GENOR
BIOPHARMA

嘉和生物藥業(開曼)控股有限公司

GENOR BIOPHARMA HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 6998

2022
INTERIM REPORT

CONTENTS

COMPANY PROFILE

OUR MISSION

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

OVERVIEW

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

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

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

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

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

COMPANY PROFILE

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

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

THE GROUP'S DRUG CANDIDATES

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

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

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

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

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

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

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

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

PRODUCT PIPELINE

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

Product	Target/MoA (reference drug)	Indication	Classification	Commercial Rights	Discovery	Pre-Clinical	IND	Phase 1	Phase 2	Pivotal	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						By G1 Therapeutics			
	CDK4/6+EGFR (combo w/ osimertinib)	EGFR-MutantNSCLC						By G1 Therapeutics			
GB242 (Infliximab)	TNF-α (infliximab)	RA, AS, Ps, CD, UC	Biosimilar (In-house)	Worldwide						NDA Approved	
GB226 (Geptanolimab)	PD-1	r/r PTCL	Novel (In-license)	China						NDA under priority review	
		2L+CervicalCancer (Pivotal)									
		ASPS									
		r/r PMBCL									
	PD-1+VEGFR (combo w/ fruquintinib)	2L/3L+ EGFR+ NSCLC									
		2L+ mCRC									
GB492 (IMSA101)	PD-1 (combo w/GB226*^)+STING	Solid Tumours	Novel (In-license)	APAC ex-JP[2]							
						By ImmuneSensor Therapeutics					
GB221 (Coprelotamab)	HER2	HER2+ 1L mBC	Novel (In-house)	Worldwide							
		HER2+ 2L+ mBC									
GB223	RANKL	GCTB, PMO	Novel (Co-develop)	Worldwide							
GB241 (Rituximab)	CD20 (rituximab)	1L DLBCL	Biosimilar (In-house)	Co-development							
GB224	IL-6	Inflammatory Disease	Novel (In-license)	China							
GB251	HER2 ADC	HER2+ 1L/2L+ mBC	Novel (Co-develop)	Worldwide							
GB261	CD20×CD3	NHL	Novel (In-house)	Worldwide							
GB262	PD-L1×CD55	Cancers	Novel (In-house)	Worldwide							
GB263T	EGFR×c-Met×c-Met	NSCLC	Novel (In-house)	Worldwide							
GB264	Claudin 18.2×CD3	GI Cancers	Novel (In-house)	Worldwide							
GB266	PD-L1xLAG3xLAG3	Cancers	Novel (In-house)	Worldwide							
GB267	Undisclosed	Cancers	Novel (In-house)	Worldwide							
***	Undisclosed	Cancers	Novel (In-house)	Worldwide							

Notes: (1) Clinical trials are sponsored by G1 Therapeutics.

(2) Clinical trial is sponsored by ImmuneSensor Therapeutics;

* five undisclosed candidates in discovery stage

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Zhou Joe Xin Hua (周新華)
(Resigned on 15 April 2022)
Dr. Guo Feng (郭峰)
(Chief Executive Officer and Chairman of the Board)

Non-Executive Directors

Dr. Lyu Dong (呂東)
Mr. Chen Yu (陳宇)
Dr. Ni Lin (倪琳) *(Resigned on 29 July 2022)*
Mr. Liu Yi (劉逸) *(Appointed on 29 July 2022)*

Independent Non-Executive Directors

Mr. Zhou Honghao (周宏灝)
Mr. Fung Edwin (馮冠豪)
Mr. Chen Wen (陳文)

AUDIT COMMITTEE

Mr. Fung Edwin (馮冠豪) *(Chairman)*
Dr. Ni Lin (倪琳) *(Resigned on 29 July 2022)*
Mr. Liu Yi (劉逸) *(Appointed on 29 July 2022)*
Mr. Zhou Honghao (周宏灝)

COMPENSATION COMMITTEE

Mr. Chen Wen (陳文) *(Chairman)*
Mr. Chen Yu (陳宇)
Mr. Fung Edwin (馮冠豪)

NOMINATION COMMITTEE

Mr. Chen Wen (陳文) *(Chairman)*
Dr. Lyu Dong (呂東)
Mr. Fung Edwin (馮冠豪)

COMPANY SECRETARY

Ms. Ho Siu Pik (何小碧) *(Resigned on 30 June 2022)*
Mr. Ip Tak Wai (葉德偉) *(Appointed on 30 June 2022)*

AUTHORISED REPRESENTATIVES

Mr. Chen Yu (陳宇)
Ms. Ho Siu Pik (何小碧) *(Resigned on 30 June 2022)*
Mr. Ip Tak Wai (葉德偉) *(Appointed on 30 June 2022)*

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COMPANY WEBSITE

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FINANCIAL HIGHLIGHTS

- **Total revenue** was approximately RMB3.0 million during the Reporting Period, primarily generated by providing research and manufacturing services to our customers under fee-for-service contracts.

- **Research and development expenses** were approximately RMB295.1 million for the Reporting Period, as compared with approximately RMB271.5 million for the six months ended 30 June 2021. The spending was mainly attributable to (i) our new drugs development fee and ongoing clinical trials expenses and (ii) our employee salary and related benefit costs.

- **Total comprehensive loss** was approximately RMB407.5 million for the Reporting Period, as compared with approximately RMB402.9 million for the six months ended 30 June 2021.

- Under **Non-HKFRS measures**, our adjusted loss(1) was approximately RMB380.7 million for the Reporting Period, as compared with approximately RMB293.5 million for the six months ended 30 June 2021. The increase was mainly due to the increase in our employee benefits expenses and our new drugs development fee and ongoing clinical trial expenses.

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

BUSINESS HIGHLIGHTS

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

Updates on Pipeline

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

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

GB492 (IMSA101, STING Agonist)

- In January 2022, GB492 (IMSA101) was approved by the CDE of the NMPA to conduct the dose escalation research of GB492 with PD-1 in subjects with advanced refractory malignancies, and the 400ug monotherapy dose group escalation of clinical trial was completed.

