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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6998)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023, CHANGE IN USE OF NET PROCEEDS FROM THE GLOBAL OFFERING AND SUPPLEMENTAL INFORMATION IN RELATION TO THE 2022 ANNUAL REPORT

The board (the "**Board**") of directors (the "**Directors**") of Genor Biopharma Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2023 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2022. These interim results have been reviewed by the Company's audit committee and the Company's auditor.

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

FINANCIAL HIGHLIGHTS

- **Total revenue** was nil for the Reporting Period, as compared with approximately RMB3.0 million for the six months ended 30 June 2022.
- **Research and development expenses** were approximately RMB224.8 million for the Reporting Period, as compared with approximately RMB295.1 million for the six months ended 30 June 2022. The decrease was mainly due to (i) the decrease in employee benefits expenses for research and development personnel; (ii) the decrease in our drugs development fee and clinical trial expenses; and (iii) the decrease in raw material and consumables used.
- **Total comprehensive loss** was approximately RMB276.4 million for the Reporting Period, as compared with approximately RMB407.5 million for the six months ended 30 June 2022.
- Under **Non-HKFRS measures**, our adjusted loss(1) was approximately RMB237.9 million for the Reporting Period, as compared with approximately RMB365.8 million for the six months ended 30 June 2022.

(1) Adjusted loss is calculated as loss for the Reporting Period excluding share-based payment expenses. For details of the reconciliation of the loss for the Reporting Period to the adjusted loss of the Group, please refer to the section headed "Financial Review" in this announcement.

BUSINESS HIGHLIGHTS

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

Updates on Pipeline

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

- Phase III clinical trial for the first line breast cancer indication of GB491 (Lerociclib) has completed patient enrolment.

- On 28 March 2023, the NMPA has officially accepted the NDA for GB491 (Lerociclib) in combination with Fluvestran as the treatment of HR+/HER2- locally advanced or metastatic breast cancer patients with disease progression following previous endocrine therapy.

- GB491 (Lerociclib) has garnered international recognition at the 2023 ASCO annual meeting, which was successfully held in Chicago from 2 June to 6 June 2023:

    - the research results of the LEONARDA-1 study were announced in the poster discussion session of the Metastatic Breast Cancer session with the title "Phase III randomized study of lerociclib plus fulvestrant in patients with HR+/HER2- locally advanced or metastatic breast cancer that has progressed on prior endocrine therapy";

    - the data from the Phase III clinical study of LEONARDA-1 were selected by ASCO for the ASCO Daily Release, which was published in the ASCO Daily News Column on its website on 25 May 2023 (EST) with the title "Lerociclib/Fulvestrant May Reduce Risk of Disease Progression in Advanced HR-Positive/HER2-Negative Breast Cancer";

    - the LEONARDA-1 research report and article cited the views of the lead author Prof. Binghe Xu, MD, PhD, the academician of the Chinese Academy of Engineering, the Head of Medical Oncology at Cancer Hospital affiliated with Chinese Academy of Medical Sciences.

    - According to the efficacy and safety data demonstrated in the LEONARDA-1 research, GB491 (Lerociclib) has demonstrated superior efficacy, better safety and tolerability profile to patients with HR+/HER2- advanced breast cancer for whom prior endocrine therapy failed, providing a more reliable clinical option. It could become a preferred option among CDK4/6 inhibitors for refractory patients and patients with suboptimal recovery of myelosuppression after chemotherapy and suboptimal gastrointestinal/hepatic function or patients with poor tolerability.

GB261 (CD20/CD3, BsAb) – potential BIC CD20/CD3 bi-specific antibodies

- As at 30 June 2023, low-medium dose escalations have been completed in the phase I/II clinical trial of GB261 (CD20/CD3, BsAb), and high dose escalations are in progress currently.

- Preliminary data showed that GB261 (CD20/CD3, BsAb) has demonstrated promising efficacy, while initial efficacy has also been seen in patients who have failed prior CD20/CD3 (mosunetuzumab), CAR-T, and CD3/CD19 therapies.

- Preliminary clinical data showed favourable tolerability, which was favourable for combination therapy. Cytokine release syndrome (CRS) was mild, transient and less frequent compared with other CD20/CD3 bi-specific antibodies products (low incidence: 12.8% (Grade 1: 8.5%; Grade 2: 4.3%); no Grade 3; no anti-IL6 used; no interruption of treatment. Pharmacokinetics (PK): Long half-life, supports tri-weekly dosing.

- No immune effector cell-associated neurotoxicity syndrome (ICANS) was observed.

- Dose escalations are expected to be completed in October (clinical trial phase II recommended dose (RP2D) is expected to be completed by the end of 2023).

GB263T (EGFR/cMET/cMET, TsAb)

- As at 30 June 2023, the low-medium dose groups of the phase I/II clinical trial of GB263T (EGFR/cMET/cMET, TsAb) have completed the DLT (dose limiting toxicity) observation, and high dose escalations are in progress currently.

- Preliminary clinical efficacy has been observed, which validated that the mechanism of action of GB263T (EGFR/cMET/cMET, TsAb) effectively inhibited the dual targets of EGFR and CMET. Patients with EGFR-sensitive mutated NSCLC who failed multi-line therapies including the third generation TKI and platinum-based chemotherapy responded to GB263T; and the PR exceeded 24 weeks.

- Preliminary clinical data demonstrated good safety and tolerability, with an infusion reaction rate (IRR) of 35.7%, significantly lower than that of competitor (66%), and both were mildly graded 1/2. No MET target-related peripheral edema toxicity was observed.

New Drugs Research and Development

- The Company's R&D team focused on the development of targets and projects with FIC potential, and continued to promote the research and development platform for FIC/BIC potential T-cell engager, bi-specific/multi-specific antibodies in immune-oncology and BsADC.

- As at 30 June 2023, around ten innovative early research projects involving different drug molecular forms that focus on the field of tumor therapy were in the early stage of research and development, one of the potential FIC candidate compounds molecules has entered the IND enabling stage.

- As at 30 June 2023, five global FIC/BIC bi-specific/multi-specific antibody projects and around ten innovative early research projects involving different drug molecular forms that focus on the field of tumor therapy were carried out.

    - GB268 (tri-specific) has entered the IND enabling stage.

Chemistry, Manufacturing and Controls

- The Company continued to promote efficient innovation and development in technology, research and development, processes, management and other areas.

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

OUR MISSION

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

OVERVIEW

Founded in 2007, the Group has been striving to "provide innovative therapeutics initially for patients in China and gradually for patients globally" based in China with global reach. The Company is committed to creating an innovative, platform-based and integrated company capable of drugs innovation, research and development, pre-clinical study, clinical development, registration, Chemistry, Manufacturing and Control ("**CMC**") development.

Based on the strategy of "focus, optimization, acceleration" that was successfully implemented in 2022, the Group further pushed forward the execution of this strategy in 2023, with a view to achieving stable development and efficient operation as well as creating opportunities under the complex economic and industry environment.

