Antengene Corporation Limited
德琪醫藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6996)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2020

The board of directors (the "**Board**") of Antengene Corporation Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the year ended December 31, 2020 (the "**Reporting Period**"), together with comparative figures for the year ended December 31, 2019. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee of the Company and audited by the Company's auditor.

FINANCIAL HIGHLIGHTS

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Cash and bank balances	**3,109,832**	746,795
Other income and gains	**26,834**	52,946
Research and development costs	**(347,655)**	(115,792)
Administrative expenses	**(154,221)**	(39,349)
Fair value loss on convertible redeemable preferred shares*	**(2,356,271)**	(214,549)
Loss and total comprehensive loss for the year	**(2,928,921)**	(323,787)
Adjusted loss and total comprehensive loss for the year**	**(454,958)**	(109,236)

* This represent the loss on the fair value changes of convertible redeemable preferred shares, a non-cash and one-time adjustment recognised upon listing as required under the International Financial Reporting Standards ("**IFRSs**").

** Adjusted loss and total comprehensive loss for the year is not defined under the IFRS, it represents the loss and total comprehensive loss for the year excluding the effect brought by equity-settled share option expense, share issue expenses and fair value loss on convertible redeemable preferred shares.

IFRS Measures:

- Our cash and bank balances increased by RMB2,363.0 million from RMB746.8 million for the year ended December 31, 2019 to RMB3,109.8 million for the year ended December 31, 2020, primarily attributable to our Series C financing in July 2020 and the initial public offering of the Company ("**IPO**") in November 2020.

- Our other income and gains decreased by RMB26.1 million from RMB52.9 million for the year ended December 31, 2019 to RMB26.8 million for the year ended December 31, 2020, primarily attributable to the absence of RMB29.1 million of net foreign exchange gains that was recorded for the year ended December 31, 2019.

- Our research and development costs increased by RMB231.9 million from RMB115.8 million for the year ended December 31, 2019 to RMB347.7 million for the year ended December 31, 2020, primarily attributable to our increased payments made to our licensing partners, expansion of R&D personnel and other clinical-related fees.

- Our administrative expenses increased by RMB114.9 million from RMB39.3 million for the year ended December 31, 2019 to RMB154.2 million for the year ended December 31, 2020, primarily attributable to the increase in employee costs and share issue expenses in relation to the IPO of the company.

- Fair value loss on convertible redeemable preferred shares increased by RMB2,141.8 million from RMB214.5 million for the year ended December 31, 2019 to RMB2,356.3 million for the year ended December 31, 2020, primarily attributable to the increase in the Company's valuation upon the completion of the IPO when re-measuring the fair value of per convertible redeemable preferred share to offer price before conversion into the ordinary share.

- The loss and total comprehensive loss for the year increased by RMB2,605.1 million from RMB323.8 million for the year ended December 31, 2019 to RMB2,928.9 million for the year ended December 31, 2020. This is the combined result of (i) the increase in loss of RMB463.3 million primarily due to the increase in research and development costs and administrative expenses; and (ii) the increase in the fair value loss on convertible redeemable preferred shares of RMB2,141.8 million and a non-cash, one-time adjustment upon listing as required under the IFRS.

Non-IFRS Measures:

Adjusted loss and total comprehensive loss for the year represents the loss and total comprehensive loss for the year excluding the effect brought by equity-settled share option expense, share issue expenses and non-cash items and one-time events, namely the fair value loss on convertible redeemable preferred shares.

The term adjusted loss and total comprehensive loss is not defined under the IFRS. The table below sets forth a reconciliation of the loss and total comprehensive loss to adjusted loss and total comprehensive loss during the years indicated:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Loss and total comprehensive loss for the year	**(2,928,921)**	(323,787)
Added:		
Fair value loss on convertible redeemable preferred shares	**2,356,271**	214,549
Share issue expenses	**28,570**	–
Equity-settled share option expense	**89,122**	2
Adjusted loss and total comprehensive loss for the year	**(454,958)**	(109,236)

BUSINESS HIGHLIGHTS

On November 20, 2020 (the "**Listing Date**"), the Company was successfully listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Over the past year, significant advancement has been made with respect to our product pipeline and business operations:

Late-stage assets:

- Selinexor (ATG-010, first-in-class XPO1 inhibitor) – In 2020, we have made notable clinical development and regulatory progress to advance our lead hematological malignancy asset.

- On June 22, 2020, XPOVIO® (selinexor) received accelerated approval from the U.S. Food and Drug Administration (the "**U.S. FDA**") for the treatment of adult patients with relapsed or refractory diffuse large B-cell lymphoma ("**rrDLBCL**"), not otherwise specified, including diffuse large B-cell lymphoma ("**DLBCL**") arising from follicular lymphoma, after at least two lines of systemic therapy. On December 18, 2020, the U.S. FDA approved XPOVIO® (selinexor) in combination with bortezomib and dexamethasone for the treatment of adult patients with multiple myeloma who have received at least one prior therapy. In addition, we submitted new drug applications ("**NDA(s)**") for selinexor in multiple Asia Pacific ("**APAC**") markets, including mainland China. On December 3, 2020, we announced submission of NDAs to the Health Sciences Authority ("**HSA**") of Singapore and to the Australian Therapeutic Goods Administration ("**TGA**") for the treatment of adult patients with relapsed/refractory multiple myeloma ("**rrMM**") (both in combination with low-dose dexamethasone and in combination of bortezomib and low-dose dexamethasone) and rrDLBCL. Additionally, we submitted an NDA to the Hong Kong Department of Health for selinexor in combination with low-dose dexamethasone in the treatment of adult patients with rrMM. We also submitted an NDA with Orphan Drug Designation ("**ODD**") to the South Korean Ministry of Food and Drug Safety ("**MFDS**") for selinexor in combination with low dose dexamethasone for the treatment of adult patients with rrMM and as monotherapy to treat adult patients with rrDLBCL. Two registrational studies of selinexor are ongoing in mainland China in 2020 in patients with rrMM and rrDLBCL, respectively. In January 2021, we submitted an NDA to the National Medical Products Administration ("**NMPA**") in mainland China for the treatment of patients with rrMM. NMPA also granted priority review to the NDA application. On January 25, 2021, the Company received the approval of the investigational new drug ("**IND**") application by the NMPA for ATG-010 (selinexor) in combination with R-GDP (SR-GDP) for the treatment of rrDLBCL in a global Phase 2/3 study. In 2021, we will continue to enroll patients for our four registrational Phase II or Phase III studies in mainland China in rrMM, rrDLBCL and endometrial cancer, respectively.

- Onatasertib (ATG-008, mTORC1/2 inhibitor) – In 2020, we dosed the first patient in the third cohort of the Phase II study in patients with hepatocellular carcinoma ("**HCC**") who received at least one line of prior therapy. We also initiated a Phase I/II study of onatasertib in combination with toripalimab (anti-PD-1 antibody) and a Phase II study in NFE2L2 mutant non-small cell lung cancer ("**NSCLC**"), respectively, in mainland China. In addition, we received IND approval from the NMPA for a biomarker driven solid tumor basket trial.