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

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

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

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

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

GB263T (EGFR/cMET/cMET, TsAb)

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

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

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

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

BUSINESS HIGHLIGHTS

GB226 (Aibining® 艾比寧®, Geptanolimab)

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

GB221 (Her2, monoclonal antibody)

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

Strategic Cooperation and Commercialization

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

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

Jiayoujian 佳佑健® (GB242, Infliximab Biosimilar)

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

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

New Drugs Research and Development

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

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

CMC

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Research and Development of the Global Innovative New Drugs

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

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

Continuous Promotion of the Establishment of CMC Platform

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

Accelerated Registration and Clinical Trials

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Aibining®艾比寧® (GB226, Geptanolimab)

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

GB221 (Her2, monoclonal antibody)

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

Strategic Cooperation and Commercialization

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

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

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

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

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

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

2. Events after the Reporting Period

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

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

BUSINESS OUTLOOK

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

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

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

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

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

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

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

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

FINANCIAL REVIEW

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

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

Revenue

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

Cost of Revenue

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

Selling Expenses

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

Administrative Expenses

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

Research and Development Expenses

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

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

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

Loss for the Reporting Period

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

Liquidity and Source of Funding and Borrowing

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

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

Non-HKFRS Measure

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

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

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

Key Financial Ratios

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

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

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

2. Quick ratio is calculated using current assets less inventories and prepayment 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 2022) during the Reporting Period.

Material Acquisitions and Disposals

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

Pledge of Assets

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

Contingent Liabilities

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

Foreign Exchange Exposure

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

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

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

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

Employees and Remuneration

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

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

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

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

The Company has also adopted the Pre-IPO Share Option Plan, the Post-IPO Share Option Plan and 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 for further details of the Pre-IPO Share Option Plan and the Post-IPO Share Option Plan and the announcements of the Company dated 3 June 2021 and dated 27 August 2021 for further details of the 2021 RSU Plan.

Interim Dividend

The Board does not recommend the distribution of an interim dividend for the Reporting Period.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and short positions of the Directors or Chief Executives in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[(1)]	Long position/ Short position
Dr. Guo Feng	Beneficial owner	12,738,108[(2)]	2.52%	Long position

Notes:

(1) The calculation is based on the total number of 505,259,462 Shares in issue as at 30 June 2022.

(2) These Shares include Dr. Guo's entitlement to receive up to 11,289,149 Shares pursuant to the exercise of options held by MaplesFS (BVI) Limited under the Pre-IPO Share Option Plan on behalf of AKQM Partner Trust, subject to the conditions of those options.

Save as disclosed above, as at 30 June 2022, none of the Directors or Chief Executives had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, so far as the Directors are aware, the following persons (other than the Directors or Chief Executives) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[1]	Long position/ Short position
Hillhouse Investment Management, Ltd.[2]	Investment manager	127,989,103	25.33%	Long position
HH BIO Investment Fund L.P.[2]	Interest in a controlled corporation	126,239,103	24.99%	Long position
HHJH Holdings Limited[2]	Beneficial owner	126,239,103	24.99%	Long position
Hillhouse Fund IV, L.P.[2]	Interest in a controlled corporation	126,239,103	24.99%	Long position
Walga Biotechnology Limited[3]	Beneficial owner	37,560,998	7.43%	Long position
Shanghai Walga Biotechnology Co., Ltd. 上海沃嘉生物技術有限公司[3]	Interest in a controlled corporation	37,560,998	7.43%	Long position
Yunnan Walvax Biotechnology Co., Ltd. 雲南沃森生物技術股份有限公司[3]	Interest in a controlled corporation	37,560,998	7.43%	Long position
Temasek Holdings (Private) Limited[4]	Interest in a controlled corporation	31,157,348	6.17%	Long position
Temasek Capital (Private) Limited[4]	Interest in a controlled corporation	29,157,348	5.77%	Long position
Aranda Investments Pte. Ltd.[4]	Beneficial owner	29,157,348	5.77%	Long position
Seletar Investments Pte Ltd[4]	Interest in a controlled corporation	29,157,348	5.77%	Long position

OTHER INFORMATION

Notes:

1. The calculation is based on the total number of 505,259,462 Shares in issue as at 30 June 2022.

2. HHJH Holdings Limited is wholly-owned by HH BIO Investment Fund, L.P. ("**HH BIO**"). While the general partner of HH BIO is HH BIO Holdings GP, Ltd., all investment related decisions of HH BIO, including but not limited to acquisition and disposition of the investments, requires prior approval of its sole limited partner, Hillhouse Fund IV, L.P. ("**Hillhouse Fund IV**"), pursuant to a limited partnership agreement governing HH BIO. HM Healthcare is owned as to 71.03% by HM Healthcare Services, Ltd. ("**HM Healthcare Services**"), whose controlling stake is held by Hillhouse Fund II, L.P. ("**Hillhouse Fund II**"). Hillhouse Investment Management, Ltd. ("**Hillhouse Investment**") acts as the sole management company of both Hillhouse Fund II and Hillhouse Fund IV.

3. Walga is wholly-owned by Shanghai Walga Biotechnology Co., Ltd. (上海沃嘉生物技術有限公司), which is in turn wholly-owned by Walvax, a company listed on the Shenzhen Stock Exchange (stock code: 300142). As such, under the SFO, Shanghai Walga Biotechnology Co., Ltd. and Walvax are deemed to be interested in the 37,560,998 Shares held by Walga.

4. Aranda Investments Pte. Ltd. ("**Aranda Investments**") is a company incorporated in Singapore and its principal activity is investment trading and investment holding. Aranda Investments is wholly owned by Seletar Investments Pte Ltd, which in turn is wholly owned by Temasek Capital (Private) Limited. Temasek Capital (Private) Limited is a wholly owned subsidiary of Temasek Holdings (Private) Limited.

Save as disclosed above, as at 30 June 2022, no persons other than the Directors or Chief Executives whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations" above had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

EQUITY PLANS

1. Pre-IPO Share Option Plan

The purpose of the Pre-IPO Share Option Plan is to advance the interests of the Company by providing for the grant to participants of the options, and to motivate the selected participants to contribute to the Company's growth and development. The Pre-IPO Share Option Plan, which will be in the form of options, will enable the Company to recruit, incentivize and retain key employees.

Further details of the Pre-IPO Share Option Plan are set out in the Prospectus and Note 11(a) to the condensed consolidated financial statements.

A summary of the principal terms of the Pre-IPO Share Option Plan is set out below:

Eligible Participants

The Compensation Committee, or its delegates, will select participants from among employees, directors, consultants and advisors of the Company and its affiliates, or any other persons approved by the Compensation Committee, or its delegates to participate in the Pre-IPO Share Option Plan.

Maximum Number of Shares Available for Issue under the Pre-IPO Share Option Plan

The overall limit on the number of underlying Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Pre-IPO Share Option Plan at any time shall not exceed 58,573,872 Shares.

As at 30 June 2022, the aggregate number of underlying Shares pursuant to the outstanding options granted under the Pre-IPO Share Option Plan is 25,195,203 Shares, representing approximately 43.01% of overall limitation.

Consideration

Nil consideration is required to be paid by the grantees for the grant of awards under the Pre-IPO Share Option Plan.

