	180,401

14 COMMITMENTS

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

As at 30 June 2023 and 31 December 2022, 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 IFRS16. The future aggregate minimum lease payment under irrevocable lease contracts for these exempted contracts are as follows:

	As at 30 June 2023	As at 31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
No later than 1 year	**37**	133

(ii) Capital commitments

Capital expenditure contracted for as at 30 June 2023 and 31 December 2022 but not yet incurred by the Group are as follows:

	As at 30 June 2023	As at 31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**4,196**	4,608
Investment in an associate and a joint venture	**42,513**	42,513
	46,709	47,121

FUTURE AND OUTLOOK

In the first half of 2023, facing an environment where opportunities and challenges coexist, the company consolidated its strength to reshape the pipeline focused on dermatology and concurrently promoted in the oncology field. The company's unique and leading advantages in the dermatology field have been used to steadily advance the clinical development process of products around the world and achieved several milestones.

Based on our R&D experience in AR, the target that we have studied for more than ten years, we have developed KX-826 in phase III clinical trials and GT20029 in the phase II clinical trial for the treatment of AGA and acne, thus building and establishing our leadership in dermatology. The differentiation strategy towards the two drug candidates is to meet the medical needs of the large population. We will continue to advance several clinical trials of KX-826 and GT20029 in China and/or the United States. For KX-826, we will accelerate the completion of phase III clinical trial for male in China, and actively promote the subsequent commercialization to meet the needs of people with hair loss. In addition, we will also advance the long-term safety phase III clinical trial and continue to explore the safety and efficacy of long-term medication. For GT20029, the first PROTAC drug by the Company, it has kept in a leading position since its development and is the world's first topical PROTAC compound that has entered phase II clinical trial. We will continue to push forward the development of GT20029 and further expand our first-mover advantage in topical PROTAC.

In non-dermatology field, we also have developed small molecule drugs such as pruxelutamide and Hedgehog/SMO inhibitors and developed biological drugs such as ALK-1 and GT90008 for the treatment of various tumors and multiple indications. We have a new institute of R&D to cooperate with other research departments such as biology, chemistry, and formulation, so that drugs can be fully verified in both mechanism and clinical practice, and we can leverage the knowledge of our professionals to enhance our R&D capabilities. In addition, we have built an employee incentive plan to retain our talents.

In addition to in-house development, we also plan to seek cooperation opportunities in all aspects of the drug development process, including pre-clinical technology, clinical combination therapy, and licensing cooperation, to use superior resources to realize the potential of drugs and bring our products to commercialization as soon as possible.

COMPLIANCE WITH THE CG CODE

The Company has applied the principles and code provisions as set out in the CG Code. During the six months ended 30 June 2023, 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 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 nine 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 require, 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 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 2023 and up to the date of this announcement.

The Group'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 2023 and up to the date of this announcement.

USE OF PROCEEDS

Top-up Placing in 2022

Top-up Placing 2022-I and Top-up Placing 2022-II were conducted by the Company in 2022 for the purpose of supplementing the Group's long-term funding of its expansion plan and growth strategies, as well as providing an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

Top-up Placing 2022-I

The completion of the subscription under the Top-up Placing 2022-I completed on 7 September 2022. The proceeds received by the Company was approximately HK$273.0 million, net of professional fees and out-of-pocket expenses. As at 30 June 2023, the Company has used all of the net proceeds following the proposed use of proceeds as set out in the announcement of the Company dated 31 August 2022.

The following table sets out a breakdown of the use of net proceeds as at 30 June 2023:

	Approximate % of total net proceeds	**Planned use of actual net proceeds**	**Utilised net proceeds up to 30 June 2023**
	%	*HKD'million*	*HKD'million*
Clinical development and preparation for the commercialisation of Pruxelutamide	75	204.8	204.8
Clinical development of KX-826	25	68.3	68.3
Total	100	273.0	273.0

Top-up Placing 2022-II

Completion of the subscription under the Top-up Placing 2022-II completed on 16 December 2022. The proceeds received by the Company was approximately HK$509.1 million, net of professional fees and out-of-pocket expenses.

The net proceeds remained unutilised as at 31 December 2022 due to the short time interval. As at the date of 28 March 2023, the Board had resolved to reallocate the use of the net proceeds to optimise the utilisation of the net proceeds and generate better investment returns in the long run. The following table sets forth a breakdown of the use of the net proceeds as at 30 June 2023:

	Revised allocation of net proceeds		**Utilised net proceeds up to 30 June 2023**	**Unutilised net proceeds as at 30 June 2023**	**Expected timeline for utilizing the remaining balance of net proceeds from the top-up placing**
	%	*HKD'million*	*HKD'million*	*HKD'million*	
Clinical development of KX-826 for the treatment of AGA and acne vulgaris	49	249.5	11.3	238.2	Expected to be fully utilised by June 2024
Clinical development of GT20029 for the treatment of AGA and acne vulgaris	27	137.5	30.8	106.7	Expected to be fully utilised by June 2024
Clinical development and preparation for the commercialisation of pruxelutamide for the treatment of COVID-19	15	76.4	76.4	–	
General working capital	9	45.8	45.8	–	
Total	100	509.1	164.3	344.9	

Note:

Totals may not add up due to rounding.