- ATG-019 (dual PAK4/NAMPT inhibitor) – In 2020, we dosed the first patient in a Phase I solid tumor and lymphoma clinical study in Taiwan. Subsequently, we submitted an IND application to the NMPA in mainland China in January 2021.

- ATG-017 (ERK1/2 inhibitor) – In 2020, we dosed the first patient in a Phase I clinical study in Australia.

- Eltanexor (ATG-016, second generation XPO1 inhibitor) – In 2020, we obtained IND approval of a Phase I/II clinical study in patients with high-risk myelodysplastic syndrome ("**MDS**") from the NMPA in mainland China. Subsequently, we submitted IND application of a Phase I/II clinical study in patients with solid tumors to NMPA in mainland China in February 2021.

Pre-Clinical stage assets:

- We made steady progress in our pre-clinical pipeline assets – ATG-101 (PD-L1/4-1BB bispecific antibody), ATG-018 (ATR inhibitor), ATG-022 (Claudin 18.2 antibody-drug conjugate), ATG-012 (KRAS inhibitor) and two other biologics that we have not yet disclosed target.

Business development and other key activities:

- We continue to strengthen and broaden our partnership with Karyopharm Therapeutics Inc. ("**Karyopharm**") and in May 2020, we entered into a territory expansion agreement (the "**Karyopharm Agreement**") to develop and commercialise selinexor, eltanexor, verdinexor and ATG-019 in selected APAC markets.

- Moving forward, we will focus on our dual engine strategy by pursuing in-house discovery as well as strategic partnership to accelerate value creation of the Company.

- In January 2020, we appointed Mr. John F. Chin, MBA, as Chief Business Officer (CBO). He is responsible for the Company's global business development and commercialisation. Mr. John F. Chin has worked in the pharmaceutical industry for 30 years. Prior to joining the Company, he was Country General Manager at Celgene China, leading a cross-functional team to support the development and approval of assets of Celgene Corporation ("**Celgene**") as well as approved brands commercialised by its partners in China. He spent 15 years at Celgene, held senior positions at Celgene and Aventis Pharmaceutical Holdings Inc. and previously worked at Bristol-Myers Squibb and Merck.

- In April 2020, we appointed Mr. Thomas Karalis as Head of Asia Pacific Region. He is responsible for the commercialisation of the Company's products in Australia, New Zealand, South Korea, Taiwan, Hong Kong and ASEAN regions. He is a seasoned industry leader with over 30 years of experience working at several multinational biopharmaceutical companies in Australia and across multiple APAC countries/regions. Equipped with exceptional commercial leadership and strategic thinking, he has effectively initiated numerous critical initiatives in geographic expansion, enterprise design and portfolio transformation. Before joining the Company, he was the General Manager for Celgene East Asia and Vice President & General Manager for Celgene Australia and New Zealand, where he made outstanding accomplishments in general management and commercial strategies.

- In July 2020, we appointed Dr. Zhinuan Yu, Ph.D., as Corporate Vice President (CVP) of Biometrics and Regulatory Enabling Functions. She is responsible for providing statistical leadership and strategic regulatory input on company pipeline projects. Dr. Zhinuan Yu has been working in the pharmaceutical industry for more than 20 years. Prior to joining the Company, she was Senior Director of Biostatistics at Bristol-Myers Squibb Company. Before that, Dr. Yu had served in Celgene for nearly 16 years, leading statistical support for multiple high priority programs including thalidomide, lenalidomide, pomalidomide, and bb2121 (CAR-T) for multiple myeloma and other therapeutic areas, and played a key role in successful NDA/sNDA/BLA submissions with global health authorities including the U.S. FDA, European Medicines Agency (EMA), Swissmedic, Health Canada, Pharmaceuticals and Medical Devices Agency (PMDA), NMPA, and other regulatory agencies.

- In July 2020, we appointed Mr. Dirk Hoenemann, M.D., as Vice President, Head of Medical Affairs for Asia Pacific Region (APAC) and Early Clinical Development. Dirk has over 20 years of experience in clinical research, translational medicine, academia, and the pharmaceutical industry. He has led multiple clinical programs, including first-in-human initiatives with novel antibody formats in hematological malignancies and solid tumors, and has made critical contributions to the first CAR-T study in Australia targeting Lewis-Y. Dirk has also held numerous leadership positions in the pharmaceutical industry. In his most recent role at Celgene, he led the development of Early Clinical Development programs for the APAC and the successful launches of lenalidomide, pomalidomide, and azacitidine in some APAC markets.

- In August 2020, we entered into an agreement with the Administrative Committee of the Binhai New Area, Shaoxing, Zhejiang Province in the PRC to obtain an approximately 16,300-square-meter manufacturing facility in the Binhai New Area, Shaoxing, Zhejiang Province, the PRC for small molecule drug commercial production. We expect the first stage of the furbishing of the facility to be completed in the second half of 2021.

- In October 2020, we officially opened Antengene's New Drug Discovery Center based in Zhangjiang Hi-Tech Park, Shanghai, the PRC. The establishment of our discovery center is to build a platform for target-based screening and drive drug discovery by capitalizing on the talented scientists and technical advantages of "Chinese Pharma Valley", and focus on potential first-in-class or best-in-class innovative anti-cancer drugs based on the complete upstream and downstream industrial chains in the park.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR VISION

Our vision is to treat patients beyond borders and transform their lives by discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