Exercise Price

The exercise price of each option was determined by the Compensation Committee or its delegate(s). Options, once granted, may be repriced only in accordance with the applicable requirements of the Pre-IPO Share Option Plan and the relevant grant agreement. The exercise price of all the options granted under the Pre-IPO Share Option Plan is US$0.0002 or US$2.

Life of the Pre-IPO Share Option Plan

The Pre-IPO Share Option Plan commenced on 19 August 2019 (the "**Effective Date**") and will terminate at the close of business on the day before the 10th anniversary of the Effective Date. No options may be granted after the termination of the plan (whichever is earlier) but, each option outstanding as at such termination shall continue to be administered and remain exercisable in accordance with the Pre-IPO Share Option Plan and the relevant grant agreement.

Outstanding Share Options

The tables below show details of the movement of the outstanding share options granted to all grantees under the Pre-IPO Share Option Plan during the Reporting Period. No options were granted under the Pre-IPO Share Option Plan during the Reporting Period.

No options have been granted to connected persons of the Company (excluding directors of the Company and the senior management) under the Pre-IPO Share Option Plan which are outstanding.

Details of the movement of outstanding options granted to our Directors and grantees that are beneficially interested in 500,000 options or above under the Pre-IPO Share Option Plan during the Reporting Period are as follows:

Name	Role	Date of Grant	Vesting Period[2]	Exercise Period	Exercise Price (per Share)	Outstanding as at 1 January 2022	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as at 30 June 2022
1. KAN Steven Ziyi	Former Chief Technology Officer	18 December 2019	Performance Condition	10 years from Date of Grant	US$2.0	500,000	–	500,000	–
2. MaplesFS (BVI) Limited on behalf of AKQM Partner Trust[1]		28 April 2020,	Date of Grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	19,575,988	3,804,959	–	15,771,029
		31 July 2020	Date of Grant-4 years from Date of Grant			6,187,500	487,500	2,250,000	3,450,000
(a) Dr. GUO Feng	Executive Director · Chief Executive Officer and Chairman of the Board	16 April 2020 and 30 April 2020	Date of Grant-4 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	12,738,108	1,448,959	–	11,289,149
(b) Ms. CHEN Yao	Chief Regulatory Officer	16 September 2019 and 16 April 2020	Date of Grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	895,264	–	–	895,264
(c) Ms. CHENG Huiyang	Former Vice President of Global Strategy	16 September 2019	Performance Condition	10 years from Date of Grant	US$0.0002	1,060,125	1,060,000	–	125
(d) Mr. DUAN Qingtang	Former General Manager of Yuxi Genor	16 April 2020	Date of Grant-4 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002	3,673,021	918,000	–	2,755,021
(e) Mr. LIN Jun	Vice President of Quality Analysis	16 April 2020	Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	151,470	–	–	151,470
(f) Ms. LI Tong	Chief Medical Officer	31 July 2020	Date of Grant-4 years from Date of Grant	10 years from Date of Grant	US$0.0002 or US$2	1,950,000	–	–	1,950,000
(g) Mr. CHEN Wende	Former Chief Operation Officer	31 July 2020	Date of Grant-4 years from Date of Grant	10 years from Date of Grant	US$0.0002 or US$2	4,125,000	375,000	2,250,000	1,500,000
(h) Ms. ZHU Xiaojing	Vice President of Compliance and Administration	16 September 2019, 16 April 2020 and 31 July 2020	Date of Grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	601,500	261,500	–	340,000
(i) Mr. WENG Chengyi	Vice President of Finance	16 September 2019 and 16 April 2020	Date of Grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	569,000	229,000	–	340,000
Subtotal						**26,263,488**	**4,292,459**	**2,750,000**	**19,221,029**

Note:

(1) As at 30 June 2022, 19,221,029 outstanding options granted to 4 members of our Directors and senior management and 5 other grantees who are beneficially interested in 500,000 options or above are held by MaplesFS (BVI) Limited on behalf of AKQM Partner Trust. Details of which can be referred to the grantees 2(a) to (i) above.

(2) The options are vested based on service condition or performance condition. For those options vested based on service condition, the vesting period is listed in the above table. For those options vested based on performance condition, the vesting period will be determined by the time of achievement of the related performance targets.

Details of the movement of outstanding options granted to the remaining 137 grantees, which are all our employees, under the Pre-IPO Share Option Plan during the Reporting Period, are as follows:

Range of Shares underlying granted options under the Pre-IPO Share Option Plan	Total number of grantees	Date of Grant	Vesting Period[3]	Exercise Period	Exercise Price	Outstanding as at 1 January 2022	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as at 30 June 2022
1 share to 50,000 shares	75	16 September 2019 to 30 April 2020	Date of grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	1,019,488	301,761	67,607	650,120
50,001 shares to 100,000 shares	38	16 September 2019 to 31 August 2020	Date of grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	2,515,764	148,756	562,100	1,804,908
100,001 shares to 200,000 shares	12	16 September 2019 to 31 August 2020	Date of grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	1,238,396	140,500	317,500	780,396
200,001 shares to 300,000 shares	10	16 September 2019 to 31 August 2020	Date of grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	2,555,750	37,000	90,000	2,428,750
300,001 shares to 400,000 shares	2	16 September 2019 to 31 July 2020	Date of grant-4.5 years from Date of Grant, Performance Condition	10 years from Date of Grant	US$0.0002 or US$2	310,000	–	–	310,000
Subtotal	**137**					**7,639,398**	**628,017**	**1,037,207**	**5,974,174**

Note:

(3) The options are vested based on service condition or performance condition. For those options vested based on service condition, the vesting period is listed in the above table. For those options vested based on performance condition, the vesting period will be determined by the time of achievement of the related performance targets.

OTHER INFORMATION

2. Post-IPO Share Option Plan

The purpose of the Post-IPO Share Option Plan is to advance the interests of the Company by motivating the selected participants to contribute to the Company's growth and development. The Post-IPO Share Option Plan will enable the Company to recruit, incentivize and retain key employees.

Further details of the Post-IPO Share Option Plan are set out in the Prospectus and Note 11(b) to the condensed consolidated financial statements.

A summary of the principal terms of the Post-IPO Share Option Plan is set out below:

Eligible Participants

The Compensation Committee, or its delegates, will select participants from among employees, directors, consultants and advisors of the Company and its affiliates, or any other persons approved by the Compensation Committee, or its delegates to participate in the Post-IPO Share Option Plan.

Maximum Number of Shares

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Plan and any other schemes is 48,109,150, being no more than 10% of the Shares in issue on the date the Shares commenced trading on the Stock Exchange (the "**Scheme Mandate**").