The research results of the LEONARDA-1 clinical trial for GB491 (Lerociclib) of the Group have been presented in the poster discussion session of the Metastatic Breast Cancer session at the 2023 American Society of Clinical Oncology ("**ASCO**") annual meeting. The data of the relevant clinical study of LEONARDA-1 were also selected by ASCO for the ASCO Daily Release, which was published in the ASCO Daily News Column on its website on 25 May, 2023 (EST) with the title as "Lerociclib/Fulvestrant May Reduce Risk of Disease Progression in Advanced HR-Positive/ HER2-Negative Breast Cancer". The differentiated advantages in terms of efficacy and safety of GB491 (Lerociclib) has garnered international recognition.

Meanwhile, based on the research data of LEONARDA-1, the China National Medical Products Administration ("**NMPA**") has officially accepted the new drug application ("**NDA**") for GB491 (Lerociclib) in combination with Fulvestrant as the treatment for HR+/HER2-locally advanced or metastatic breast cancer patients with disease progression following previous endocrine therapy. It is expected to introduce this preferred drug among CDK4/6 inhibitors for patients soon as a meaningful new treatment option.

The rapid advancement of clinical trials is an effective way to accelerate the process of providing high-quality innovative drugs to all patients. The in-depth perception of product science, mechanisms and features by each department of the Company, efficient, professional, thorough and complete preparations and close cooperation across different departments contributed to the rapid advancement of clinical trials. Several of our clinical trials – GB261 (CD20/CD3, BsAb) and GB263T (EGFR/cMET/cMET, TsAb) achieved rapid progress in a rate higher than the industrial level, further validating the highly differentiated advantages.

In terms of early-stage research and development, the Company has successfully established the research and development platform for global first-in-class ("**FIC**")/differential T-cell engager, bispecific/multi-specific antibodies in immune-oncology and Bispecific Antibody Drug Conjugates ("**BsADC**"), focusing on molecules with potential to be the global FIC and best-in-class ("**BIC**") products featuring with the best potential to become clinically beneficial and commercially viable drugs. Currently, one potential FIC candidate compounds ("**PCC**") molecule has entered the investigational new drug ("**IND**") enabling stage.

Through paralleled efforts in origin innovation and strategic cooperation, the Company is committed to developing its global innovation and actively expanding external cooperation in various aspects such as early-stage research and development and commercialization. Leveraging on the strategic cooperation with enterprises with the technical platform advantages including Suzhou Abogen Biosciences Co., Ltd, the Group jointly promoted the discovery and development of mRNA drugs for tumor treatment with great potential. Currently, a collaborative project is in the process of exploring preclinical animal pharmacodynamic models.

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

With a clear objective and strategy, the passion and motivation to tackle difficulties and its profound expertise accumulated, combined with the internationally advanced process development capability, pre-clinical and clinical drugs manufacturing capability, strong and sound analysis and test capability, comprehensive quality control system and commercial production capability, the Company has achieved rapid progress in key projects during the Reporting Period, which not only allowed it to become an industry leader in many areas, but also laid a solid foundation for the future achievements.

THE GROUP'S DRUG CANDIDATES

As at the date of this announcement, the Group has built up rich innovative drug product pipelines. Relying on the highly specialised departments and the close collaboration between different departments, the Company has accelerated the application for clinical trials of pipeline innovative drugs and rapidly advances clinical progress, including focusing on Chinese and Asia Pacific products.

The following chart shows our robust pipeline of drug candidates that are currently under development in China and worldwide across various therapeutic areas and the development status of antibody drug candidates in clinical stage as at the date of this announcement:

Product	Target/MoA (reference drug)	Indication	Classification	Commercial Rights	Discovery	Pre – Clinical	IND Enabling	Phase 1	Phase 2	Phase 3	NDA Review
GB491 (Lerociclib)	CDK4/6+AI (combo w/ letrozole)	1L HR+/HER2- BC	Novel (In-license)	APAC ex-JP[1]							
	CDK4/6+SERD (combo w/ fulvestrant)	2L HR+/HER2- BC									
	CDK4/6+ EGFR (combo w/ osimertinib)	EGFR-Mutant NSCLC						By G1 Therapeutics			
GB261	CD20×CD3	NHL	Novel (In-house)	Worldwide				Phase 1/2			
GB263T	EGFRxc-Metxc-Met	NSCLC	Novel (In-house)	Worldwide				Phase 1/2			
GB242 (Infliximab)	TNF-α (infliximab)	RA, AS, Ps, CD, UC	Biosimilar (In-house)	Worldwide						NDA Approved	
GB226 (Geptanolimab)	PD-1	2L+ Cervical Cancer	Novel (In-license)	China							
		ASPS									
		r/r PMBCL									
	PD-1+VEGFR (combo w/ fruquintinib)	2L/3L+ EGFR+ NSCLC									
		2L+ mCRC									
GB492 (IMSA101)	PD-1 (combo w/ GB226*^)+STING	Solid Tumours	Novel (In-license)	APAC ex-JP[2]				By ImmuneSensor Therapeutics			
GB221 (Coprelotamab)	HER2	HER2+ 1L/2L+ mBC	Novel (In-house)	Worldwide							
GB223	RANKL	GCTB, PMO	Novel (Co-develop)	Worldwide							
GB241 (Rituximab)	CD20 (rituximab)	1L DLBCL	Biosimilar (In-house)	Co-development							
GB251	HER2 ADC	HER2+ 1L/2L+ mBC	Novel (Co-develop)	Worldwide							
GB262	PD-L1×CD55	Cancers	Novel (In-house)	Worldwide							
GB264	Claudin 18.2×CD3	GI Cancers	Novel (In-house)	Worldwide							
GB266	PD-L1xLAG3xLAG3	Cancers	Novel (In-house)	Worldwide							
GB267	Undisclosed	Cancers	Novel (In-house)	Worldwide							
GB268	Undisclosed	Cancers	Novel (In-house)	Worldwide							
***	Undisclosed	Cancers	Novel (In-house)	Worldwide							

Notes: (1) Clinical trials are sponsored by G1 Therapeutics, Inc. (NASDAC: GTHX).

(2) Clinical trial is sponsored by ImmuneSensor Therapeutics.

* five undisclosed candidate molecules in discovery stage

BUSINESS REVIEW

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

1. Events during the Reporting Period

Accelerated Registration and Clinical Trials

During the Reporting Period, the Company achieved rapid application, approval and promotion of clinical trials of product pipelines in China and Australia, which were attributable to the high specialization of and close cooperation across departments:

- Based on in-depth perception of product science, mechanisms and features, developed the registration and clinical development strategies, and continuously enhanced communication with industry leaders in relevant treatment fields, drug regulatory authorities, drug review agencies, and clinical research centers.

- Relying on plentiful experience and extensive resources, efficient, quality and speedy accomplishment was made in the layout and establishment of the research centre, project initiating and management, selection and recruitment of, and the entering of agreements with patients and subjects.

