**Immunotech Biopharm Ltd**
**永泰生物製藥有限公司**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 6978)**

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

The Board of the Company is pleased to announce the audited consolidated results of the Group for the Reporting Period, together with the comparative figures for the year ended 31 December 2019.

## FINANCIAL HIGHLIGHTS

**Other income** increased by approximately RMB3.1 million or approximately 107.9% from approximately RMB2.9 million for the year ended 31 December 2019 to approximately RMB6.0 million for the year ended 31 December 2020.

**Other gains and losses, net** decreased by approximately RMB46.8 million or approximately 740.5% from gains of approximately RMB6.3 million for the year ended 31 December 2019 to losses of approximately RMB40.5 million for year ended 31 December 2020.

**Research and development expenses** increased by approximately RMB216.7 million or approximately 349.6% from approximately RMB62.0 million for the year ended 31 December 2019 to approximately RMB278.6 million for the year ended 31 December 2020.

**Loss before tax** increased by approximately RMB330.0 million or approximately 302.7% from approximately RMB109.1 million for the year ended 31 December 2019 to approximately RMB439.1 million for the year ended 31 December 2020.

**Loss and total comprehensive expenses for the year** increased by approximately RMB330.0 million or approximately 302.7% from approximately RMB109.1 million for the year ended 31 December 2019 to approximately RMB439.1 million for the year ended 31 December 2020.

## BUSINESS HIGHLIGHTS

### Clinical trials

***EAL - post-surgical recurrence of liver cancer as indication***

EAL is undergoing Phase II clinical trial with the post-surgical recurrence of liver cancer selected as the clinical indication. As at the date of this announcement, the Company has completed the enrollment of targeted 272 patients required for the Phase II clinical trial. Based on the current progress of the Phase II clinical trial, the Company's management is confident that it will finish the interim data analysis as early as the second quarter of 2021 and submit pre-NDA meeting application for the product to the NMPA.

***CAR-T-19 Injection***

CAR-T-19 injection, T cells that are genetically modified to express anti-CD19 chimeric antigen receptors and one of the Group's pipeline products, has received an approval of the IND for clinical trials from the CDE.

Following the IND approval, the Company has commenced Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing on 25 February 2021. The Company expects to enrol the first patient for the Phase I clinical trial in May 2021, complete the targeted patient enrollment in the first quarter of 2022 and publish the preliminary analysis and results in 2022.

***6B11-OCIK Injection***

6B11-OCIK Injection is expected to resume in as early as the third quarter of 2021, based on the discussions with the CDE in March 2021. The Company plans to complete the enrollment of all targeted patients for the Phase I clinical trial as early as the second half of 2022.

### Others

***Investment Fund***

The Company entered into the Subscription Agreement with Tasly Bioscience Fund Limited on 31 December 2020 in relation to the subscription of the Investment Fund. The Company's total capital contribution to the Investment Fund as a limited partner is HK$156.8 million. The Investment Fund would engage in investments in the healthcare sector, which will bring investment returns and revenue to the Company.

***Exclusive License Agreement With T-Cure***

The Company entered into the License Agreement with T-Cure as confirmed by NIH on 11 January 2021. With the grant of a retroviral-vectored TCR-based immunotherapy for renal cell carcinoma in HLA A-11 restricted human patients, the Company will gain advantage in treatment of renal cell carcinoma indication in the PRC.

***Industry Fund***

On 24 February 2021, the Company, through Beijing Yongtai, entered into establishment of the Industry Fund with, Shaoxing Binhai Investment Fund, to set up of research and development and production centre of EAL® for the Eastern China and focus on investments in the upstream and downstream industrial chain of cellular immunotherapy.

***EAL® – Gastric Cancer as Indication***

The Company is currently conducting a pre-clinical study of EAL® for gastric cancer as indicator. The pharmacodynamics study has been completed and the pharmacology and toxicology studies are in progress. The Company expects to submit the clinical study application to the CDE of the NMPA in 2021 after completing the pre-clinical study.