As at 30 June 2022, the aggregate number of underlying Shares pursuant to the outstanding options granted under the Post-IPO Share Option Plan is 6,183,250 Shares, representing approximately 12.85% of overall limitation.

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share option Plan and any other share option schemes of the Company must not exceed such number of Shares as shall represent 30% of the Shares in issue from time to time (as required under Chapter 17 of the Listing Rules). No options may be granted if such grant will result in this 30% limit being exceeded.

The Company may seek approval by its shareholders in general meeting for refreshing the Scheme Mandate provided that the total number of Shares in respect of which options may be granted under the Post-IPO Share Option Plan and any other share option schemes of the Company under the Scheme Mandate as refreshed must not exceed 10% of the total number of Shares in issue as at the date of such shareholders' approval. For these purposes, options previously granted under the Post-IPO Share Option Plan and any other share option schemes of the Company, whether outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted. The Company shall send to its shareholders a circular containing the information required under Chapter 17 of the Listing Rules.

Limit of Each Participant

Unless approved by Shareholders in a general meeting, the maximum number of Shares underlying the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue for the time being.

Duration

The Post-IPO Share Option Plan shall be valid and effective for the period of ten years commencing on the Listing Date (after which, no further options shall be offered or granted under the Post-IPO Share Option Plan), but in all other respects the provisions of the Post-IPO Share Option Plan shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO Share Option Plan.

Exercise Price

The exercise price of each option will be determined by the Compensation Committee or its delegate(s). Options, once granted, may be repriced only in accordance with the applicable requirements of the Post-IPO Share Option Plan and the Grant Agreement.

Consideration

Nil consideration is required to be paid by the grantees for the grant of awards under the Post-IPO Share Option Plan.

The tables below show details of the movement of the outstanding share options granted to all grantees under the Post-IPO Share Option Plan during the Reporting Period. No options were granted under the Post-IPO Share Option Plan during the Reporting Period.

No options have been granted to connected persons of the Company (excluding directors of the Company and the senior management) under the Post-IPO Share Option Plan which are outstanding.

Details of the movement of outstanding options granted to the grantees that are beneficially interested in 500,000 options or above under the Post-IPO Share Option Plan during the Reporting Period are as follows:

Name	Role	Date of Grant	Vesting Period	Exercise Period	Exercise Price (per Share)	Outstanding as at 1 January 2022	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as at 30 June 2022
HAN Shuhua	Chief Scientist	3 June 2021	Date of entry – 4 years from date of entry	10 years from Date of Grant	HK$17.080	1,140,000	–	–	1,140,000
KAN Steven Ziyi	Former Chief Technology officer	3 June 2021	Date of Grant – 4 years from Date of Grant	10 years from Date of Grant	HK$17.080	198,524	–	198,524	–
Subtotal						**1,338,524**	**–**	**198,524**	**1,140,000**

Details of the movement of outstanding remaining Options granted to the remaining 77 Participants, which are all our employees, under the Post-IPO Share Option Plan during the Reporting Period, are as follows:

Range of Shares underlying granted options under the Post-IPO Share Option Plan	Total number of Participants	Date of Grant	Vesting Period	Exercise Period	Exercise Price (per Share)	Outstanding as at 1 January 2022	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as at 30 June 2022
1 share to 50,000 shares	35	3 June 2021 27 August 2021	Date of entry – 4 years from date of entry	10 years from Date of Grant	HK$17.080 HK$10.848	1,255,800	–	181,750	1,074,050
50,001 shares to 100,000 shares	32	3 June 2021 27 August 2021	Date of entry – 4 years from date of entry	10 years from the Date of Grant	HK$17.080 HK$10.848	2,312,475	–	562,275	1,750,200
100,001 shares to 200,000 shares	3	3 June 2021 27 August 2021	Date of entry – 4 years from date of entry	10 years from the Date of Grant	HK$17.080 HK$10.848	580,000	–	200,000	380,000
200,001 shares to 300,000 shares	5	3 June 2021 27 August 2021	Date of entry – 4 years from date of entry	10 years from the Date of Grant	HK$17.080 HK$10.848	1,231,000	–	146,000	1,085,000
300,001 shares to 400,000 shares	1	27 August 2021	Date of entry – 4 years from date of entry	10 years from the Date of Grant	HK$10.848	321,000	–	–	321,000
400,001 shares to 499,999 shares	1	3 June 2021	Date of entry – 4 years from date of entry	10 years from the Date of Grant	HK$17.080	433,000	–	–	433,000
Subtotal	**77**					**6,133,275**	**–**	**1,090,025**	**5,043,250**

3. 2021 RSU Plan

The purpose of the 2021 RSU Plan is to (i) advance the interests of the Company by motivating the selected Participants to contribute to the Company's growth and development; (ii) recruit, incentivise and retain key employees; (iii) recognise the contributions by the Participants with an opportunity to acquire a proprietary interest in the Company; and (iv) motivate the Participants to maximise the value of the Company for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the Shareholders through ownership of Shares.

Further details of the 2021 RSU Plan are set out in the announcements of the Company dated 3 June 2021 and 27 August 2021 and Note 11(c) to the condensed consolidated financial statements.

A summary of the principal terms of the 2021 RSU Plan is set out below:

Eligible Participants
The Compensation Committee, or its delegates, will select participants from among employees, directors, consultants and advisors of the Company and its affiliates, or any other persons approved by the Compensation Committee, or its delegates, to participate in the 2021 RSU Plan (the "**Participants**").

Grant of Restricted Share Units to Participants
Pursuant to the 2021 RSU Plan, on 3 June 2021 and 27 August 2021, an aggregate of 5,116,249 Restricted Share Units (the "**Granted RSUs**") were granted to 89 participants, who are senior management and/or employees of the Group (the "**Grants**"). No RSUs were granted during the Reporting Period.

Consideration
Nil consideration is required to be paid by the participants for the RSU under the 2021 RSU Plan.

Share underlying the Granted RSUs
As at 30 June 2022, the aggregate number of underlying Shares pursuant to the outstanding shares granted under the 2021 RSU Plan is 2,707,850 Shares, representing approximately 0.54% of the issued share capital of the Company as at 30 June 2022.

No funds will be raised by the Company as a result of the aforementioned proposed issues and allotments.

Duration
Unless terminated earlier in accordance with the 2021 RSU Plan, the 2021 RSU Plan shall be effective for ten (10) years from 3 June 2021, the date on which the 2021 RSU Plan was adopted by the Company; after which no further award may be granted but the provisions of the 2021 RSU Plan shall remain in full force and effect in all other respects. In particular, all awards granted before the end of the term of the 2021 RSU Plan shall continue to be valid, and shall be administered in accordance with the 2021 RSU Plan and the relevant grant agreement.