During the Reporting Period, the Group has speedily achieved in receiving the NDA acceptance from the NMPA for GB491 (Lerociclib).

During the Reporting Period, we have continued our efforts in promoting the clinical pipelines development and achieved milestones as follows: 1) the first line phase III clinical trials of GB491 (Lerociclib) has completed all patient enrolment; 2) low-medium dose escalations have been completed in the phase I/II clinical trial of GB261 (CD20/CD3, BsAb), and high dose escalations are in progress currently; 3) low-medium dose groups of the phase I/II clinical trial of GB263T (EGFR/cMET/cMET, TsAb) have completed the DLT (dose limiting toxicity) observation, and high dose escalations are in progress currently.

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

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

Patient enrolment of the Phase III trials for both first and second lines has been completed quickly via adaptive and seamless experiment design, scientific reference and data bridging, seamless registration strategy, and excellent execution.

On 28 March 2023, the NMPA has officially accepted the NDA for GB491 (Lerociclib) in combination with Fluvestran as the treatment of HR+/HER2- locally advanced or metastatic breast cancer patients with disease progression following previous endocrine therapy.

GB491 (Lerociclib) has garnered international recognition at the 2023 ASCO annual meeting, which was successfully held in Chicago from 2 June to 6 June 2023:

- The research results of the LEONARDA-1 study were announced in the poster discussion session of the Metastatic Breast Cancer session with the title "Phase III randomized study of lerociclib plus fulvestrant in patients with HR+/HER2- locally advanced or metastatic breast cancer that has progressed on prior endocrine therapy".

- The data from the Phase III clinical study of LEONARDA-1 were selected by ASCO for the ASCO Daily Release, which was published in the ASCO Daily News Column on its website on 25 May 2023 (EST) with the title "Lerociclib/Fulvestrant May Reduce Risk of Disease Progression in Advanced HR-Positive/HER2-Negative Breast Cancer".

- The LEONARDA-1 research report and article cited the views of the lead author Prof. Binghe Xu, MD, PhD, the academician of the Chinese Academy of Engineering, the Head of Medical Oncology at Cancer Hospital affiliated with Chinese Academy of Medical Sciences.

- According to the efficacy and safety data demonstrated in the LEONARDA-1 research, GB491 (Lerociclib) has demonstrated superior efficacy, better safety and tolerability profile to patients with HR+/HER2- advanced breast cancer for whom prior endocrine therapy failed, providing a more reliable clinical option. It could become a preferred option among CDK4/6 inhibitors for refractory patients and patients with suboptimal recovery of myelosuppression after chemotherapy and suboptimal gastrointestinal/hepatic function or patients with poor tolerability.

GB491 (Lerociclib) will create a new landscape for the treatment of HR+/HER2-advanced breast cancer.

- HR+/HER2- is the most common subtype of advanced breast cancer, and its treatment has entered the era of targeted therapy. Combination therapy with CDK4/6 inhibitors has been recommended in multiple guidelines as the preferred regimen for patients with advanced breast cancer following previous failed endocrine therapy.

- The innovative molecular structure with its unique PK/PD has allowed for continuous oral administration of Lerociclib without the need for treatment breaks. It achieves sustained target inhibition and anti-tumor effects while significantly reducing the common adverse effects of CDK4/6 inhibitors, such as severe myelosuppression and diarrhea.

- The LEONARDA-1 clinical study demonstrated that the combination therapy of Lerociclib with Fluvestran would significantly reduce the risk of disease progression and death as compared to using Fluvestran as a monotherapy. The investigator-assessed hazard ratio (HR) was 0.451 and the Blinded Independent Central Review (BICR)-assessed HR was 0.353. The median progression free survival (mPFS) (months) assessed by the investigator and BICR were 11.07 vs. 5.49 and 11.93 vs. 5.75, respectively. Furthermore, the results of all predefined subgroups were consistent with the overall efficacy.

- The LEONARDA-1 clinical study showed that, in comparison with other marketed CDK4/6 inhibitors, Lerociclib had significant comprehensive advantages in terms of safety and tolerance profile. It recorded a low incidence rate of diarrhea at 19.7%, a relatively low percentage of grade III/IV myelosuppression, and only a 5.1% incidence rate of grade IV neutropenia.

- LEONARDA-1 enrolled a high proportion of refractory patients, including patients with liver metastasis, treated with primary resistance, with 4 or more metastatic organs, received first-line chemotherapy at an advanced stage. The use of Lerociclib substantially improved the progression free survival (PFS) of the refractory patients, indicating a superior efficacy with advantages in terms of safety and tolerance profile and hence fully demonstrating the differentiation advantage of Lerociclib for clinical purposes.

Currently, the Company is pushing forward with commercial cooperation in respect of GB491 (Lerociclib). As at 30 June 2023, the Company has presented the phase III research data to various companies, among which several companies have commenced the process of data review. It plans to enter into cooperation agreements in 2023. The transfer of technology for local production of GB491 (Lerociclib) has also been initiated simultaneously.

GB261 (CD20/CD3, BsAb)

GB261 (CD20/CD3, BsAb) is the first T-cell engager with low affinity to bind CD3 and has Fc functions (ADCC and CDC). GB261 (CD20/CD3, BsAb) significantly inhibits rituximab-resistant cancer cell proliferation in both in vitro assays and in vivo models; meanwhile with T-cell activation, GB261 (CD20/CD3, BsAb) induces less cytokine release compared with compound in the same class. Thus, GB261 (CD20/CD3, BsAb) is a highly potent bispecific therapeutic antibody for B cell malignancies. It has potential to be a better and safer T-cell engager with competitive advantages over other CD3/CD20 agents.

More than a dozen of GB261 (CD20/CD3, BsAb) clinical centers have been established in Australia and China. We obtained the preliminary clinical Proof of Concept ("**POC**") data in the first-in-human ("**FIH**") clinical trial of GB261 in Australia in the process of a dose escalation up to 3mg, which were consistent with the molecular design mechanism of GB261 (CD20/CD3, BsAb), indicating a good safety, pharmacokinetic profile and clinical antitumor activities.

As at 30 June 2023, the low-medium dose group escalations of the phase I/II GB261 (CD20/CD3, BsAb) clinical trial were completed. The high dose groups are currently in dose escalation. Preliminary data showed that GB261 (CD20/CD3, BsAb) has demonstrated promising efficacy, while initial efficacy has also been seen in patients who have failed prior CD20/CD3 bi-specific antibodies (mosunetuzumab), CAR-T, and CD3/CD19 bi-specific antibodies therapies.

Preliminary clinical data showed favourable tolerability, which was favourable for combination therapy. Cytokine release syndrome (CRS) was mild, transient and less frequent compared with other CD20/CD3 bi-specific antibodies products (low incidence: 12.8% (Grade 1: 8.5%; Grade 2: 4.3%); no Grade 3; no anti-IL6 used; no interruption of treatment. No immune effector cell-associated neurotoxicity syndrome (ICANS) was observed.