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

During the six months ended 30 June 2023, 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 2023, certain land use right, buildings and construction in progress were pledged for the Group's borrowings amounting to RMB87,500,000 (31 December 2022: RMB91,500,000).

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 2023. The Audit Committee has also discussed with the management and the independent auditors of the Company of the accounting principles and policies adopted by the Company and discussed financial reporting matters (including the unaudited interim results for the six months ended 30 June 2023) 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 resolved not to pay any interim dividend for the six months ended 30 June 2023 (for the six month ended 30 June 2022: Nil).

PUBLICATION OF THE 2023 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 2023 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 September 2023.

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 continuous support and contribution to the Group.

DEFINITIONS

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

"ACE2"	angiotensin converting enzyme-2, a protein on the surface of many cell types, which has been identified as the receptor for the SARS-CoV-2 viral entry
"AGA"	androgenetic alopecia
"ALK-1"	activin receptor-like kinase-1, an antagonistic mediator of lateral transforming growth factor-beta/ALK-5 signaling, 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 signaling due to its druggability as well as its centrality and specificity in the pathway
"AR"	androgen receptor
"AR+"	androgen receptor positive
"Audit Committee"	the audit committee of the Board
"BID"	twice a day
"Board" or "Board of Directors"	the board of directors of the Company
"CDMO(s)"	a contract development manufacture organization 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
"c-Myc"	MYC proto-oncogene, bHLH transcription factor, a protein that codes for transcription factors

"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
"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
"Core Products"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purposes of this announcement, our Core Products consist of KX-826, AR-PROTAC Compound (GT20029) and Pruxelutamide (GT0918)
"COVID-19"	coronavirus disease 2019
"CRO(s)"	contract research organisation(s), 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
"Detorsertib" or "GT0486"	an inhibitor of the PI3K/mTOR signaling pathway and a second generation mTOR inhibitor under development by our 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, an executive Director, the chairman and chief executive officer of the Company
"Employee Incentive Scheme"	the employee incentive scheme of our Company approved and adopted by our Board on 31 March 2020
"EUA"	emergency use authorization
"Group"	the Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)

"Hh"	one of the anticancer targets, when hedgehog is not turned off during adulthood, it promotes the growth of cancer cells
"HCC"	hepatocellular carcinoma, a common type of liver cancer
"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
"IND"	investigational new drug
"IPF"	idiopathic pulmonary fibrosis
"KX-826"	formerly known as "Pyrilutamide", an AR antagonist under development by our Group as a topical drug for the treatment of AGA and acne vulgaris
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"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
"mTOR"	mammalian target of rapamycin, a critical effector in cell-signaling 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 of the PRC, successor to the China Food and Drug Administration according to the Institutional Reform Plan of the State Council

"PD"	Pharmacodynamics
"PD-1" or "PCD-1"	programmed cell death protein 1, a protein 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, U.S., 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
"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 bounding (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 COVID-19, mCRPC and AR+ metastatic breast cancer
"QD"	once a day
"R&D"	research and development
"Reporting Period"	the six months ended 30 June 2023
"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)"	ordinary share(s) in the share capital of the Company, currently of nominal value USD0.0001 each
"Shareholder(s)"	holder(s) of the Shares
"SMO"	smoothened, a Class Frizzled G protein-coupled receptor that is a component of the hedgehog signaling 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
"TAHC"	target area hair counts
"TEAE"	treatment-emergent adverse events
"Top-up Placing 2022-I"	the top-up placing conducted by the Company pursuant to a placing and subscription agreement dated 31 August 2022. Please refer to the announcements of the Company dated 31 August 2022 and 7 September 2022 for further information
"Top-up Placing 2022-II"	the top-up placing conducted by the Company pursuant to a placing and subscription agreement dated 9 December 2022. Please refer to the announcements of the Company dated 11 December 2022 and 16 December 2022 for further information
"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
"U.S." or "US" or "United States"	the United States of America
"USD"	U.S. dollars, the lawful currency of the U.S.
"U.S. FDA"	Food and Drug Administration of the U.S.

"VEGF"	vasoactive endothelial growth factor, a potent angiogenic factor and was first described as an essential growth factor for vascular endothelial cells
"we", "us", "Kintor" 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, 28 August 2023

As at the date of this announcement, the executive Directors are Dr. Youzhi Tong, Dr Qun Lu and Dr Xiang Ni; 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*