Ranking of the Shares
The Shares underlying the Restricted Share Units granted, when allotted and issued, shall rank pari passu among themselves and with the other Shares in issue.

No RSUs have been granted to connected persons of the Company (excluding directors of the Company and the senior management) under the 2021 RSU Plan which are outstanding.

OTHER INFORMATION

Details of the movement of outstanding RSUs granted to the only grantee that is beneficially interested in 500,000 Granted RSUs or above under the 2021 RSU Plan during the Reporting Period are as follows:

Name	Role	Date of Grant	Vesting Period	Outstanding as at 1 January 2022	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as at 30 June 2022
HAN Shuhua	Chief Scientist	3 June 2021	Date of entry – 4 years from date of entry	1,140,000	285,000	–	855,000
Subtotal				**1,140,000**	**285,000**	**–**	**855,000**

Details of the movement of outstanding RSUs granted to the remaining 77 Participants, which are all our employees, under the 2021 RSU Plan during the Reporting Period are as follows:

Range of Shares underlying Granted RSUs under the 2021 RSU Plan	Total number of Participants	Date of grant	Vesting Period	Outstanding as at 1 January 2022	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	Outstanding as at 30 June 2022
1 share to 50,000 shares	67	3 June 2021 27 August 2021	Date of entry – 4 years from date of entry	1,665,900	279,200	351,600	1,035,100
50,001 shares to 100,000 shares	3	3 June 2021 27 August 2021	Date of entry – 4 years from date of entry	242,500	–	100,000	142,500
100,001 shares to 200,000 shares	6	3 June 2021 27 August 2021	Date of entry – 4 years from date of entry	675,000	90,500	72,000	512,500
200,001 shares to 300,000 shares	1	3 June 2021	Date of entry – 4 years from date of entry	217,000	54,250	–	162,750
Subtotal	**77**			**2,800,400**	**423,950**	**523,600**	**1,852,850**

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

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

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

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

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

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2022. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the six months ended 30 June 2022 and up to the date of this interim report.

USE OF PROCEEDS FROM GLOBAL OFFERING

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

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

OTHER INFORMATION

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

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

Note:

(1) The net proceeds includes 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 as set out in the Prospectus. The net proceeds figure has been translated to Renminbi for the allocation and the utilisation calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

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

Change in use of proceeds from Global Offering

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

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

OTHER INFORMATION

Notes:

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

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

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

Reasons for the Change in Use of Proceeds

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

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee and a compensation committee.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in this interim report, the Group does not have other plans for material investments and capital assets.

CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of information on the Directors are as follows:

1. Dr. ZHOU Joe Xin Hua has resigned as an executive Director with effect from 15 April 2022.

2. Mr. LIU Yi ("**Mr. Liu**") has been appointed as a non-executive director and a member of the Audit Committee of the Company with effect from 29 July 2022. Mr. Liu has entered into an appointment letter with the Company on 29 July 2022 for an initial term of three years (the "**Appointment Letter**"). According to the Appointment Letter, Mr. Liu is not entitled to any remuneration and benefits as the non-executive director of the Company. As of 29 July 2022, Mr. Liu (i) does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) does not hold any other position with the Company and other members of the Group or other major appointments and professional qualifications; and (iii) does not have any relationships with any directors, senior management or substantial or controlling shareholders (each as defined in the Listing Rules) of the Company.

3. Dr. NI Lin has resigned as a non-executive director and ceased to be a member of the Audit Committee with effect from 29 July 2022.

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 Code on Corporate Governance Practices

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 CG Code as the basis of the Company's corporate governance practices.

During the six months ended 30 June 2022, 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.

OTHER INFORMATION

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

The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2022 and this interim report. 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 performed an independent review of interim financial information of the Group for the six months ended 30 June 2022 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Genor Biopharma Holdings Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 38 to 61, which comprises the interim condensed consolidated balance sheet of Genor Biopharma Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2022 and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 August 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended 30 June 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	4	**2,956**	–
Cost of revenue	5	**(787)**	–
Gross profit		**2,169**	–
Selling expenses	5	**(63,049)**	(27,115)
Administrative expenses	5	**(84,063)**	(117,420)
Research and development expenses	5	**(295,140)**	(271,527)
Other income		**4,678**	5,640
Other (losses)/gains – net		**(94)**	16,215
Operating loss		**(435,499)**	(394,207)
Finance income		**27,974**	7,447
Finance costs		**(1,727)**	(19,734)
Finance income/(costs) – net		**26,247**	(12,287)
Loss before income tax		**(409,252)**	(406,494)
Income tax credit	6	**2,634**	3,950
Loss for the six months ended 30 June		**(406,618)**	(402,544)
Loss for the six months ended 30 June is attributable to:			
Owners of the Company		**(405,631)**	(400,893)
Non-controlling interests		**(987)**	(1,651)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
– Exchange differences on translation of foreign operations		**(913)**	(342)
Total comprehensive loss for the six months ended 30 June		**(407,531)**	(402,886)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
	Notes	**2022 RMB'000 (Unaudited)**	2021 RMB'000 (Unaudited)
Total comprehensive loss for the six months ended 30 June is attributable to:			
Owners of the Company		**(406,544)**	(401,235)
Non-controlling interests		**(987)**	(1,651)
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (in RMB)	*7*	**(0.81)**	(0.82)
Diluted loss per share (in RMB)	*7*	**(0.82)**	(0.82)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEETS

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**192,230**	200,033
Right-of-use assets	*9*	**51,540**	23,334
Intangible assets		**166,486**	171,043
Other receivables, deposits and prepayments	*10*	**12,539**	76,121
Deferred tax assets	*15*	**7,944**	5,732
Total non-current assets		**430,739**	476,263
Current assets			
Inventories		**46,496**	49,653
Contract cost		**1,341**	1,755
Other receivables, deposits and prepayments	*10*	**90,979**	132,529
Restricted bank deposits		**–**	2,000
Cash and cash equivalents		**1,858,181**	2,200,641
Total current assets		**1,996,997**	2,386,578
Total assets		**2,427,736**	2,862,841
EQUITY			
Equity attributable to the ordinary equity holders of the Company			
Share capital		**69**	68
Share premium		**9,371,432**	9,290,903
Treasury shares		**(10,084)**	(5,198)
Other reserves		**(1,450,434)**	(1,409,824)
Accumulated losses		**(5,791,391)**	(5,385,760)
		2,119,592	2,490,189
Non-controlling interests		**1,935**	2,922
Total equity		**2,121,527**	2,493,111