OVERVIEW

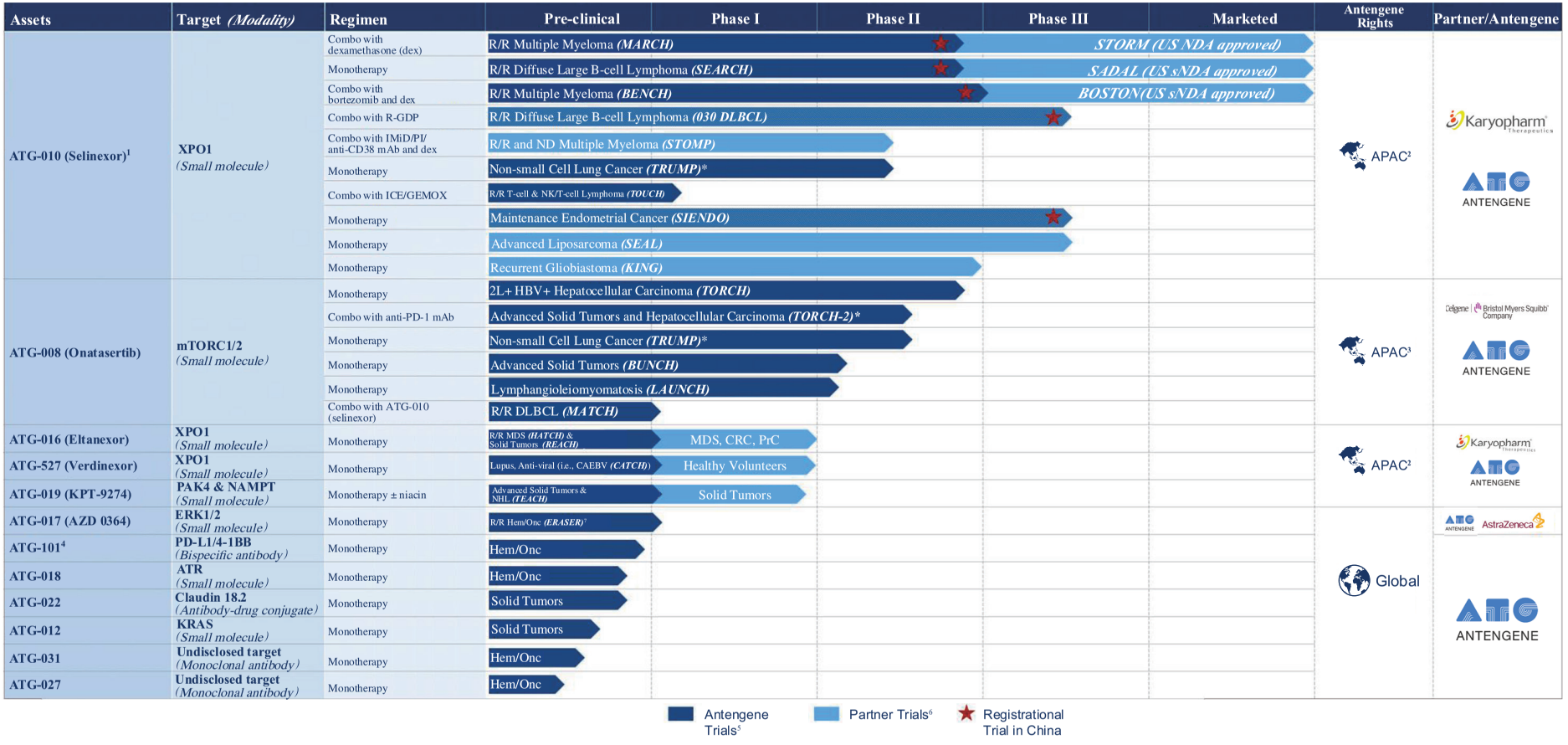
Started operations in 2017, we are a clinical-stage Asia-Pacific (APAC) biopharmaceutical company focused on innovative oncology medicines. We distinguish ourselves through our strong R&D capabilities and strategic approach to developing novel oncology therapies.

We had strategically designed and built a highly selective pipeline of 12 drug assets focused on oncology, including two late-stage clinical assets which we in-licensed from Karyopharm and Celgene respectively and are serving as our core products ("**Core Products**"), four early-stage clinical assets and six pre-clinical stage assets. We believe that we distinguish ourselves through our strong R&D capabilities and strategic approach to developing novel oncology therapies. We employ a combinatory and complementary R&D strategy to maximise the potential of our pipeline assets which are synergistic to each other. We submitted NDAs for selinexor to health authorities in five APAC markets including mainland China, South Korea, Australia, Singapore and Hong Kong, and filed INDs or initiated five registrational clinical trials of our lead assets, selinexor, in rrMM, rrDLBCL and endometrial cancer in mainland China.

Both of our two Core Products have a promising post-proof-of-concept clinical and commercial profile, ATG-010 (selinexor) being a first-in-class and only-in-class orally available XPO1 inhibitor and ATG-008 (onatasertib) being a potentially first-in-class mTORC1/2 inhibitor. Among our clinical stage assets, we also have two other drug candidates in the validated selective inhibitor of nuclear export ("**SINE**") class, namely ATG-016 (eltanexor) and ATG-527 (verdinexor), which feature differentiated profiles that allow us to target a wide range of indications through both mono-and combination therapies. ATG-019 is a potentially first-in-class orally available dual PAK4/NAMPT inhibitor for the treatment of non-Hodgkin lymphoma (NHL) and advanced solid tumors. ATG-017 is a potent and selective ERK1/2 inhibitor with best-in-class potential for the treatment of various hematological malignancies and solid tumors driven by the aberrant RAS/MAPK pathway.

Product Pipeline

We have a pipeline of 12 drug candidates that focus on oncology and range from pre-clinical stage to late-stage clinical programs. The following table summarises our pipeline and the development status of each candidate in the regions noted in the chart below in the "Antengene Rights" column:



[1] (s)NDA accepted/approved by US FDA and APAC NDA submission expected in 2020-2021; [2] Antengene has rights for Greater China (mainland China, Hong Kong, Taiwan, Macau), Australia, New Zealand, South Korea, and the ASEAN Countries; [3] Antengene has rights for Greater China, South Korea, Singapore, Malaysia, Indonesia, Vietnam, Laos, Cambodia, the Philippines, Thailand and Mongolia; [4] Licensed from Origincell and Antengene has obtained exclusive global rights to develop, commercialize and manufacture ATG-101 [5] Most advanced trial status in Antengene territories and the trials are responsible by Antengene; [6] Most advanced trial status in partner territories in the rest of the world and the trials are conducted by our licensing partners; [7] The Company intends to assess the safety and efficacy in a variety of tumor types and hematological malignancies mostly harboring RAS or RAF mutations such as in pancreatic cancer, colorectal cancer and AML.

* Investigator-initiated trials; R/R=relapsed/refractory, ND=newly diagnosed; MDS=myelodysplastic syndrome; CRC=colorectal cancer, PrC=prostate cancer; CAEBV=chronic active Epstein-Barr virus; NHL=non-Hodgkin lymphoma; Hem/Onc=hematological malignancies and solid tumors

BUSINESS REVIEW

We have made steady progress with regard to our pipeline assets in 2020 and submitted NDAs for selinexor in Australia, South Korea and Singapore for treatment of rrMM and rrDLBCL and in mainland China and Hong Kong for treatment of rrMM.

Late-stage Product Candidates

ATG-010 (selinexor, XPO1 inhibitor)

- ATG-010 (selinexor), one of our Core Products, is a first-in-class, orally available SINE compound being developed for the treatment of various hematological malignancies and solid tumors. We obtained exclusive rights from Karyopharm for the development and commercialisation of selinexor in mainland China, Hong Kong, Taiwan, Macau, South Korea, Australia, New Zealand and ASEAN countries. Our licensing partner, Karyopharm, obtained approval through the U.S. FDA's Accelerated Approval Program on July 3, 2019 for XPOVIO® (selinexor) in combination with low-dose dexamethasone for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents (IMiDs) and an anti-CD38 mAb. On June 22, 2020, XPOVIO® (selinexor) received accelerated approval from the U.S. FDA for the treatment of adult patients with rrDLBCL, not otherwise specified, including DLBCL arising from follicular lymphoma, after at least two lines of systemic therapy. On December 18, 2020, the U.S. FDA approved XPOVIO® (selinexor) in combination with bortezomib and dexamethasone for the treatment of adult patients with multiple myeloma who have received at least one prior therapy.