In respect of pharmacokinetics (PK), the half-life of GB261 (CD20/CD3, BsAb) was long and supported tri-weekly dosing.

GB261 (CD20/CD3, BsAb) is scheduled for dose escalations in the second half of 2023, and the clinical trial phase II recommended dose (RP2D) is expected to be completed by the end of 2023.

Currently, the Company is actively pushing forward the negotiation with global clinical development/commercialization partners in respect of GB261 (CD20/CD3, BsAb). As at 30 June 2023, it has primarily approached more than ten companies and engaged in multiple rounds of in-depth exchanges with various companies. It plans to enter into cooperation agreements between 2023 to 2024.

GB263T (EGFR/cMET/cMET, TsAb)

GB263T (EGFR/cMET/cMET, TsAb) was the first tri-specific antibody of EGFR/cMET/cMET in the world, targeting EGFR and two different cMET epitopes, so designed to enhance its safety and efficacy. With highly differentiated design, GB263T (EGFR/cMET/cMET, TsAb) exhibits multiple mechanisms of action to inhibit primary and secondary EGFR mutations and cMET signaling pathway simultaneously.

In pre-clinical studies, GB263T (EGFR/cMET/cMET, TsAb) effectively thwarted ligand-induced phosphorylation of EGFR and c-MET compared to its Amivantamab (JNJ-372) analogue, and demonstrated better dual inhibition of EGFR and cMET signaling pathways. Meanwhile, GB263T (EGFR/cMET/cMET, TsAb) effectively induced the endocytosis of EGFR and cMET, and significantly reduced the protein expression levels of EGFR and cMET. GB263T (EGFR/cMET/cMET, TsAb) played a significant dosage-dependent role in tumor suppression in several different tumor models including EGFR exon 20 insertions, EGFR exon 19 deletions, C797S mutations and various cMET expression abnormalities. In toxicology studies in cynomolgus monkeys, no significant toxic side effects were observed after 4 weeks of observation, even in the highly-dosed group.

As at 30 June 2023, the phase I/II clinical trial of GB263T (EGFR/cMET/cMET, TsAb) completed DLT (dose-limiting toxicity) observation in the low-medium dose groups, and high dose escalations are in progress currently. Currently, preliminary clinical efficacy has been observed, which validated that the mechanism of action of GB263T (EGFR/cMET/cMET, TsAb) effectively inhibited the dual targets of EGFR and CMET. Patients with EGFR-sensitive mutated NSCLC who failed multi-line therapies including the third generation TKI and platinum-based chemotherapy responded to GB263T; and the PR exceeded 24 weeks.

Preliminary clinical data demonstrated that GB263T (EGFR/cMET/cMET, TsAb) is safe and well tolerated, with an infusion reaction rate (IRR) of 35.7%, significantly lower than that of competitor (66%), and both were mildly graded 1/2. No MET target-related peripheral edema toxicity was observed.

The Company is expecting the validation of the clinical POC data to be completed in 2023.

GB492 (IMSA101, stimulator of interferon genes)- Potentially Best-In-Class STING Agonist

GB492 (IMSA101) is the major mediator of innate immune sensing of cancerous cells, the Group obtained the exclusive licence thereof from ImmuneSensor Therapeutic in June 2020.

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

For phase I/II clinical trial of GB492 (IMSA101) as a monotherapy or in combination with Aibining®艾比寧® (GB226, Geptanolimab) in patients with advanced/treatment-refractory malignancies has finished monotherapy clinical trials, and obtained approval from the Center for Drug Evaluation (CDE) to directly conduct a dose-escalating study of GB492 (IMSA101) in combination with PD-1 in patients with advanced malignancy, based on the available data on 400ug dose group in the monotherapy study in China and all data of the monotherapy dose-escalation study in the United States.

Research and Development of the Global Innovative New Drug

The Company's R&D team focused on the development of targets and projects with FIC potential, and continued to promote the research and development platform for FIC/BIC potential bi-specific/multi-specific antibodies in immune-oncology.

As at 30 June 2023,

- five global FIC/BIC bi-specific/multi-specific antibody projects were carried out;
- around ten differentiated innovation projects involving different molecular forms were in the early stage of research and development;
- GB268 (multi-specific) has entered the IND enabling stage.

Strategic Cooperation and Commercialization

- As at 30 June 2023, Jiayoujian 佳佑健® (GB242, Infliximab) has been made available for online procurement in 26 provinces and cities across China, of which there was an addition of 9 provinces and cities during the Reporting Period.

Aibining®艾比寧® (GB226, Geptanolimab)

In June 2023, the Company has been notified by the NMPA that the NDA approval of Aibining®艾比寧® (GB226, Geptanolimab) as a treatment for relapsed/refractory peripheral T-cell lymphoma (PTCL) was not granted, while other clinical trials would not be affected.

GB221 (Her2, monoclonal antibody)

The last patient in GB221-004, a randomized, double-blind, multi-center phase III clinical study evaluating GB221 (Her2, monoclonal antibody) or trastuzumab in combination with docetaxel in patients with HER2+mBC in the first-line setting, has been enrolled to complete his/her treatment.

Continuous Promotion of the Establishment of CMC Platform

The CMC team of the Company continued to promote the platform-based construction of internal and external workflow of the project, and practiced the "focus and optimization" strategy of the Company.

- Through the domestic exploration of culture medium, chromatographic filler, disposable products (dispensing bags, storage bags, filling bags and filters) and auxiliary materials, we, without affecting the quantity and quality of products, have significantly reduced production costs, improved the stability of the supply chain, reduced storage costs, and enhanced liquidity efficiency.

- We continued to promote the establishment and optimization of a molecular developable assessment platform for rapid protein expression, high-throughput purification, full range of characterization and process applicability assessment, and also facilitating the development and application of high-concentration preparation development platform in line with the demand of projects.

- We further improved the quality control and study platform. We strengthened the construction of applicable quality system and MAH-related quality system and initiated the establishment of the drug variety archive.

2. Events after the Reporting Period

In terms of early-stage research and development, one potential FIC project entered IND enabling stage.

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

BUSINESS OUTLOOK

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

The Group will further concentrate its efforts on potential global FIC and BIC innovation pipelines, and maximize its existing product portfolio by developing and executing a comprehensive strategy to conduct research on molecules with the best potential to become clinically beneficial and commercially viable drugs, with a view to achieving the mission of addressing unmet medical needs in China and globally.

The Group will continue to focus on promoting key projects and exploration of FIC potential in multi-dimensions to achieve an effective balance between efficiency and cost based on the in-depth understanding of target molecular biology, cell biology and immunological mechanisms.