CONDENSED CONSOLIDATED BALANCE SHEETS

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities	*9*	**40,028**	20,107
Amounts due to related parties	*14*	**3,357**	5,004
Deferred income		**15,830**	18,149
Deferred tax liabilities	*15*	**12,860**	13,282
Total non-current liabilities		**72,075**	56,542
Current liabilities			
Trade payables	*12*	**92,714**	129,666
Contract liabilities		**4,893**	5,648
Other payables and accruals	*13*	**115,671**	124,930
Short-term borrowings		**–**	29,700
Lease liabilities	*9*	**14,778**	7,601
Amounts due to related parties	*14*	**2,386**	4,056
Provision		**–**	7,895
Deferred income		**3,692**	3,692
Total current liabilities		**234,134**	313,188
Total liabilities		**306,209**	369,730
Total equity and liabilities		**2,427,736**	2,862,841

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 38 to 61 were approved by the Board of Directors on 30 August 2022 and were signed on its behalf.

Guo Feng
Director

Chen Yu
Director

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Company						
	Notes	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)								
Balance at 1 January 2022		**68**	**9,290,903**	**(5,198)**	**(1,409,824)**	**(5,385,760)**	**2,922**	**2,493,111**
Comprehensive loss								
– Loss for the period		**–**	**–**	**–**	**–**	**(405,631)**	**(987)**	**(406,618)**
– Other comprehensive loss		**–**	**–**	**–**	**(913)**	**–**	**–**	**(913)**
Transaction with owners								
– Share-based payment		**–**	**–**	**–**	**40,824**	**–**	**–**	**40,824**
– Shares exercised under employee option plan		**1**	**80,529**	**–***	**(80,521)**	**–**	**–**	**9**
– Repurchase of ordinary shares		**–**	**–**	**(4,886)**	**–**	**–**	**–**	**(4,886)**
Balance at 30 June 2022		**69**	**9,371,432**	**(10,084)**	**(1,450,434)**	**(5,791,391)**	**1,935**	**2,121,527**
(Unaudited)								
Balance at 1 January 2021		67	9,187,780	(6,813)	(1,426,445)	(4,520,536)	3,072	3,237,125
Comprehensive loss								
– Loss for the period		–	–	–	–	(400,893)	(1,651)	(402,544)
– Other comprehensive loss		–	–	–	(342)	–	–	(342)
Transaction with owners								
– Share-based payment		–	–	–	90,368	–	–	90,368
– Shares exercised under employee option plan		–*	40,812	–	(38,687)	–	–	2,125
Balance at 30 June 2021		67	9,228,592	(6,813)	(1,375,106)	(4,921,429)	1,421	2,926,732

* The balance stated above was less than RMB1,000.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash used in operations	**(325,261)**	(313,808)
Interests received	**13,054**	7,447
Net cash outflow from operating activities	**(312,207)**	(306,361)
Cash flows from investing activities		
Payments for property, plant and equipment	**(9,464)**	(26,896)
Payments for intangible assets	**(1,031)**	(21,434)
Payments for acquisition of structured deposits	**–**	(7,472,675)
Proceeds from disposals of structured deposits	**–**	7,489,185
Proceeds from disposals of property, plant and equipment	**136**	16
Net cash outflow from investing activities	**(10,359)**	(31,804)
Cash flows from financing activities		
Proceeds from borrowings from a bank	**69,300**	34,500
Repayments of borrowings from a bank	**(99,000)**	(34,500)
Interest paid	**(1,067)**	(200)
Principal elements of lease payments	**(6,332)**	(3,359)
Interest of lease payments	**(595)**	(970)
Shares repurchase of ordinary shares	**(4,886)**	–
Net cash outflow from financing activities	**(42,580)**	(4,529)
Net decrease in cash and cash equivalents	**(365,146)**	(342,694)
Cash and cash equivalents at the beginning of the period	**2,200,641**	2,929,743
Exchange gains/(losses) on cash and cash equivalents	**22,686**	(7,900)
Cash and cash equivalents at the end of the period	**1,858,181**	2,579,149

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

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

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

2 BASIS OF PREPARATION OF INTERIM REPORT

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

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

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

(a) New and amended standards adopted by the group

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

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

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

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Group.

The Group has been operating in single reporting segment, engaging in the discovery, development and commercialization of biopharmaceutical products for human use. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Group regards that there is only one segment which is used to make strategic decisions.

The major operating entities of the Group are domiciled in the People's Republic of China (the "PRC"). Accordingly, the Group's operating results were primarily derived in the PRC.

4 REVENUE

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

All revenues are generated in the PRC.

Information about major customers

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefits expenses	**221,776**	220,524
Development fee and clinical trial expenses	**115,479**	91,328
Raw material and consumables used	**39,626**	30,641
Depreciation and amortization	**28,147**	30,042
Marketing and promotion expenses	**13,848**	1,779
Professional and technical service fee	**7,211**	16,316
Utilities	**5,356**	5,130
Traveling and transportation expenses	**3,247**	3,271
Write down of inventories	**2,849**	1,911
Auditors' remuneration		
– Audit services	**299**	265
– Non-audit services	**1,176**	1,060
Others	**4,025**	13,795
	443,039	416,062

6 INCOME TAX CREDIT

(a) Income tax credit

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
Current tax on profits for the period	**–**	–
Total current tax credit	**–**	–
Deferred income tax		
Increase in deferred tax assets (Note 15(a))	**(2,212)**	(3,528)
Decrease in deferred tax liabilities (Note 15(b))	**(422)**	(422)
Total deferred tax credit	**(2,634)**	(3,950)
Income tax credit	**(2,634)**	(3,950)

6 INCOME TAX CREDIT (CONTINUED)

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

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

7 LOSS PER SHARE

(a) Basic loss per share

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

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

7 LOSS PER SHARE (CONTINUED)

(b) Diluted loss per share

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

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

The Group has potential dilutive shares throughout for the six months ended 30 June 2022 related to the shares held for employee option plan (Note 11) and shares to be issued to Dr. Yue Liu and Ab Studio Inc. (the "ABS") (Note 14).

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

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

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

8 DIVIDENDS

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

9 LEASES

(a) Amounts recognised in the balance sheet

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Right-of-use assets		
Properties	**51,540**	23,334
Lease liabilities		
Current	**14,778**	7,601
Non-current	**40,028**	20,107
	54,806	27,708

Additions to the right-of-use assets in the six months ended 30 June 2022 were RMB37,168,000 (the year of 2021: RMB10,179,000).