## CORPORATE PROFILE

### Overview

We are a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy for over 14 years. EAL® – our Core Product Candidate – is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application, and has shown efficacy in the treatment of various types of cancer. Our EAL®-related research began in 2006, and we have improved upon our cell culture system and methods, and developed our proprietary, patented technology platform for the production of EAL® cells.

We have selected the prevention of postsurgical recurrence of liver cancer as the clinical indication for the clinical trial of EAL®. We plan to submit the application for the commercialisation of EAL® in the PRC market after achieving statistically significant result for its clinical trials.

Our product pipeline features major classes of cellular immunotherapy products, including both non-genetically-modified and genetically-modified products, as well as both multi-target and single-target products. Other than EAL®, our main product candidates include the CAR-T cell series and the TCR-T cell series.

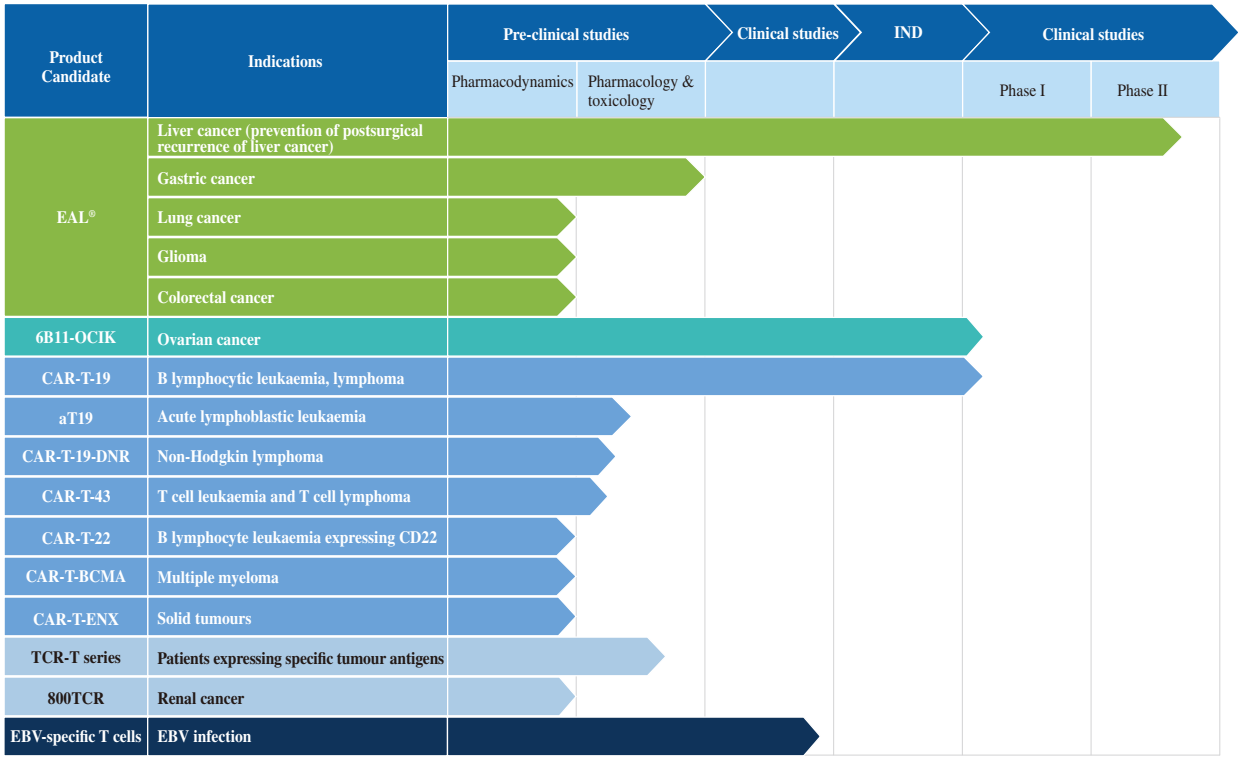
Composed of experienced cancer immunologists, our core technology team is equipped with industry foresight and sensitivity. Our R&D organisational structure encompasses early research, pre-clinical studies, clinical studies, and commercialised production and management, allowing for rapid implementation of our product R&D efforts.

We have also established technology platforms necessary for the R&D of cellular immunotherapy products and in place an organisational and management platform for clinical trials.