- Several late-stage clinical studies are underway for selinexor in mainland China:

  – A Phase II registrational clinical trial in combination with low-dose dexamethasone in rrMM (the "**MARCH**" trial). We submitted an NDA to the NMPA in mainland China in January 2021 and priority review was subsequently granted.

  – A Phase II registrational clinical trial as monotherapy in rrDLBCL (the "**SEARCH**" trial). We dosed the first patient in SEARCH trial in 2020.

  – A Phase III registrational clinical trial in combination with bortezomib and low-dose dexamethasone in rrMM (the "**BENCH**" trial). We received IND approval from the NMPA at the end of 2020.

  – A Phase II/III registrational clinical trial in combination with rituximab, gemcitabine dexamethasone cisplatin ("**R-GDP**") in rrDLBCL, which is part of the global pivotal trial (XPORT-DLBCL-030) led by Karyopharm. We received IND approval from NMPA in January 2021.

  – A Phase III registrational clinical trial as monotherapy as a maintenance therapy for patients with endometrial cancer, which is part of the global pivotal trial (the "**SIENDO**" trial) led by Karyopharm. We submitted an IND application to NMPA in December 2020.

- To further explore the clinical potential of selinexor in cancer treatment, we also initiated early signal detection studies including Phase Ib clinical trial in combination with ifosfamide, carboplatin and etoposide ("**ICE**") or gemcitabine and oxaliplatin ("**GemOx**") in treatment of T-cell and NK/T-cell lymphoma patients, and Phase II trial as a monotherapy in treatment of KRAS-mutant NSCLC.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ATG-010 (SELINEXOR) SUCCESSFULLY.

ATG-008 (onatasertib, mTORC1/2 inhibitor)

We obtained an exclusive license from Celgene for the development and commercialisation of onatasertib in mainland China and selected APAC markets. In 2020, we continued to carry forward the clinical study in patients with HCC who received at least one line of prior therapy and dosed the first patient in cohort 3. We also initiated a Phase I/II study of onatasertib in combination with toripalimab (anti-PD-1 antibody) and Phase II study in NFE2L2 mutant NSCLC, respectively, in mainland China. In addition, we received IND approval from the NMPA for a Phase II biomarker driven solid tumor basket trial.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ATG-008 (ONATASERTIB) SUCCESSFULLY.

Other Clinical Candidates

- ATG-019 (dual PAK4/NAMPT inhibitor) – We obtained exclusive rights from Karyopharm for the development and commercialisation of ATG-019 in mainland China, Hong Kong, Taiwan, Macau, South Korea, Australia, New Zealand and ASEAN countries. In 2020, we dosed the first patient in a Phase I solid tumor and lymphoma clinical study in Taiwan. Subsequently, we submitted IND application to NMPA in mainland China in January 2021.

- ATG-017 (ERK1/2 inhibitor) – We obtained exclusive rights from AstraZeneca AB ("**AstraZeneca**") for the development and commercialisation of ATG-017 worldwide. In 2020, we dosed the first patient in a Phase I clinical study in Australia.

- Eltanexor (ATG-016, second generation XPO1 inhibitor) – We obtained exclusive rights from Karyopharm for the development and commercialisation of eltanexor in mainland China, Hong Kong, Taiwan, Macau, South Korea, Australia, New Zealand and ASEAN countries. In 2020, we obtained IND approval of a Phase I/II clinical study in patients with high-risk MDS from NMPA in mainland China. Subsequently, we submitted IND application of a Phase I/II clinical study in patients with solid tumors to NMPA in mainland China in February 2021.

- Verdinexor (ATG-527, third generation XPO1 inhibitor) – We obtained exclusive rights from Karyopharm for the development and commercialisation of verdinexor in mainland China, Hong Kong, Taiwan, Macau, South Korea, Australia, New Zealand and ASEAN countries.

Selected Pre-clinical Candidates

- ATG-101 (PD-L1/4-1BB bispecific antibody) – We are conducting IND enabling pre-clinical development to support IND/CTA applications of ATG-101 and plan to submit the applications in 2021.

- ATG-018 (ATR inhibitor) – We are conducting preclinical studies to support IND/CTA applications of ATG-018 and plan to submit the applications in the beginning of 2022.

- ATG-022 (Claudin 18.2 antibody-drug conjugate) – We are conducting preclinical studies to support IND/CTA applications of ATG-022 and plan to submit the applications in 2022.

- ATG-012 (KRAS inhibitor) – We are conducting preclinical studies to support IND/CTA applications of ATG-012 and plan to submit the applications in 2022.

RESEARCH AND DEVELOPMENT

We focus on research and development of therapeutic strategies for the treatment of cancer. We seek to optimise the drug development process of each of our assets to fully unlock their therapeutic potential and maximise their clinical and commercial value. We have adopted a differentiated combinatory and complementary R&D approach to build a pipeline of first/best-in-class assets with synergistic profiles.

As of December 31, 2020, we have nine ongoing clinical studies in mainland China, South Korea, Taiwan and Australia with four of our pipeline assets, including ATG-010 (selinexor, XPO1 inhibitor), ATG-008 (onatasertib, mTORC1/2 inhibitor), ATG-019 (dual PAK4/NAMPT inhibitor) and ATG-017 (ERK1/2 inhibitor). At the end of February 2021, we submitted additional six clinical trial applications (CTA) for ATG-010, ATG-008 and ATG-016 (eltanexor, XPO1 inhibitor). We have completed patient enrollment for the registrational Phase II clinical study in patients with rrMM and are initiating and enrolling patients for four registrational Phase II or Phase III studies in mainland China in rrMM, rrDLBCL and endometrial cancer, respectively. We also submitted NDA applications for ATG-010 (selinexor) to NMPA (mainland China), TGA (Australia), MFDS (South Korea), HSA (Singapore) and Hong Kong Department of Health.

Our adjusted research and development costs (non-IFRS measure) were approximately RMB115.8 million and RMB303.7 million for the year ended December 31, 2019 and December 31, 2020 respectively. As of December 31, 2020, we had filed 8 patent applications in China under the Patent Cooperation Treaty (PCT) for material intellectual properties.

BUSINESS DEVELOPMENT

In May 2020, we entered into an amendment to the license agreement with Karyopharm and expanded our rights to develop and commercialise selinexor, eltanexor, verdinexor and ATG-019 in selected APAC markets. Subsequently, we submitted NDA application for ATG-010 (selinexor) to TGA (Australia), MFDS (South Korea), HSA (Singapore) and Hong Kong Department of Health in the fourth quarter of 2020, followed by our NDA application to NMPA (mainland China) in January 2021.