(b) Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Depreciation charge of right-of-use assets		
Properties	**7,629**	7,160
Interest expense (included in finance cost)	**595**	815
Expense relating to short-term leases (included in research and development expenses, selling expenses and administrative expenses)	**376**	627
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in research and development expenses, selling expenses and administrative expenses)	**75**	41

The total cash outflow for leases in the six months ended 30 June 2022 was approximately RMB7,378,000 (six months ended 30 June 2021: RMB4,997,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Prepayment for inventories and clinical fee	**51,760**	85,998
VAT input tax to be deducted	**4,395**	70,521
Receivable from employees	**30,706**	36,048
Prepayment for equipment and software	**8,254**	5,711
Rental deposits	**5,083**	4,621
Others	**3,320**	5,751
	103,518	208,650
Less: non-current portion	**(12,539)**	(76,121)
Current portion	**90,979**	132,529

The carrying amounts of other receivables and deposits are mainly denominated in RMB and approximate their fair values.

11 SHARE-BASED PAYMENTS

(a) 2020 Employee Option Plan

Set out below are summaries of options granted:

	Category I	
	Exercise price per share	**Number of options**
As at 1 January 2022	USD0.0002	15,711,060
Exercised during the period	USD0.0002	(3,736,734)
Forfeited during the period	USD0.0002	(1,029,221)
As at 30 June 2022	**USD0.0002**	**10,945,105**
Vested and exercisable at 30 June 2022	**USD0.0002**	**3,568,870**

11 SHARE-BASED PAYMENTS (CONTINUED)

(a) 2020 Employee Option Plan (Continued)

	Category II	
	Exercise price per share	Number of options
As at 1 January 2022	USD2.0000	16,911,626
Forfeited during the period	USD2.0000	(2,757,986)
As at 30 June 2022	**USD2.0000**	**14,153,640**
Vested and exercisable at 30 June 2022	**USD2.0000**	**6,470,297**

	Category III(A)	
	Exercise price per share	Number of options
As at 1 January 2022	USD0.0002	1,230,200
Exercised during the period	USD0.0002	(1,183,742)
As at 30 June 2022	**USD0.0002**	**46,458**
Vested and exercisable at 30 June 2022	**USD0.0002**	**46,458**

	Category III(B)	
	Exercise price per share	Number of options
As at 1 January 2022	USD2.0000	50,000
As at 30 June 2022	**USD2.0000**	**50,000**
Vested and exercisable at 30 June 2022	**USD2.0000**	**50,000**

The fair value of the options under Category I ranged from RMB6.3224 to RMB8.5361, the fair value of the options under Category II ranged from RMB1.5520 to RMB4.2642, and the fair value of the options under Category III (A) and (B) ranged from RMB3.8199 to RMB6.3224.

11 SHARE-BASED PAYMENTS (CONTINUED)

(a) 2020 Employee Option Plan (Continued)

Share options outstanding as at 30 June 2022 have the following exercise prices:

	Exercise price per share	Share options as at 30 June 2022
Category I	USD0.0002	**10,945,105**
Category II	USD2.0000	**14,153,640**
Category III(A)	USD0.0002	**46,458**
Category III(B)	USD2.0000	**50,000**
Total		**25,195,203**

(b) Post-IPO Share Option Plan

Set out below are summaries of options granted:

	Batch I	
	Exercise price per share	Number of options
As at 1 January 2022	HKD17.08	4,942,799
Forfeited during the period	HKD17.08	(530,049)
As at 30 June 2022	**HKD17.08**	**4,412,750**
Vested and exercisable at 30 June 2022	**HKD17.08**	**1,245,125**

	Batch II	
	Exercise price per share	Number of options
As at 1 January 2022	HKD10.85	2,529,000
Forfeited during the period	HKD10.85	(758,500)
As at 30 June 2022	**HKD10.85**	**1,770,500**
Vested and exercisable at 30 June 2022	**HKD10.85**	**409,000**

The fair value of the options under the Post-IPO Share Option Plan is between RMB4.9902 to RMB6.9810.

11 SHARE-BASED PAYMENTS (CONTINUED)

(c) 2021 RSU Plan

Set out below are summaries of shares granted:

	2021 RSU Plan	
	Exercise price per share	Number of Shares
As at 1 January 2022	–	3,940,400
Exercised during the period	–	(708,950)
Forfeited during the period	–	(523,600)
As at 30 June 2022	**–**	**2,707,850**
Vested and exercisable at 30 June 2022	**–**	**–**

The fair value of the RSUs under the 2021 RSU Plan granted on 3 June 2021 and 27 August 2021 is RMB14.05 and RMB9.03, respectively.

No options and shares expired during the period covered by the above tables in Note 11 (a) (b) (c).

Weighted average remaining contractual life of options and shares outstanding covered by the above tables in Note 11 (a) (b) (c) as at 30 June 2022 is 7.98 years.

12 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 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Within 1 year	**92,288**	127,594
1 to 2 years	**371**	1,772
2 to 3 years	**55**	300
	92,714	129,666

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

13 OTHER PAYABLES AND ACCRUALS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Payables to project funding *(a)*	**38,012**	37,423
Accrued employee benefits	**50,427**	58,662
Payables to suppliers of services and fixed assets	**14,921**	19,755
Tax payable	**2,780**	3,505
Payable to utilities	**8,826**	4,518
Others	**705**	1,067
	115,671	124,930

(a) Genor Biopharma Co., Ltd. entered into two agreements with National Health Commission (the "NHC") of the PRC in relation to two major new drug development projects in previous years. Due to the unsatisfaction of the given conditions of the two agreements, the total amount of RMB38,012,200 is expected to be settled in the coming twelve months.

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

14 BALANCES WITH RELATED PARTIES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Amounts due to related parties		
Trade in nature		
ABS	**43**	733
Non-trade in nature		
ABS *(a)*	**5,700**	8,327
Total	**5,743**	9,060
Less: non-current portion	**(3,357)**	(5,004)
Current portion	**2,386**	4,056

(a) The amounts due to ABS is attributable to the contingent consideration for the acquisition of business. As at 30 June 2022, the fair value of contingent consideration was approximately RMB5,700,000, and the fair value changes amounting to RMB2,627,000 are recognised in other income in the condensed consolidated statements of profit or loss and other comprehensive income. The amounts will be payable to ABS upon reaching certain milestone achievement in relation to development status, regulatory approval and license out arrangements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15 DEFERRED INCOME TAX

(a) Deferred tax assets

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
The balance comprises temporary differences attributable to:		
Tax losses of AB Therapeutics Inc. (the "ABT")	**7,944**	5,732

Movements	**Tax losses** RMB'000
At 1 January 2021	5,643
Credited to the profit or loss	3,528
At 30 June 2021 (Unaudited)	9,171
At 1 January 2022	**5,732**
Credited to the profit or loss	**2,212**
At 30 June 2022 (Unaudited)	**7,944**

As at 30 June 2022, ABT had accumulated net operating losses amounted to RMB26,624,000. Under federal tax regulations, the net operating losses can be carried forward and deductible for income tax purposes indefinitely. Under California state tax regulations, the net operating losses can be carried forward 20 years following the year of the loss incurred. Accordingly, the company recognised deferred tax assets amounting to RMB7,944,000.