Pursuing cooperative research and development as well as open innovation, the Company will actively explore collaboration with different forms of advanced technologies through expansion of strategic cooperation, in a bid to further promote global innovation. Currently, we are actively exploring cooperative development projects between its platform for early discovery of highly differential T-cell engager, bi-specific/multi-specific antibodies in immune-oncology, BsADC, and different innovative technology platforms. With a consistent focus on efficient, premium and original innovation, we will initiate more early-stage research and development projects which are highly differentiated in multi-dimensions, in addition to bi-specific and multi-specific antibodies.

With regards to concentration and optimization, we will continuously seek the acceleration of clinical advancement and diversification of market expansion. The Company plans to submit the NDA to the NMPA in the next 12 months depending on the results of the phase III clinical trial of GB491 (Lerociclib) in the first line HR+/HER2-breast cancer and to achieve the approval of the NDA for GB491 (Lerociclib) in combination with Fluvestran as the treatment of HR+/HER2 – locally advanced or metastatic breast cancer patients with disease progression following previous endocrine therapy. We remain committed to addressing the large market of breast cancer in China and around the world with a safe, effective and well tolerated novel therapy.

As for bi-specific and tri-specific antibody drug candidates, the Company will continue to accelerate the development of clinical trials in Australia and China. GB261 (CD20/CD3, BsAb) is scheduled to complete its phase I/II clinical trials within the next 6 to 12 months. The clinical trial of GB263T (EGFR/cMET/cMET, TsAb) will continue to progress rapidly, with validation of preliminary clinical POC planned to be completed within the next 6 months.

On the basis of the global clinical concept validation data for GB261 (CD20/CD3, BsAb) and GB263T (EGFR/cMET/cMET, TsAb), the Company will actively expand external partnership in our clinical programs.

FINANCIAL REVIEW

The Reporting Period compared to the six months ended 30 June 2022

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Revenue	**–**	2,956
Cost of revenue	**–**	(787)
Gross profit	**–**	2,169
Selling expenses	**–**	(63,049)
Administrative expenses	**(72,643)**	(84,063)
Research and development expenses	**(224,776)**	(295,140)
Other income	**3,018**	4,678
Other losses – net	**(1,383)**	(94)
Operating loss	**(295,784)**	(435,499)
Finance income	**20,286**	27,974
Finance costs	**(662)**	(1,727)
Finance income – net	**19,624**	26,247
Loss before income tax	**(276,160)**	(409,252)
Income tax credit	**1,117**	2,634
Loss for the six months ended 30 June	**(275,043)**	(406,618)

Revenue

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

Cost of Revenue

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

Selling Expenses

Our selling expenses for the Reporting Period was nil and that for the six months ended 30 June 2022 was approximately RMB63.0 million. The change was primarily due to the decrease in commercial employees.

Administrative Expenses

Our administrative expenses decreased by 13.7% from approximately RMB84.1 million for the six months ended 30 June 2022 to approximately RMB72.6 million for the Reporting Period, primarily due to the decrease in employee benefits expenses for administration personnel.

Research and Development Expenses

Our research and development expenses decreased by 23.8% from approximately RMB295.1 million for the six months ended 30 June 2022 to approximately RMB224.8 million for the Reporting Period, primarily due to: (i) the decrease in employee benefits expenses for research and development personnel; (ii) the decrease in our drugs development fee and clinical trial expenses; and (iii) the decrease in raw material and consumables used.

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

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Development fee and clinical trial expenses	**83,452**	115,479
Employee benefits expenses	**71,299**	105,814
Depreciation and amortization	**24,051**	24,822
Write down of inventories	**10,902**	–
Raw material and consumables used	**10,620**	39,136
Impairment of non-current assets	**9,401**	–
Traveling and transportation expenses	**5,767**	2,816
Professional and technical service fee	**4,589**	2,303
Utilities	**2,382**	3,546
Others	**2,313**	1,224
Total	**224,776**	295,140

Loss for the Reporting Period

As a result of the foregoing, our losses decreased from approximately RMB406.6 million for the six months ended 30 June 2022 to approximately RMB275.0 million for the Reporting Period.

Liquidity and Source of Funding and Borrowing

Our management monitors and maintains a level of cash and bank balances deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flow. We rely on equity financing as the major source of liquidity.

The Group's cash and bank balances decreased from approximately RMB1,588.7 million as at 31 December 2022 to approximately RMB1,362.0 million as at 30 June 2023. The decrease was mainly due to the operating loss for the Reporting Period.

Non-HKFRS Measure

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

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

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
HKFRS Loss for the six months ended 30 June	**(275,043)**	(406,618)
Add:		
Share-based payment expense	**37,138**	40,824
Adjusted Loss for the six months ended 30 June	**(237,905)**	(365,794)

Key Financial Ratios

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

	As at 30 June 2023	As at 31 December 2022
Current ratio[1]	**6.67**	6.61
Quick ratio[2]	**6.36**	6.24
Gearing ratio[3]	**0.15**	0.15

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

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

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

Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5 percent or more of the Company's total assets as at 30 June 2023) during the Reporting Period.

Material Acquisitions and Disposals

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

Pledge of Assets

As at 30 June 2023, none of the Group's assets were pledged.

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2023 (as at 31 December 2022: nil).

Foreign Exchange Exposure

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

As at 30 June 2023, if RMB weakened or strengthened by 10% against USD, with all other variables held constant, loss for the Reporting Period would have been approximately RMB20.7 million lower or higher (for the year ended 31 December 2022: RMB22.6 million lower or higher).

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

Employees and Remuneration

As at 30 June 2023, the Group had a total of 222 (as at 31 December 2022: 264) employees including 131 employees in Shanghai, 88 employees in Yuxi, Yunnan and 3 employees in San Francisco, United States. The following table sets forth the total number of employees by function as at 30 June 2023:

	Number of employees	% of total
Function		
Research and Development	52	23.4%
Clinical Development	48	21.6%
General and Administration	34	15.3%
Manufacturing	88	39.7%
Total	**222**	**100%**

The total remuneration cost incurred by the Group for the Reporting Period was approximately RMB128.3 million, as compared to approximately RMB221.8 million for the six months ended 30 June 2022.

Our employees' remuneration comprises salaries, bonuses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. As at 30 June 2023, we had complied with all statutory social security insurance fund and housing fund obligations applicable to us under Chinese laws in all material aspects.

The Company has also adopted a pre-IPO share option plan (the "**Pre-IPO Share Option Plan**"), a post-IPO share option plan (the "**Post-IPO Share Option Plan**") and a 2021 restricted share unit plan (the "**2021 RSU Plan**") to provide incentives or rewards to eligible participants for their contribution to the Group. Please refer to the section headed "Statutory and General Information – D. Share Option Schemes" in Appendix IV to the prospectus of the Company dated 23 September 2020 (the "**Prospectus**") for further details of the Pre-IPO Share Option Plan and the Post-IPO Share Option Plan and the announcements of the Company dated 3 June 2021, dated 27 August 2021, dated 5 October 2022 and dated 25 May 2023 for further details of the 2021 RSU Plan.