IMPACT OF THE COVID-19 OUTBREAK

Since the outbreak of the novel coronavirus ("**COVID-19**") in early 2020, the Company has adopted immediate measures to maintain effective and high-quality level of operation. Although we experienced some delays in the patient enrollment process and data entry for certain of our clinical trials in China at the beginning of the COVID-19 pandemic, there has not been any material disruption of our ongoing clinical trials. The COVID-19 pandemic has not caused any early termination of our clinical trials or necessitated removal of any patients enrolled in the clinical trials. In addition, our supply chain has not experienced any material disruption since the outbreak of COVID-19. We have not experienced and currently do not expect any material regulatory delays in respect of our clinical trials or any long-term impact on our operation or deviation from our overall development plans due to the COVID-19 pandemic. We have not experienced any material impact from COVID-19 on the progress, status or filing update of our ongoing research and clinical activities.

EVENTS AFTER THE REPORTING PERIOD

Pursuant to a board resolution dated January 18, 2021, the exercise periods under the 2019 and 2020 Equity Incentive Plans were extended to ten years from the grant date, including those options which have already been granted.

On January 19, 2021, a total of 4,560,000 and 1,696,000 Share Options were granted to certain eligible persons pursuant to the 2019 Equity Incentive Plan and the 2020 Equity Incentive Plan, respectively, to subscribe for a total of 4,560,000 and 1,696,000 Shares, respectively. For details, please refer the announcement of the Company dated January 20, 2021.

In March 2021, we appointed Dr. Kevin Lynch as our Chief Medical Officer (CMO), responsible for the Company's strategic planning and executive leadership of medical affairs and clinical development. In the past almost 30 years of experience in R&D in the pharmaceutical industry, he has filled multiple national, regional, and global clinical roles, building organisations across Clinical Development and Medical Affairs, with 10 years at Novartis and over 11 years with Celgene. At Celgene, he was Vice President leading the European Clinical Development program before his most recent role in APAC as Vice President and Head of Clinical Development and Medical Affairs. Kevin has been closely involved in early to late-stage clinical development of multiple transformational cancer therapies, including Glivec®, Tasigna®, Zometa®, Femara®, Revlimid®, Pomalyst®, and Vidaza®.

In March 2021, we also appointed Dr. Bo Shan as our Chief Scientific Officer (CSO), responsible for the Company's strategic planning and executive leadership of drug discovery, early development and chemistry, manufacturing, and controls processes (CMC). Dr. Shan has about 20 years of experience in R&D and manufacturing in the pharmaceutical industry, and led and managed discovery, early development and CMC programs resulting in multiple IND, NDA and ANDA filings. Before that, he was the Corporate Vice President of the Company.

In March 2021, the Company has been selected as a constituent stock of the Hang Seng Composite Index (HSCI), the Hang Seng Stock Connect Hong Kong Index (HSHKI), the Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index (HSHKMS), the Hang Seng Stock Connect Hong Kong SmallCap Index (HSHKS), the Hang Seng SCHK Mainland China Companies Index (HSSCMLC), the Hang Seng SCHK ex-AH Companies Index (HSSCNAH), the Hang Seng Healthcare Index (HSHCI), the Hang Seng Hong Kong-Listed Biotech Index (HSHKBIO) and the Hang Seng Small Cap (Investable) Index (HSSIV), according to the quarterly review results of the Hang Seng Family of Indexes. Based on the inclusion, the Company has been selected as an eligible stock in the Shenzhen-Hong Kong Stock Connect, effective from March 15, 2021.

FUTURE AND OUTLOOK

Leveraging our combinatory and complementary R&D strategy and through our strong R&D capabilities and strategic approach in developing novel therapies, we continue to realise our vision of treating patients beyond borders and transforming their lives in discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

We will continue to advance the clinical development of our six clinical stage products in multiple therapeutic areas, and continue to implement our dual-engine approach of external partnerships and internal discovery to build up a pipeline focusing on the key oncogenic pathways, tumor microenvironment and tumor associated antigens globally and across the APAC region. We also intend to continue implementing our complementary approach to develop the in-licensed assets for additional indications to maximise their commercial potential.

Looking into 2021, we expect to receive approvals for selinexor (ATG-010) for the five markets that we submitted NDAs from the fourth quarter of 2021 to the first quarter of 2022, in mainland China, Australia, South Korea, Hong Kong and Singapore. We will also advance two of our in-house developed novel assets into the IND stage.

With the expected NDA approvals mentioned above and building upon our core commercial leadership team with experience in multiple successful launches of top hematology products globally, in APAC and in China in the past, we will continue to build out our commercial team in preparation for a first-in-class launch of selinexor in Greater China and the rest of APAC to address unmet medical needs in our territories. We expect to build a commercial team of approximately 150 members by year end with dedicated in-house marketing, field force, pricing and market access teams along with medical affairs team with proven track record and in-depth regional expertise in hematology oncology.

FINANCIAL INFORMATION

The Board announces the consolidated results of the Group for the year ended December 31, 2020, with comparative figures for the corresponding period in the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
Other income and gains	*4*	**26,834**	52,946
Research and development costs		**(347,655)**	(115,792)
Selling and distribution expenses		**(455)**	(24)
Administrative expenses		**(154,221)**	(39,349)
Other expenses	*4*	**(2,452,392)**	(220,732)
Finance costs		**(1,032)**	(836)
LOSS BEFORE TAX	*5*	**(2,928,921)**	(323,787)
Income tax expense	*6*	**–**	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(2,928,921)**	(323,787)
Attributable to:			
Owners of the parent		**(2,928,921)**	(323,787)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted			
– For loss for the year (RMB)		**(11.66)**	(1.56)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At December 31, 2020 RMB'000	2019 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**56,233**	328
Right-of-use assets		**9,868**	3,765
Other intangible assets		**277**	87
Total non-current assets		**66,378**	4,180
CURRENT ASSETS			
Prepayments and other receivables	*9*	**18,191**	8,808
Cash and bank balances		**3,109,832**	746,795
Total current assets		**3,128,023**	755,603
CURRENT LIABILITIES			
Other payables and accruals	*10*	**145,672**	43,746
Lease liabilities		**4,929**	1,195
Total current liabilities		**150,601**	44,941
NET CURRENT ASSETS		**2,977,422**	710,662
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,043,800**	714,842
NON-CURRENT LIABILITIES			
Convertible redeemable preferred shares		**–**	1,269,484
Lease liabilities		**5,992**	2,969
Total non-current liabilities		**5,992**	1,272,453
Net assets/(liabilities)		**3,037,808**	(557,611)
EQUITY/(DEFICIT)			
Equity attributable to owners of the parent			
Share capital		**448**	72
Treasury shares		**(30)**	–
Reserves		**3,037,390**	(557,683)
Total equity/(deficit)		**3,037,808**	(557,611)

NOTES TO THE FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 28 August 2018. The registered office of the Company is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the year, the Group was involved in the research and development of pharmaceutical products.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") effective from 20 November 2020.