## BUSINESS REVIEW

### R&D of our product candidates

The following chart summarises our product candidates and their R&D status as at the date of this announcement:




#### *EAL®*

EAL® is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application in the treatment of cancer. It is a preparation of activated and expanded T cells originally taken from a patient's autologous peripheral blood and cultured using our patented methods. The main active component of the product is $CD8^+$ cytotoxic T cells, whose surface marker is the CD3 molecule.

EAL® is undergoing Phase II clinical trial with the postsurgical recurrence of liver cancer selected as the clinical indication. Based on our communications with the CDE, we may apply for marketing approval for EAL® indicated for the prevention of postsurgical recurrence of liver cancer using the interim results of the ongoing clinical trial or the final results at the end of the clinical trial if such results are statistically significant. We may further communicate with the CDE to facilitate the assessment after obtaining clinical trial results that support the efficacy of EAL®.

The outbreak of COVID-19 resulted in a suspension of the enrolment of patients and the administration of EAL® for enrolled patients for the Phase II clinical trial for EAL® since late January 2020 although our follow-up with patients via phone calls have not been affected. Since March 2020, we had started to resume the enrolment of patients and the administration of EAL® for enrolled patients for Phase II clinical trial for EAL®. According to the clinical trial protocol, the maximum duration between two infusions of EAL® administered to patients is eight weeks. As a result, due to the suspension of the clinical trial, data from no more than 35 patients may be excluded, the calculation of which is based on the minimum duration of suspension of eight weeks and lower than 12 times of infusions. The 35 patients remain under our observation during the clinical trial before we can ascertain whether the suspension has resulted in any statistically significant impact on their clinical trials. We do not expect the maximum number of 35 patients to further increase because the other patients we have do not experience any suspension for more than eight weeks or they have already at least 12 times of infusions, and therefore, comply with the clinical trial protocol. From September 2020, approximately 20 to 30 patients per month were enrolled in the Phase II clinical trial for EAL®, which has returned back to the level before the pandemic.

As at the date of this announcement, the Company has completed the enrollment of targeted 272 patients required for the Phase II clinical trial. Based on the current progress of the Phase II clinical trial, the Company's management is confident that it will finish the interim data analysis as early as the second quarter of 2021 and submit pre-NDA meeting application for the product to the NMPA. Save as disclosed in this announcement, we do not expect the outbreak of COVID-19 to have any other material impact on the clinical trial for EAL®.

***CAR-T cell product pipeline***

The CAR-T-19 series forms the core of our CAR-T cell product pipeline. Our CAR-T-19 injection product candidate has shown efficacy in a clinical study, and our IND application for the product candidate with B-cell acute lymphoblastic leukaemia (B-ALL) as the clinical indication was accepted for processing by the CDE in August 2019.

In December 2020, we received an approval of the IND for clinical trials of CAR-T-19 injection from the CDE. Following the IND approval, the Company has commenced Phase I clinical trial process for the CAR-T-19 injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing on 25 February 2021. The Company expects to enrol the first patient for the Phase I clinical trial in May 2021, complete the targeted patient enrollment in the first quarter of 2022 and publish the preliminary analysis and results in 2022.

Based on the technology of the CAR-T-19 injection, our CAR-T-19-DNR injection and aT19 injection product candidates have the ultimate goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and in the prevention of tumour recurrence. If verified, the technology underlying these two product candidates may be used in the genetic modification of other CAR-T and TCR-T cell products targeting solid tumours.

*TCR-T cell product pipeline*

TCR-T cell therapy is an immunotherapy based on the reinfusion of tumour antigen-specific T cells. We use our established single-cell sequencing-based technology platform to obtain different HLA-restricted T cell receptor (TCR) coding sequences for specific antigens. Subsequently, the TCR genes are inserted into our self-constructed lentiviral vector for transduction into T cells, and then the killing effect on tumour cells is confirmed by an in vitro and in vivo model. In this way, we hope to finally prepare a gene database for TCRs where different antigenic specificities presented by common HLA can be recognised.