CORPORATE GOVERNANCE

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

Compliance with the Corporate Governance Code

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

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

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

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

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

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

Compliance with the Model Code for Securities Transactions by Directors

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

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

Audit Committee

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

The audit committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 and this announcement. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters.

In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2023 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Material litigation

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

Use of Net Proceeds from Global Offering

Use of Net Proceeds during the Reporting Period

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 7 October 2020 with a total of 129,683,500 offer shares (including shares issued as a result of the partial exercise of the over-allotment option) issued and the net proceeds raised during the global offering were approximately HKD2,923 million (equivalent to RMB2,536 million) (the "**Net Proceeds**"). As set out in the Company's announcement dated 28 October 2020, the Company shall utilise the additional Net Proceeds raised from the partial exercise of the over-allotment option on a pro-rata basis for the purposes set out in the Prospectus.

As at 30 June 2023, the Company had utilised RMB1,538.0 million of Net Proceeds in accordance with the plan disclosed in the Prospectus and the change in use of net proceeds from the global offering allocated to the different stages of each of our Core Products, other key products and other pipeline products as disclosed in the interim results announcement of the Company for the six months ended 30 June 2022 (the "**2022 Interim Results Announcement**").

Change in Use of Net Proceeds from the Global Offering

During the Reporting Period, approximately RMB181.4 million of the Net Proceeds have been utilised.

As at 30 June 2023, approximately RMB998.0 million of the Net Proceeds remained unutilised. Due to the reasons set out in the section headed "Reasons for the Change in Use of Net Proceeds", the Board has resolved to change the use of the Net Proceeds (the "**Change**") and the details of the use of the Net Proceeds before and after the Change are set out respectively as below.

Before the Change:

	Allocation of Net Proceeds in the proportion disclosed in the Prospectus (Note 1) *RMB million*	Unutilised Net Proceeds as at 1 January 2023 *RMB million*	Net Proceeds utilised during the six months ended 30 June 2023 *RMB million*	Utilised Net Proceeds as at 30 June 2023 *RMB million*	Unutilised Net Proceeds as at 30 June 2023 *RMB million*	Expected timeline to fully utilise the remaining unutilised Net Proceeds (Note 2)
Fund research and development activities of our Core Products, including ongoing and planned clinical trials, indication expansion and preparation for registration filings, and commercialisation	1,065.1	494.5	17.7	588.3	476.8	On or before 31 December 2025
Fund research and development activities of our other key products, including ongoing and planned clinical trials, indication expansion and preparation for registration filings	583.3	186.5	103.0	499.8	83.5	On or before 31 December 2024
Fund ongoing and planned clinical trials, indication expansion and preparation for registration filings of the other drug candidates in our pipeline	380.4	240.6	30.6	170.4	210.0	On or before 31 December 2025
Fund the expansion of our drug pipeline	253.6	180.1	14.3	87.8	165.8	On or before 31 December 2025
General corporate purposes	253.6	77.7	15.8	191.7	61.9	On or before 31 December 2024
Total	**2,536.0**	**1,179.4**	**181.4**	**1,538.0**	**998.0**	

Notes:

1. The Net Proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

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

The table below specifies further breakdown for the Net Proceeds to be allocated to different stages of each of our Core Products (has the meaning ascribed to it under the Chapter 18A of the Listing Rules), other key products and other pipeline products and their utilisation during the six months ended 30 June 2023 before the Change.

	Revised Net Proceeds to be Allocated to Each Stage as stated in the 2022 Interim Results Announcement *(Note 1)*			Unutilised Net Proceeds as at 1 January 2023	Net Proceeds utilised during the six months ended 30 June 2023	Utilised Net Proceeds as at 30 June 2023	Unutilised Net Proceeds as at 30 June 2023	Expected timeline to fully utilise the remaining unutilised Net Proceeds *(Note 2)*
	Pre-clinical *RMB million*	Clinical *RMB million*	Commercialization (including registration) *RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	
Core Products								
GB226, including combination trials with GB492	–	380.4	253.6	**294.3**	**13.3**	**353.0**	**281.0**	On or before 31 December 2025
GB221	–	126.8	126.8	**126.8**	**–**	**126.8**	**126.8**	On or before 31 December 2025
GB242	–	51.5	126.0	**73.4**	**4.4**	**108.5**	**69.0**	On or before 31 December 2024
Other Key Products								
GB491	–	576.1	–	**186.5**	**103.0**	**492.6**	**83.5**	On or before 31 December 2024
GB223	–	7.2	–	**–**	**–**	**7.2**	**–**	
Other Pipeline Products (including GB261, GB263 and other products) *(Note 3)*	125.5	254.9	–	**240.6**	**30.6**	**170.4**	**210.0**	On or before 31 December 2025
Total				**921.6**	**151.3**	**1,258.5**	**770.3**	

Notes:

1. The Net Proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

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

3. As set out in the Prospectus and the 2022 Interim Results Announcement, other products include GB241, GB222, GB224, GB235, GB251, GB232, GB262, GB264, and also GB223 moved from other key products. The Company will make investment on those products according to the current and future development conditions and market competition environment.

After the Change:

	Revised Allocation of Net Proceeds [(Note 1)] *RMB million*	Unutilised Net Proceeds as at 1 January 2023 *RMB million*	Net Proceeds utilised during the six months ended 30 June 2023 *RMB million*	Utilised Net Proceeds as at 30 June 2023 *RMB million*	Unutilised Net Proceeds as at 30 June 2023 *RMB million*	Expected timeline to fully utilise the remaining unutilised Net Proceeds [(Note 2)]
Fund research and development activities of GB491, GB261 and GB263, including ongoing and planned clinical trials, indication expansion and preparation for registration filings, and commercialisation	1,329.2	827.2	133.4	635.4	693.8	On or before 31 December 2026
Fund the expansion of our drug pipeline	253.6	180.1	14.3	87.8	165.8	On or before 31 December 2026
Fund ongoing and planned clinical trials, preparation for registration filings, and commercialization of GB226 (including combination trials with GB492), GB242 and the other drug candidates in our pipeline	699.6	94.4	17.9	623.1	76.5	On or before 31 December 2026
General corporate purposes	253.6	77.7	15.8	191.7	61.9	On or before 31 December 2025
Total	**2,536.0**	**1,179.4**	**181.4**	**1,538.0**	**998.0**	

Notes:

1. The Net Proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

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

The table below specifies further breakdown for the Net Proceeds to be allocated to different stages of our products and their utilisation during the six months ended 30 June 2023 after the Change.