In the opinion of the Company's directors (the "**Directors**"), the holding company and the ultimate holding company of the Company is Meiland Pharma Tech Limited, which is incorporated under the laws of the Cayman Islands on 5 January 2016. Meiland Pharma Tech Limited is ultimately controlled by Dr. Jay Mei, the chairman and the chief executive officer of the Company.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board (the "**IASB**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions* (early adopted)
Amendments to IAS 1 and IAS 8	*Definition of Material*

The *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs in the current year did not have any significant impact on the financial position and performance of the Group.

3. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the development of innovative oncology medicines. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Since nearly all of the Group's non-current assets were located in Mainland China, no geographical segment information is presented in accordance with IFRS 8 *Operating Segments*.

4. OTHER INCOME AND GAINS AND OTHER EXPENSES

An analysis of other income and gains is as follows:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Other income		
Government grants related to income*	**13,841**	10,980
Bank interest income	**12,202**	12,776
Others	**747**	45
	26,790	23,801
Other gains		
Gain on disposal of right-of-use assets for early terminated leases	**44**	–
Foreign exchange gains, net	**–**	29,145
	44	29,145
	26,834	52,946

* The government grants mainly represent subsidies received from the local governments for the purpose of compensation on the expenses spent on research and clinical trial activities and as allowance for new drug development and funds for talents.

An analysis of other expenses is as follows:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Other expenses		
Fair value loss on convertible redeemable preferred shares	**2,356,271**	214,549
Foreign exchange loss, net	**80,551**	–
Loss on repurchase of convertible redeemable preferred shares	**15,150**	–
Difference between the carrying amount of other non-current liabilities and the liability portion of fair value of convertible redeemable preferred shares	**–**	5,290
Others	**420**	893
	2,452,392	220,732

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		Year ended December 31,	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
Depreciation of property, plant and equipment		**390**	215
Depreciation of right-of-use assets		**3,648**	1,288
Amortisation of other intangible assets		**51**	3
Lease payments not included in the measurement of lease liabilities		**612**	253
Auditor's remuneration		**2,000**	33
Share issue expenses		**28,570**	–
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		**60,832**	27,953
Pension scheme contributions (defined contribution scheme)		**4,302**	2,180
Staff welfare expenses		**3,186**	1,671
Equity-settled share option expense		**2,259**	2
		70,579	31,806
Foreign exchange differences, net	*4*	**80,551**	(29,145)
Difference between the carrying amount of other non-current liabilities and the liability portion of the fair value of convertible redeemable preferred shares*		**–**	5,290
Loss on repurchase of convertible redeemable preferred shares*	*4*	**15,150**	–
Gain on disposal of right-of-use assets for early terminated leases**	*4*	**(44)**	–
Fair value loss on convertible redeemable preferred shares*		**2,356,271**	214,549

* Included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

** Included in "Other income and gains" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands ("**BVI**"), the subsidiaries incorporated in the BVI are not subject to tax on income or capital gains. In addition, upon payments of dividends by these subsidiaries to their shareholders, no BVI withholding tax is imposed.

Hong Kong

The subsidiaries incorporated in Hong Kong are subject to income tax at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Macau

The subsidiary incorporated in Macau is subject to income tax at the rate of 12% on the estimated assessable profits arising in Macau during the year.

Mainland China

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% (2019: 25%) on the taxable income.

Australia

No provision for Australia profits tax has been made as the Group had no assessable profits derived from or earned in Australia during the year (2019: Nil). The subsidiary incorporated in Australia is subject to income tax at the rate of 30% (2019: 30%) on the estimated assessable profits arising in Australia during the year.

Singapore

No provision for Singapore profits tax has been made as the Group had no operating activities in Singapore during the year (2019: Nil). The subsidiary incorporated in Singapore is subject to income tax at the rate of 17% (2019: 17%) on the estimated assessable profits arising in Singapore during the year.

United States of America

The subsidiary incorporated in Delaware, the United States of America is subject to statutory federal corporate income tax of the United States of America at a rate of 21% (2019: 21%). It is also subject to the state income tax in Delaware at a rate of 8.7% (2019: 8.7%) during the year.

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Loss before tax	**(2,928,921)**	(323,787)
Tax at the statutory tax rate (25%)	**(732,230)**	(80,947)
Different tax rates for specific jurisdictions or enacted by local authorities	**48,764**	6,255
Additional deductible allowance for qualified research and development costs	**(17,951)**	(11,446)
Expenses not deductible for tax	**639,500**	45,353
Tax losses not recognised	**61,917**	40,785
Tax charge at the Group's effective rate	**–**	–

The Group has accumulated tax losses in Mainland China of RMB346,330,000 and RMB144,753,000 as at December 31, 2020 and 2019, respectively, that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has accumulated tax losses in overseas subsidiaries of RMB45,172,000 and RMB6,604,000 in aggregate as at December 31, 2020 and 2019, respectively, that will be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

7. DIVIDENDS

No dividend was paid or declared by the Company during the years ended December 31, 2020 and 2019.

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 251,098,557 (2019: 207,120,320) (after adjusted for the effect of the capitalisation issue) in issue during the year, as adjusted to reflect the rights issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended December 31, 2020 and 2019 in respect of a dilution as the impact of the share options and convertible redeemable preferred shares outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted loss per share are based on:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(2,928,921)**	(323,787)

	Year ended December 31,	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**251,098,557**	207,120,320

9. PREPAYMENTS AND OTHER RECEIVABLES

	At December 31,	
	2020	2019
	RMB'000	*RMB'000*
Value-added tax recoverable	**11,478**	3,809
Interest receivables	**4,245**	3,006
Amounts due from shareholders	**37**	755
Amounts due from related parties	**17**	35
Prepayments	**718**	458
Other receivables	**1,696**	745
	18,191	8,808

Other receivables had no historical default. The financial assets included in the above balances relate to receivables were categorised in stage 1 at the end of each reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the year, the Group estimated that the expected credit loss rate for other receivables and deposits is minimal.

The balances are interest-free and are not secured with collateral.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances.

10. OTHER PAYABLES AND ACCRUALS

	2020	2019
	RMB'000	*RMB'000*
Amounts due to related parties	**16,545**	19,269
Amounts due to shareholders	**73**	44
Deferred income*	**36,381**	6,240
Payroll payable	**28,584**	8,472
Other tax payables	**3,113**	3,416
Accrued share issue expenses	**30,008**	–
Payables for purchase of property, plant and equipment	**4,548**	–
Other payables**	**26,420**	6,305
	145,672	43,746

* During the year ended 31 December 2020, it includes the government grants related to an asset of RMB26,781,000 (2019: Nil) that will be recognised in profit or loss over the expected useful life of the relevant asset and the government grants related to income of RMB9,600,000 (2019: RMB6,240,000) that will be recognised in profit or loss upon the Group complies with the conditions attached to the grants and the government acknowledges acceptance.