With a view to overcoming the immunosuppressive mechanisms of tumours, we have constructed expression vectors that co-express TCR and CXCR3, IL-12, or TGF-β DNR, and we plan to use transplanted tumour models to investigate their effects on the therapeutic effect of TCR-T cells, thereby laying the foundation for the development of the next generation of TCR-T cell products for the treatment of solid tumours.

We have a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target antigens including the cancer-testis antigen or cancer-placental antigen such as NY-ESO-1, and antigens derived from viruses such as EBV and HPV.

**Cautionary Statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that our core product candidate and other product candidate will ultimately be successfully developed and marketed.**

**The Group's facilities**

We have a total area of approximately 13,640 square metres for a R&D and manufacturing centre in Beijing, which includes a quality inspection building and clean laboratory. Such facilities are capable of supporting our pre-clinical and clinical R&D of cellular immunotherapy product candidates, as well as the early production needs upon marketing approval for our product candidates. All these facilities have been issued clean facility (area) inspection reports by the Beijing Institute for Drug Control. Our Guosheng Laboratory in Beijing has the capacity to handle approximately 40,000 samples per year, and can satisfy the needs from the clinical trials for our product pipeline for two to three years, as well as the early production needs from the commercialisation of EAL®. In addition, we have established a research centre in the Republic of Korea primarily focusing on the development of new technologies relevant to our business.

In order to expedite our clinical trials and prepare for future commercialisation roadmap, we are planning to establish R&D and production centres in cities such as Beijing and Guangzhou, covering densely-populated areas in China in view of the six-hour transportation radius for EAL®; namely:

- Northern China region: in April 2020, we won a bid for a parcel of land situated at Lot N5M4, Beijing Economic and Technological Development Zone, Beijing for the purpose of establishing its Beijing production centre. As at the date of this announcement, we have selected the general contractor and expect to commence construction by April 2021. The expected investment for the Beijing production centre would amount to approximately RMB1.2 billion, which is expected to be financed by a bank loan. After completion, it is expected to reach an annual production capacity of over 200,000 batches of cells, covering the domestic Northern and Northeast markets in China.

- Eastern China region: in February 2021, we entered into a cooperation framework agreement with the Shaoxing Binhai New Area Management Committee* (紹興濱海新區管理委員會) with a view to, among others, establishing the proposed research and development and production centre of EAL® for the Eastern China region, the proposed joint establishment of academician workstations with universities and research institutions in the PRC, the proposed land development regarding the project and the proposed establishment of the Industry Fund, targeted at investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy. At present, the total capital commitment for the project is approximately RMB1.0 billion, of which our total capital commitment is RMB50 million. The first phase is expected to complete within 24 months after obtaining the relevant land title certificate.

- Southern and Western China regions: we are conducting site evaluation for EAL® commercialisation purposes in the Pearl River Delta region and Sichuan-Chongqing region and expects to finalise its plan as early as the second quarter of 2021.

**Quality assurance**

We have formulated our quality management documentation in accordance with GMP, covering production process procedures, product quality standards, equipment and facilities operation procedures, inspection procedures, sample retention and sampling management procedures, personnel training, environmental monitoring, verification and confirmation, deviation inspection, and quality risk control management procedures. We have standardised the selection, purchase, inspection, release, production process, inspection process, product storage, and transportation of the materials used in the products to ensure full compliance with relevant laws and regulations and GMP requirements. Under our quality management procedures, final products can be released only after quality inspection in order to ensure that the products meet the relevant standards and intended use.

In particular, the production of EAL® has achieved standardisation, and we have developed comprehensive standards in relation to the production process in order to ensure that the product is of consistent quality.

To ensure that our final products meet quality standards, all quality issues during the production process are documented, escalated to, and reviewed by senior management. We also conduct a formal risk assessment and justification in accordance with the standards and procedures under our quality management system and policies.

The head of our quality department reports directly to our CEO. There are three sub-teams within the quality department responsible for quality assurance, quality control, and R&D quality management respectively. As at 31 December 2020, we had 62 staff members in our quality department.