	Revised Allocation of Net Proceeds to Each Stage *(Note 1)*							
	Pre-clinical *RMB million*	**Clinical** *RMB million*	**Commercialization (including registration)** *RMB million*	**Unutilised Net Proceeds as at 1 January 2023** *RMB million*	**Net Proceeds utilised during the six months ended 30 June 2023** *RMB million*	**Utilised Net Proceeds as at 30 June 2023** *RMB million*	**Unutilised Net Proceeds as at 30 June 2023** *RMB million*	**Expected timeline to fully utilise the remaining unutilised Net Proceeds** *(Note 2)*
GB491	–	736.4	100	**446.8**	**103.0**	**492.6**	**343.8**	On or before 31 December 2026
GB261	55.8	277.1	–	**271.4**	**21.4**	**82.9**	**250.0**	On or before 31 December 2026
GB263	45.8	114.1	–	**109.0**	**9.0**	**59.9**	**100.0**	On or before 31 December 2026
GB242, GB226, GB492 and other products *(Note 3)*	23.9	549.7	126	**94.4**	**17.9**	**623.1**	**76.5**	On or before 31 December 2026
Total				**921.6**	**151.3**	**1,258.5**	**770.3**	

Notes:

1. The Net Proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

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

3. Other products include GB221, GB223, GB241, GB251, GB262, and GB264. The Company will make investment on those products according to the current and future development conditions and market competition environment.

Reasons for the Change in Use of Net Proceeds

Considering the rapidly changing market competition environment, reflecting the Company's strategy of focusing on the therapeutic areas with substantial unmet medical needs, prioritizing and accelerating highly differentiated product pipelines, the Board has decided to reprioritize our pipeline products and concentrate more on the research and development of GB491, GB261 and GB263. Moreover, since we have cut down our expenses significantly and can devote more resources to our highly differentiated product pipelines, the expected timeline to fully utilise the remaining unutilised Net Proceeds has been postponed by one to two years. Please refer to "Management Discussion and Analysis – Business Review" above for further information about GB491, GB261 and GB263. The Board confirms that there is no material change in the business nature of the Company as set out in the Prospectus and considers that the above changes in the use of the Net Proceeds is in the best interests of the Company and its Shareholders as a whole.

Dividend

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2023.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended 30 June	
		2023	2022
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	3	**–**	2,956
Cost of revenue		**–**	(787)
Gross profit		**–**	2,169
Selling expenses		**–**	(63,049)
Administrative expenses		**(72,643)**	(84,063)
Research and development expenses		**(224,776)**	(295,140)
Other income		**3,018**	4,678
Other losses – net		**(1,383)**	(94)
Operating loss		**(295,784)**	(435,499)
Finance income		**20,286**	27,974
Finance costs		**(662)**	(1,727)
Finance income – net		**19,624**	26,247
Loss before income tax		**(276,160)**	(409,252)
Income tax credit	4	**1,117**	2,634
Loss for the six months ended 30 June		**(275,043)**	(406,618)
Loss for the six months ended 30 June is attributable to:			
Owners of the Company		**(274,552)**	(405,631)
Non-controlling interests		**(491)**	(987)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
– Exchange differences on translation of foreign operations		**(1,364)**	(913)
Total comprehensive loss for the six months ended 30 June		**(276,407)**	(407,531)
Total comprehensive loss for the six months ended 30 June is attributable to:			
Owners of the Company		**(275,916)**	(406,544)
Non-controlling interests		**(491)**	(987)
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (in RMB)	5	**(0.54)**	(0.81)
Diluted loss per share (in RMB)	5	**(0.54)**	(0.82)

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 June 2023 *RMB'000 (Unaudited)*	As at 31 December 2022 *RMB'000 (Audited)*
ASSETS		
Non-current assets		
Property, plant and equipment	**164,463**	179,990
Right-of-use assets	**29,491**	25,227
Intangible assets	**145,025**	163,208
Other receivables, deposits and prepayments	**22,649**	19,600
Deferred income tax assets	**7,608**	6,913
Total non-current assets	**369,236**	394,938
Current assets		
Inventories	**33,644**	47,404
Contract cost	**1,341**	1,341
Other receivables, deposits and prepayments	**68,307**	82,703
Cash and bank balances	**1,361,971**	1,588,705
Total current assets	**1,465,263**	1,720,153
Total assets	**1,834,499**	2,115,091

CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

	Note	As at 30 June 2023 *RMB'000 (Unaudited)*	As at 31 December 2022 *RMB'000 (Audited)*
EQUITY			
Equity attributable to the ordinary equity holders of the Company			
Share capital		**69**	69
Share premium		**9,389,519**	9,375,785
Treasury shares		**(5,198)**	(5,198)
Other reserves		**(1,430,161)**	(1,452,204)
Accumulated losses		**(6,390,526)**	(6,115,974)
		1,563,703	1,802,478
Non-controlling interests		**2,249**	2,740
Total equity		**1,565,952**	1,805,218
LIABILITIES			
Non-current liabilities			
Lease liabilities		**23,691**	21,823
Amounts due to related parties		**908**	1,232
Deferred income		**12,137**	13,984
Deferred income tax liabilities		**12,017**	12,439
Total non-current liabilities		**48,753**	49,478
Current liabilities			
Trade payables	7	**116,648**	132,158
Contract liabilities		**4,893**	4,893
Other payables and accruals		**82,203**	109,643
Lease liabilities		**9,871**	6,763
Amounts due to related parties		**1,121**	1,360
Provision		**1,366**	1,886
Deferred income		**3,692**	3,692
Total current liabilities		**219,794**	260,395
Total liabilities		**268,547**	309,873
Total equity and liabilities		**1,834,499**	2,115,091

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Genor Biopharma Holdings Limited (the "Company"), previously known as JHBP (CY) Holdings Limited, and its subsidiaries (together the "Group"), have principally engaged in developing and commercializing oncology and autoimmune drugs in the People's Republic of China (the "PRC").

The Company was incorporated in the Cayman Islands on 10 April 2017 as an exempted company with limited liability under the Companies Law (Cap.22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

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

2 BASIS OF PREPARATION OF INTERIM REPORT

This condensed consolidated interim financial report for the interim reporting period ended 30 June 2023 has been prepared in accordance with Hong Kong Accounting Standard 34 Interim financial reporting.

The condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Group for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the HKICPA, and any public announcements made by the Company during the six months ended 30 June 2023.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The adoption of these new and amended standards does not have significant impact on the financial performance and positions of the Group and also the presentation of this interim financial information.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 REVENUE

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue from contracts with customers		
Revenue on fee-for-service contracts-at a point in time	**–**	2,956

4 INCOME TAX CREDIT

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current tax		
Current tax on profits for the period	**–**	–
Total current tax credit	**–**	–
Deferred income tax		
Increase in deferred tax assets	**(695)**	(2,212)
Decrease in deferred tax liabilities	**(422)**	(422)
Total deferred tax credit	**(1,117)**	(2,634)
Income tax credit	**(1,117)**	(2,634)

5 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2023.