15 DEFERRED INCOME TAX (CONTINUED)

(b) Deferred tax liabilities

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
The balance comprises temporary differences attributable to:		
Intangible assets	**12,860**	13,282

Movements	**Intangible assets** RMB'000
At 1 January 2021	14,125
Charged to the profit or loss	(422)
At 30 June 2021 (Unaudited)	13,703
At 1 January 2022	**13,282**
Charged to the profit or loss	**(422)**
At 30 June 2022 (Unaudited)	**12,860**

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's liabilities that are measured at fair value at 30 June 2022 and 31 December 2021 on a recurring basis:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
As at 30 June 2022				
Contingent consideration in amounts due to related parties	**–**	**5,700**	**–**	**5,700**
(Audited)				
As at 31 December 2021				
Contingent consideration in amounts due to related parties	–	8,327	–	8,327

There were no transfers between levels 1, 2 and 3 during the period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2022.

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Valuation techniques used to determine fair values

The valuation techniques used to determine the fair value of the Group's level 2 instruments are based on quoted market prices and the probability of the contingencies at the period ended.

(c) Fair values of other financial instruments (unrecognised)

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. No significant differences were identified as at 30 June 2022.

17 LIQUIDITY RISK

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

18 COMMITMENTS

Capital commitments

Significant capital expenditure contracted at the end of the reporting period but not recognized as liabilities is as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Contracted but not provided for		
– Property, plant and equipment	**6,407**	7,803

19 SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control, common significant influence or joint control in the controlling shareholder's families. Members of key management and their close family member of the Group are also considered as related parties.

The executive directors are of the view that the following parties that had transactions or balances with the Group are related parties:

Name	Relationship with the Group
ABS	Minority shareholder of ABT

The following significant transactions were carried out between the Group and its related parties for the six months ended 30 June 2022 and 2021. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Significant transactions with related parties

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Purchase of rental services and utilities from		
– ABS	**296**	272
Purchase of research and development services from		
– ABS	**1,708**	9,961
	2,004	10,233

(b) Balances with related parties

Balances with related parties as at 30 June 2022 and 31 December 2021 were disclosed in Note 14.

19 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management compensation

Key management includes directors and senior managements. The compensation paid or payables to key management for employee services is shown below:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, bonuses and other benefits	**15,618**	23,155
Share-based payment expenses *(i)*	**29,536**	73,097
Social security costs and housing benefits	**860**	551
	46,014	96,803

(i) The share-based payment expenses were recognised based on the fair value at the grant date, see Note 11 for further details.

20 CONTINGENCIES

As at 30 June 2022, there were no significant contingencies for the Group and the Company.

21 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There is no subsequent event after the reporting period which has material impact to the condensed consolidated interim financial statements of the Group.

DEFINITIONS

"2021 RSU Plan"	the 2021 RSU Plan adopted by our Company on 3 June 2021
"Articles of Association"	the articles of association of our Company adopted on 18 September 2020 with effect from Listing, as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Company
"BIC"	best-in-class
"Board" or "Board of Directors"	the board of directors of our Company
"CDE"	Center for Drug Evaluation
"CG Code"	the Corporate Governance Code set out in Appendix 14 of the Listing Rules
"China" or the "PRC"	the People's Republic of China, and for the purpose of this report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"CMC"	chemistry, manufacturing and controls
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Genor Biopharma Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands on 10 April 2017
"Compensation Committee"	the compensation committee of our Company
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transactions"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of our Company
"FDA"	the U.S. Food Drug Administration
"FIC"	first-in-class
"FIH"	first-in-human
"Genor Biopharma"	Genor Biopharma Co., Ltd. (嘉和生物藥業有限公司), a company established under the laws of the PRC on 4 December 2007 and one of the Company's principal subsidiaries

"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time
"HHJH"	HHJH Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands on 1 June 2018, a member of Hillhouse and one of our Pre-IPO Investors
"Hillhouse"	refers to HHJH, HH BIO Investment Fund, L.P., Hillhouse Fund IV, L.P., HM Healthcare, HM Healthcare Services, Ltd., Hillhouse Fund II, L.P. and Hillhouse Investment Management, Ltd.
"HKFRS"	Hong Kong Financial Reporting Standards
"HM Healthcare"	HM Healthcare Management Services, Ltd., an exempted limited liability company incorporated under the laws of the Cayman Islands on 27 November 2014, a member of Hillhouse and one of our Pre-IPO Investors
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"IPO"	initial public offering
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	7 October 2020, the date on which the Shares are listed and on which dealings in the Shares are fist permitted to take place on the Stock Exchange
"Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
"NDA"	new drug application
"Net Proceeds"	the net proceeds raised during the global offering
"NMPA"	China National Medical Products Administration (國家藥品監督管理局), successor to the China Food and Drug Administration (國家食品藥品監督管理總局)

DEFINITIONS

"Post-IPO Share Option Plan"	the Post-IPO Share Option Plan adopted by the Company on 18 September 2020
"Pre-IPO Share Option Plan"	the Pre-IPO Share Option Plan adopted by the Company on 19 August 2019 and amended and restated on 16 April 2020 and 31 July 2020
"Prospectus"	the prospectus of the Company dated 23 September 2020
"Reporting Period"	the six months ended 30 June 2022
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"RSU(s)"	restricted share unit(s) which may be granted under the 2021 RSU Plan
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company, currently with a par value of US$0.00002 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"Walga"	Walga Biotechnology Limited (沃嘉生物技術有限公司), a business company incorporated under the laws of the British Virgin Islands on 5 June 2019 and an indirect wholly-owned subsidiary of Walvax and one of our substantial shareholders
"Walvax"	Yunnan Walvax Biotechnology Co., Ltd. (雲南沃森生物技術股份有限公司), a public company established under the laws of the PRC on 16 January 2001 and listed on the Shenzhen Stock Exchange (stock code: 300142)
"Yuxi Genor"	Yuxi Genor Biotechnology Co., Ltd. (玉溪嘉和生物技術有限公司), a company established under the laws of the PRC on 8 July 2014 and one of the Company's principal subsidiaries
"%"	per cent