**Future and outlook**

***Expedite the clinical trial and prepare for commercialisation of EAL®***

We plan to further increase investment into expanding the geographical regions in which to conduct the ongoing Phase II clinical trial for EAL®, with a view of expediting subject enrolment and data collection, and at the same time preparing for future commercialisation.

Cellular immunotherapy products are subject to diminishing cell activity once taken out of the laboratory. As at the date of this announcement, we have confirmed the sites in Beijing and Shaoxing to construct production centres. We are planning to establish R&D and production centres in cities such as Guangzhou or Shenzhen, covering densely-populated areas in China in view of the six-hour transportation radius for EAL®. After establishing our presence in Guangzhou or Shenzhen, we plan to build production centres in other major cities such as Chengdu, Wuhan, Xi'an and Shenyang. As at the date of this announcement, we had started identifying suitable sites in Guangzhou and Shenzhen and a few other major cities.

The first patient for the Phase II clinical trial for EAL® was enrolled in September 2018, and the targeted 272 patients required for the Phase II clinical trial had been enrolled as at the date of this announcement. Based on the current progress of the Phase II clinical trial, the Company's management is confident that it will finish the interim data analysis as early as the second quarter of 2021 and submit pre-NDA meeting application for the product to the NMPA.

***Expedite the research into the expansion of indications for EAL®***

We intend to initiate clinical research on the expansion of indications for EAL®. Several clinical studies have shown the efficacy of EAL® in the treatment of various types of tumours other than liver cancer. After obtaining the marketing approval for EAL®, we plan to expand its clinical indications to diseases such as lung cancer, gastric cancer, and acute myeloid leukaemia. As at the date of this announcement, the pharmacodynamics study has been completed and the pharmacology and toxicology studies are in progress. The Company expects to submit the clinical study application to the CDE in 2021 after completing the pre-clinical study.

According to the clinical application data of Guoqing Zhang et al from Chinese PLA General Hospital (中國人民解放軍總醫院), in respect of 84 patients with stage IIIc-IV gastric cancer consisting of 42 patients who received more than six EAL® infusions and 42 patients with concurrent control, the overall survival (OS) of the EAL®-treated group was 27.0 months, while that of the control group was 13.9 months. In another study by Zhang et al on small cell lung cancer, there were 32 patients consisting of 16 for the EAL®-treated group and 16 for the control group. The patients in the EAL®-treated group were each treated with more than six EAL® infusions, and the OS in the EAL®-treated group was numerically longer than that in the control group.

***Advance the pre-clinical studies for pipeline products, and accelerate their entry into clinical trials***

We plan to continue to invest into our CAR-T and TCR-T cell product pipelines. In particular, pharmacodynamic studies have been completed in respect of our NY-ESO-1 TCR-T, CAR-T-19-DNR, and aT19 product candidates and they are targeted to enter clinical trials by the end of 2021.

In the area of overcoming the immunosuppressive mechanisms of tumours, we intend to continue our research into multiple genetic modification methods aiming at affecting the signal pathway for T cells, with a view of increasing the T cells' efficacy in killing tumour cells. We expect that CAR-T-19-DNR, which targets immunosuppressive molecule TGF-ß, will be our first product candidate to enter into clinical study. We plan to validate the product candidate's primary safety and efficacy a researcher-initiated clinical study programme and the programme has been granted the ethical approval by the China Ethics Committee of Registering Clinical Trials.

Targeting at prevention of recurrence after cellular immunotherapy, we are conducting R&D on therapeutic strategies adopting different immune mechanisms and different immune cells, to achieve effective induction of tumour antigen-specific immunological memory cells and long-term remission of tumours. Our first product candidate in this category is the aT19 injection.

***Enhance our technology platform and strengthen our product pipeline***

As always, we will be committed to continuing our studies on cellular immunotherapy products appropriate for different tumour types and stages with improved efficacy compared to currently-available products.

In the area of solid tumours caused by oncogenic viruses such as nasopharyngeal cancer (EBV) and cervical cancer (HPV), we are conducting research into TCR-T cell products targeting at solid tumour cells expressing virus antigens.

In the area of neoantigens formed from tumour mutations in solid tumours, we intend to identify antigen-specific TCRs suitable for different individuals, with a view of ultimately constructing a gene database for TCRs targeting of tumour neoantigens in an effort to conduct research into molecule-specific TCR-T cell products for the treatment of solid tumours.