	Six months ended 30 June	
	2023	2022
	(Unaudited)	*(Unaudited)*
Loss attributable to owners of the Company (in RMB'000)	**(274,552)**	(405,631)
Weighted average number of ordinary shares in issue (in thousand)	**505,753**	499,230
Basic loss per share (in RMB)	**(0.54)**	(0.81)

(b) Diluted loss per share

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

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

The Group has potential dilutive shares throughout for the six months ended 30 June 2023 related to the shares held for employee option plan and shares to be issued to an employee and Ab Studio Inc. (the "ABS").

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

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

	Six months ended 30 June	
	2023	2022
	(Unaudited)	*(Unaudited)*
Loss attributable to owners of the Company (in RMB'000)		
Used in calculating basic loss per share	**(274,552)**	(405,631)
Less: the fair value changes on contingent consideration to ABS	**144**	2,627
Loss attributable to owners of the Company for the calculation of diluted loss per share	**(274,696)**	(408,258)
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share (in thousand)	**505,753**	499,230
Adjustments for calculation of diluted loss per share:		
Shares to be issued to ABS	**511**	1,023
Weighted average number of ordinary shares in issue for the calculation of diluted loss per share	**506,264**	500,253
Diluted loss per share (in RMB)	**(0.54)**	(0.82)

6 DIVIDENDS

No dividend has been declared by the Company during the six months ended 30 June 2023 and 30 June 2022.

7 TRADE PAYABLES

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

	As at 30 June 2023	As at 31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Within 1 year	**113,229**	130,964
1-2 years	**2,353**	397
2-3 years	**1,066**	797
	116,648	132,158

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

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.genorbio.com). The interim report of the Company for the six months ended 30 June 2023 will be dispatched to the Shareholders and made available for review on the same websites in due course.

SUPPLEMENT INFORMATION IN RELATION TO THE 2022 ANNUAL REPORT

Reference is made to the annual report of the Company for the year ended 31 December 2022 (the "**2022 Annual Report**"). The Company wishes to provide supplemental information regarding the use of Net Proceeds to the 2022 Annual Report.

During the year ended 31 December 2022, approximately RMB491.2 million of the Net Proceeds have been utilised. Details of the use of the Net Proceeds are set out below:

	Allocation of Net Proceeds from the global offering in the proportion disclosed in the Prospectus *(Note 1)* *RMB million*	**Unutilised Net Proceeds as at 1 January 2022** *RMB million*	**Net Proceeds utilised during the year ended 31 December 2022** *RMB million*	**Utilised Net Proceeds as at 31 December 2022** *RMB million*	**Unutilised Net Proceeds as at 31 December 2022** *RMB million*	**Expected timeline to fully utilise the remaining unutilised net proceeds** *(Note 2)*
Fund research and development activities of our Core Products, including ongoing and planned clinical trials, indication expansion and preparation for registration filings, and commercialisation	1,065.1	652.1	157.6	570.6	494.5	On or before 31 December 2025
Fund research and development activities of our other key products, including ongoing and planned clinical trials, indication expansion and preparation for registration filings	583.3	412.6	226.1	396.8	186.5	On or before 31 December 2024
Fund ongoing and planned clinical trials, indication expansion and preparation for registration filings of the other drug candidates in our pipeline	380.4	268.6	28.0	139.8	240.6	On or before 31 December 2025
Fund the expansion of our drug pipeline	253.6	209.6	29.5	73.5	180.1	On or before 31 December 2025
General corporate purposes	253.6	127.7	50.0	175.9	77.7	On or before 31 December 2024
Total	**2,536.0**	**1,670.6**	**491.2**	**1,356.6**	**1,179.4**	

Notes:

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

2. The expected timeline for fully utilising the remaining unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. There was no change in the expected timeline compared to that disclosed in the annual report for the year ended 31 December 2021. It may be subject to change based on the current and future development of market conditions.

During the year ended 31 December 2022, there was change in the Net Proceeds allocated to different stages of each of our Core Products (has the meaning ascribed to it under Chapter 18A of the Listing Rules), other key products and other pipeline products, which had been disclosed in the 2022 Interim Results Announcement.

The table below specifies further breakdown for the Net Proceeds to be allocated to different stages of each of our Core Products (has the meaning ascribed to it under the Chapter 18A of the Listing Rules), other key products and other pipeline products and their planned application and actual utilisation during the year ended 31 December 2022:

	Allocation of Net Proceeds from the global offering in the proportion disclosed in the Prospectus *(Note 1)*								
	Pre-clinical *RMB million*	**Clinical** *RMB million*	**Commercialisation (including registration)** *RMB million*	**Unutilised Net Proceeds as at 1 January 2022** *RMB million*	**Change in the allocation during the year ended 31 December 2022** *(Note 2)* *RMB million*	**Net Proceeds utilised during the year ended 31 December 2022** *RMB million*	**Utilised Net Proceeds as at 31 December 2022** *RMB million*	**Unutilised Net Proceeds as at 31 December 2022** *RMB million*	**Expected timeline to fully utilise the remaining unutilised Net Proceeds** *(Note 3)*
Core Products									
GB226, including combination trials with GB492	–	380.4	253.6	424.6	–	130.3	339.7	294.3	On or before 31 December 2025
GB221	–	126.8	126.8	143.8	–	17.0	126.8	126.8	On or before 31 December 2025
GB242	–	51.5	126.0	83.7	–	10.3	104.1	73.4	On or before 31 December 2024
Other Key Products									
GB491	–	380.4	–	216.9	195.7	226.1	389.6	186.5	On or before 31 December 2024
GB223	–	202.9	–	195.7	(195.7)	–	7.2	–	
Other Pipeline Products (including GB261, GB263 and other products) *(Note 4)*	125.5	254.9	–	268.6	–	28.0	139.8	240.6	On or before 31 December 2025
Total				**1,333.3**	**–**	**418.9**	**1,107.2**	**921.6**	

Notes:

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

2. Such change had been also disclosed in the 2022 Interim Results Announcement.

3. The expected timeline for fully utilising the remaining unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. There was no change in the expected timeline compared to that disclosed in the annual report for the year ended 31 December 2021. It may be subject to change based on the current and future development of market conditions.

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

Reasons for the Change in Use of Net Proceeds during the Year ended 31 December 2022

As disclosed in the 2022 Interim Results Announcement, considering the rapidly changing market competition environment, reflecting the Company's strategy of focusing on the therapeutic areas with substantial unmet medical needs, prioritizing and accelerating highly differentiated product pipelines, the change in the use of Net Proceeds during the year ended 31 December 2022 was made in order to for the Company to concentrate more on the research and development of GB491, and move GB223 to other pipeline products. The Board confirms that there is no material change in the business nature of the Company as set out in the Prospectus, and considers that the above changes in the use of the Net Proceeds will not have material adverse impact on the operations of the Company and is in the best interests of the Company and its shareholders as a whole.

The above supplemental information provided in this announcement does not affect other information contained in the 2022 Annual Report and, save as disclosed above, the content of the 2022 Annual Report remains unchanged.

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

Hong Kong, 30 August 2023

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