** Other payables primarily consist of accrued or invoiced but unpaid fees for CRO, CDMO and SMO services received.

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals as at the end of each reporting period approximate to their fair values due to their short-term maturities.

FINANCIAL REVIEW

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Other income and gains	**26,834**	52,946
Research and development costs	**(347,655)**	(115,792)
Selling and distribution expenses	**(455)**	(24)
Administrative expenses	**(154,221)**	(39,349)
Other expenses	**(2,452,392)**	(220,732)
Finance costs	**(1,032)**	(836)
LOSS BEFORE TAX	**(2,928,921)**	(323,787)
Income tax expense	**–**	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(2,928,921)**	(323,787)
Non-IFRS measures:		
Adjusted loss and total comprehensive loss for the year	**(454,958)**	(109,236)

Other Income and Gains. Our other income and gains decreased by RMB26.1 million from RMB52.9 million for the year ended December 31, 2019 to RMB26.8 million for the year ended December 31, 2020, primarily attributable to the absence of RMB29.1 million of net foreign exchange gains that was recorded for the year ended December 31, 2019.

Other Expenses. Our other expenses increased significantly by RMB2,231.7 million from loss of RMB220.7 million for the year ended December 31, 2019 to loss of RMB2,452.4 million for the year ended December 31, 2020. The increase was mainly attributable to (i) the increase in fair value loss on convertible redeemable preferred shares of RMB2,141.8 million due to the significant increase in our Company's valuation, a non-cash and one-time adjustment upon listing as required under the IFRS, and (ii) the net foreign exchange loss of RMB80.6 million for the year ended December 31, 2020, as compared to the net foreign exchange gain of RMB29.1 million for the year ended December 31, 2019 due to the decline in the exchange rate of USD against RMB.

Such loss on the fair value changes of conversion features of preferred shares was a non-cash and non-recurring adjustment recognised as of Listing Date, as the fair value of the conversion features was deemed to be increased upon the completion of the IPO of the Company. As all the preferred shares were converted to ordinary shares upon the Listing Date, the Group will not incur any additional losses related to the fair value changes of the conversion features.

Research and Development Costs. Our research and development costs increased by RMB231.9 million from RMB115.8 million for the year ended December 31, 2019 to RMB347.7 million for the year ended December 31, 2020. This increase was primarily attributable to the combined impact of (i) an increase in licensing fees from RMB49.0 million for the year ended December 31, 2019 to RMB163.3 million for the year ended December 31, 2020 as we made payments for an amendment fee of RMB82.9 million and milestone payment of RMB63.7 million in relation to the Karyopharm Agreement, an upfront fee of RMB3.5 million and milestone payment of RMB13.2 million in relation to ATG-101's in-licensing in 2020; (ii) an increase in employee costs of R&D personnel of RMB72.3 million from RMB16.9 million for the year ended December 31, 2019 to RMB89.2 million for the year ended December 31, 2020, mainly as a result of an increase in equity-settled share option expense of R&D personnel from RMB1.4 thousand for the year ended December 31, 2019 to RMB43.9 million for the year ended December 31, 2020 and an increase in wages and salaries of R&D personnel of RMB27.3 million from RMB15.8 million for the year ended December 31, 2019 to RMB43.1 million for the year ended December 31, 2020 mainly due to our R&D headcount expansion; and (iii) a RMB39.6 million increase of other clinical-related fees paid to contract research organisations ("**CRO(s)**"), contract development and manufacturing organisations ("**CDMO(s)**") and site management organisations ("**SMOs**") in line with our increased R&D activities.

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Employee costs		
Wages and salaries	**43,064**	15,781
Pension scheme contributions	**2,197**	1,102
Staff welfare expenses	**7**	–
Equity-settled share option expense	**43,925**	1
Depreciation and amortisation	**712**	65
Licensing fees	**163,266**	48,961
Other clinical-related fees	**84,783**	45,172
Others	**9,701**	4,710
Total	**347,655**	115,792

Administrative Expenses. Our administrative expenses increased by RMB114.9 million from RMB39.3 million for the year ended December 31, 2019 to RMB154.2 million for the year ended December 31, 2020. This increase was primarily attributable to (i) an increase in employee costs of administrative personnel of RMB63.9 million from RMB19.7 million for the year ended December 31, 2019 to RMB83.6 million for the year ended December 31, 2020, mainly as a result of an increase in equity-settled share option expense of non-R&D personnel from RMB0.7 thousand for the year ended December 31, 2019 to RMB45.2 million for the year ended December 31, 2020 and an increase in wages and salaries of non-R&D personnel of RMB15.6 million from RMB16.5 million for the year ended December 31, 2019 to RMB32.1 million for the year ended December 31, 2020 mainly due to headcount expansion of our non-R&D personnel; (ii) the RMB28.6 million share issue expenses for the year ended December 31, 2020 were mainly attributable to legal and other professional fees in relation to the IPO; and (iii) a RMB7.2 million increase in professional fees for legal, consulting, recruiting, translation and other services in relation to recruitment and other operating and administrative activities.

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Employee costs		
Wages and salaries	**32,124**	16,531
Pension scheme contributions	**3,074**	1,460
Staff welfare expenses	**3,179**	1,671
Equity-settled share option expense	**45,197**	1
Share issue expenses	**28,570**	–
Professional fees	**16,308**	9,115
Depreciation and amortisation	**3,377**	1,441
Others	**22,392**	9,130
Total	**154,221**	39,349

Finance Costs. Our finance costs increased slightly by RMB0.2 million from RMB0.8 million for the year ended December 31, 2019 to RMB1.0 million for the year ended December 31, 2020. This increase was primarily attributable to increase in the interest expenses on lease liabilities.

Non-IFRS Measures

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss and total comprehensive loss for the year and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss and total comprehensive loss for the year represents the loss and total comprehensive loss for the year excluding the effect of equity-settled share option expense, share issue expenses and certain non-cash items and one-time events, namely fair value loss on convertible redeemable preferred shares. The term adjusted loss and total comprehensive loss for the year is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures are reflections of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus, facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

The table below sets forth a reconciliation of the loss and total comprehensive loss to adjusted loss and total comprehensive loss during the years indicated:

	Year ended December 31,	
	2020	2019
	RMB'000	*RMB'000*
Loss and total comprehensive loss for the year	**(2,928,921)**	(323,787)
Added:		
Fair value loss on convertible redeemable preferred shares	**2,356,271**	214,549
Share issue expenses	**28,570**	–
Equity-settled share option expense	**89,122**	2
Adjusted loss and total comprehensive loss for the year	**(454,958)**	(109,236)

Employees and Remuneration Policies

The following table sets forth a breakdown of our employees as at December 31, 2020 by function:

Function	Number of employees	% of total number of employees
Research and Development	55	48.3
Sales, General and Administrative	52	45.6
Manufacturing	7	6.1
Total	114	100

As of December 31, 2020, we had 91 employees in Shanghai, Beijing and Shaoxing, Zhejiang Province and 23 employees in other regions of China and overseas. Our employees' remuneration comprises salaries, bonuses, employee provident fund and social security contributions and other welfare payments. In accordance with applicable PRC 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.