***Develop viral vector production and early-stage R&D services business***

The viral vector production system we have established meets the pharmaceutical production quality standards under GMP requirements. The viral vectors that we have produced meet the requirements for biological products and can be produced in scale. At present, domestic CAR-T cells companies often order viral vectors from abroad.

Due to their high degrees of individualisation and their nature as biological active products, cellular immunotherapy products are subject to research and development carried out through a systematic technology platform covering cell preparation, cell quality control, cell potency studies, cell safety studies, etc. In the absence of such platform, the productisation of the cells would be difficult. Through the research on a variety of products, including non-genetically modified and genetically-modified cellular immunotherapy products, we have established a systematic technology platform for the research and development of cellular immunotherapy products, and we can provide customised services according to the needs of customers.

***Expand strategic collaboration and explore acquisition opportunities on the basis of organic growth***

As an open and forward-looking immune cell technology R&D company, we intend to expand strategic collaboration and explore acquisition opportunities on the basis of our organic growth, in order to quickly expand our product pipeline covering the treatment of both solid and non-solid tumours. With a view of further enhancing our product pipeline, we intend to continue looking for new potential cellular immunotherapy products by expanding strategic cooperation and identifying potential acquisition targets possessing products with clear professional prospects.

## FINANCIAL REVIEW

### Year Ended 31 December 2020 Compared to Year Ended 31 December 2019

| | Year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Other income | **6,005** | 2,888 |
| Other gains and losses, net | **(40,454)** | 6,316 |
| Fair value loss of convertible redeemable preference shares | **(16,984)** | 3,825 |
| Business development expenses | **–** | (569) |
| Administrative expenses | **(68,625)** | (27,760) |
| Research and development expenses | **(278,626)** | (61,975) |
| Finance costs | **(2,389)** | (2,070) |
| Listing expenses | **(37,583)** | (22,283) |
| Other expenses | **(473)** | (7,426) |
| Loss before tax | **(439,129)** | (109,054) |
| Income tax expense | **–** | – |
| Loss and total comprehensive expenses for the year | **(439,129)** | (109,054) |
| Loss and total comprehensive expenses for the year attributable to: | | |
| Owners of the Company | **(439,047)** | (108,801) |
| Non-controlling interests | **(82)** | (253) |
| Loss per share | | |
| – Basic | **(0.99)** | (0.29) |
| – Diluted | **(0.99)** | (0.29) |

### Other income

Other income of the Group increased by approximately 107.9% from approximately RMB2.9 million as at 31 December 2019 to approximately RMB6.0 million as at 31 December 2020, which was primarily due to the increase in interest income on bank deposits during the Reporting Period.

Set out below are the components of other income for the periods indicated:

| | Year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Income received from provision of cell cryopreservation services | **710** | 710 |
| Interest income on bank deposits | **3,581** | 325 |
| Interest income from lease deposits | **70** | 63 |
| Interest income from loans | **–** | 52 |
| Government grants | **1,605** | 1,726 |
| Others | **39** | 12 |
| **Total** | **6,005** | 2,888 |

Cell cryopreservation is the process whereby cells are preserved by cooling to very low temperatures.

**Other gains and losses, net**

Other gains and losses, net of the Group decreased by approximately 740.5% from gains of RMB6.3 million for the year ended 31 December 2019 to losses of RMB40.5 million for the year ended 31 December 2020, which was primarily because of the foreign exchange loss denominated in Hong Kong dollars as a result of the depreciation of Hong Kong dollars against RMB held by the Group during the Reporting Period.

Our other gains and losses, net for the Reporting Period mainly consisted of exchange gains and losses.

**Fair value loss of convertible redeemable preference shares**

Our recognised fair value loss of convertible redeemable preference shares decreased by approximately 544.0% from approximately gains of RMB3.8 million for the year ended 31 December 2019 to approximately losses of RMB17.0 million for the year ended 31 December 2020, which was primarily due to the dilutive effect of the Listing.