Liquidity and Financial Resources

On November 20, 2020, 154,153,500 shares of USD0.0001 each were issued at a price of HKD18.08 per share in connection with the Company's listing on the Main Board of the Stock Exchange. The proceeds of HKD119,519.88 representing the par value, were credited to the Company's share capital. The remaining proceeds of HKD2,786,975,760.12, (before deduction of the legal and other professional fees in relation to the listing) were credited to the share premium account.

On December 12, 2020, the international underwriters of the global offering partially exercised the over-allotment option, pursuant to which the Company is required to allot and issue an addition of 2,982,500 shares, representing approximately 1.93% of the total number of the offer shares initially available under the global offering before any exercise of the over-allotment option. The net proceeds from the exercise of the over-allotment option were approximately HKD52.30 million (after deducting the commissions and other offering expenses payable by the Company in relation to the exercise of the over-allotment option). The over-allotment shares were listed on the Stock Exchange on December 18, 2020.

As of December 31, 2020, our cash and bank balances were RMB3,109.8 million, as compared to RMB746.8 million as of December 31, 2019. The increase was mainly due to our Series C financing in July 2020 and the proceeds we received from our listing. Our primary uses of cash are to fund research and development efforts, milestone payments and working capital and other general corporate purposes.

Current ratio

Current ratio is calculated using current assets divided by current liabilities and multiplied by 100%. As at December 31, 2020, our current ratio was 2,077.0% (as at December 31, 2019: 1,681.3%).

Gearing Ratio

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As at December 31, 2020, our gearing ratio was 4.9% (as at December 31, 2019: 173.4%).

Other Financial Information

Significant Investments, Material Acquisitions and Disposals

As of December 31, 2020, we did not hold any significant investments. For the year ended December 31, 2020, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Foreign Exchange Risk

We have transactional currency exposures. The majority of our bank balances and interest receivables are denominated in foreign currencies and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As of December 31, 2020, we did not have any material contingent liabilities.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company is committed to maintain high standards of corporate governance to safeguard the interests of the shareholders and to enhance corporate value and accountability. The Company has applied the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). During the period from the Listing Date to December 31, 2020, the Board is of the opinion that the Company has complied with all the code provisions apart from the deviation below.

Pursuant to code provision A.1.1 of the CG Code, board meetings should be held at least four times a year at approximately quarterly intervals. As the Company was only listed on November 20, 2020, no Board meeting was held during the period from November 20, 2020 to December 31, 2020.

Code provision A.2.1 of the CG Code provides that the roles of the chairman of the Board (the "**Chairman**") and chief executive officer ("**CEO**") should be separated and should not be performed by the same individual. As of the date of this announcement, the roles of the Chairman and CEO of the Company are held by Dr. Jay Mei ("**Dr. Mei**") who is a founder of the Company.

The Board believes that, in view of his experience, personal profile and his roles in the Company, Dr. Mei is the director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as the CEO. The Board also believes that the combined role of Chairman and CEO can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board.

Further, the decisions to be made by the Board require approval by at least a majority of our directors and that the Board comprises three non-executive directors and three independent non-executive directors, which the Company believes that there are sufficient checks and balances in the Board. Dr. Mei and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they shall act for the benefit and in the best interest of the Company and will make decisions for the Group accordingly.

The Board will continue to review and consider splitting the roles of the Chairman and the CEO at the time when it is appropriate by taking into account the circumstances of the Group as a whole. Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2020, which will be dispatched to the shareholders and published on the websites of the Stock Exchange and the Company in due course.

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.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**").

Specific enquiries have been made of all the Directors and they have confirmed that they have complied with the Model Code throughout the period from the Listing Date to the date of this announcement.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company from the Listing Date to the date of this announcement.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities throughout the period from the Listing Date to the date of this announcement.

Use of Net Proceeds

The shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date. The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the IPO and the exercise of over-allotment option of approximately RMB2,274.70 million.

The net proceeds from the listing (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilised in accordance with the purposes set out in the prospectus of the Company dated November 9, 2020. The table below sets out the planned allocations of the net proceeds and actual usage up to December 31, 2020:

Function	**% of use of proceeds (Approximately)**	**Net proceeds from the HK IPO** *RMB million*	**Actual usage up to December 31, 2020** *RMB million*	**Unutilised net proceeds as of December 31, 2020** *RMB million*
Fund ongoing and planned clinical trials and milestone payments of our two Core Products and commercial launches of ATG-010	41%	932.63	72.72	859.91
Fund ongoing and planned clinical trials and milestone payments of four other clinical-stage drug candidates in our pipeline	25%	568.67	3.69	564.98
Fund ongoing pre-clinical studies and planned clinical trials for other pre-clinical drug candidates in our pipeline	9%	204.72	12.02	192.70
For expansion of our pipeline, including discovery of new drug candidates and business development activities	14%	318.46	–	318.46
For capital expenditure	1%	22.75	1.04	21.71
For general corporate purposes	10%	227.47	25.95	201.52
Total	100%	2,274.70	115.42	2,159.28

Notes:

(1) Net proceeds from the IPO were received in HKD and translated into RMB for the allocation and the utilisation calculation, and have been adjusted slightly due to the fluctuation of the foreign exchange rates since the listing.

(2) The unutilised net proceeds of RMB2,159.28 million as of December 31, 2020 are expected to be partially used by December 31, 2021.

Audit Committee

The audit committee of the Company (the "**Audit Committee**") has three members (who are all independent non-executive directors), being Mr. Sheng Tang (chairman), Mr. Mark J. Alles, and Ms. Jing Qian with terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee reviewed and considered that the annual financial results for the year ended December 31, 2020 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Scope of work of Ernst & Young

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

Material Litigation

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2020. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group since the Listing Date and up to December 31, 2020.

PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, at least 25% of the Company's total issued share capital was held by the public at all times since the Listing Date and up to December 31, 2020 as required under the Listing Rules.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended December 31, 2020.

ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on June 18, 2021 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, June 15, 2021 to Friday, June 18, 2021, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, unregistered holders of shares must lodge all properly completed transfer forms accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, June 11, 2021.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.antengene.com**).

The annual report for the year ended December 31, 2020 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By order of the Board
Antengene Corporation Limited
Dr. Jay Mei
Chairman

Hong Kong, March 25, 2021

As at the date of this announcement, the board of directors of the Company comprises Dr. Jay Mei, Mr. John F. Chin and Mr. Yiteng Liu as executive directors; Mr. Xubo Hu, Mr. Zhen Li and Mr. Yanling Cao as non-executive directors; and Mr. Mark J. Alles, Ms. Jing Qian and Mr. Sheng Tang as independent non-executive directors.