**Business development expenses**

We did not incur any business development expenses for the year ended 31 December 2020 (compared to approximately RMB0.6 million for the year ended 31 December 2019), which was primarily due to larger scale of Phase II clinical trial for EAL® based on which we classified all the business development expenses relevant to such clinical trial to our research and development expenses.

**Administrative expense**

Administrative expense of the Group increased by approximately 147.2% from approximately RMB27.8 million for the year ended 31 December 2019 to approximately RMB68.6 million for the year ended 31 December 2020, which was primarily due to the increase in staff costs as a result of the increase in salaries and allowance of employees and the impact of share options offered to the Directors and employees of the Group.

The Group's administrative expenses primarily include staff costs, professional fees including fees paid to contractors and recruiters, depreciation expenses of our right-of-use assets for our leases, vehicles and office equipment, travel and hospitality fees and others.

**Research and development expenses**

Research and development expenses of the Group increased by approximately 349.6% from approximately RMB62.0 million for the year ended 31 December 2019 to approximately RMB278.6 million for the year ended 31 December 2020, which was primarily due to the impact of share options offered to the research and development staff, the increase in headcount of research and development staffs and increase in investments for EAL® clinical trials and other R&D pipeline products.

| | **Year ended 31 December** | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Raw material costs | **14,162** | 9,159 |
| Staff costs | **157,796** | 18,757 |
| Contracting costs | **85,803** | 20,022 |
| Depreciation and amortisation | **11,470** | 8,860 |
| Others | **9,395** | 5,177 |
| **Total** | **278,626** | 61,975 |

**Finance costs**

Finance costs of the Group increased by approximately 15.4% from approximately RMB2.1 million for the year ended 31 December 2019 to approximately RMB2.4 million for the year ended 31 December 2020, which was primarily due to the increase in interest expenses on lease liability recognised pursuant to IFRS 16.

**Listing expenses**

Listing expenses of the Group increased by approximately 68.7% from approximately RMB22.3 million for the year ended 31 December 2019 to approximately RMB37.6 million for the year ended 31 December 2020 in line with the progress of the Listing and it is expected that no such expenses will be incurred in the future.

**Other expenses**

Other expenses of the Group decreased by approximately 94.0% from approximately RMB7.4 million for the year ended 31 December 2019 to approximately RMB0.5 million for the year ended 31 December 2020, which was primarily due to that we paid to third parties in services in relation to the issue of our Convertible Preference Shares in the amount of approximately RMB7.0 million during the year ended 31 December 2019.

Set out below are the components of other expenses for the periods indicated:

| | Year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Costs for provision of cell cryopreservation services | **290** | 325 |
| Issue costs for convertible redeemable preference shares | **–** | 7,018 |
| Others | **183** | 83 |
| **Total** | **473** | 7,426 |

The costs for provision of cell cryopreservation services consist of (i) amortised costs in respect of the one-off initial set-up costs; and (ii) ongoing expenses which we recognise in the period during which they were incurred.

**Loss before tax**

For the above reasons, the loss before tax of the Group increased by approximately 302.7% from approximately RMB109.1 million for the year ended 31 December 2019 to approximately RMB439.1 million for the year ended 31 December 2020.

**Income tax expenses**

For the year ended 31 December 2020, we are not subject to any income tax in the Cayman Islands. No Hong Kong profit tax was provided for as there was no estimated assessable profit of our Hong Kong subsidiary, which was subject to Hong Kong profit tax during the Reporting Period. Our subsidiaries located in the PRC, were generally subject to the statutory enterprise income tax at a rate of 25% on the assessable profits according to the PRC Enterprise Income Tax Law. One of our PRC subsidiaries, Beijing Yongtai was accredited as a High And New Technology Enterprise for a three-year period commencing from 31 October 2018. Accordingly, Beijing Yongtai enjoyed a lower tax rate of 15% during the Reporting Period.

**Liquidity and capital resources**

Our bank balances and cash increased by approximately RMB563.2 million from approximately RMB282.2 million at 31 December 2019 to approximately RMB845.4 million at 31 December 2020, which was primarily due to the net proceeds received from the Listing.

## Indebtedness

### *Lease liabilities*

As at 31 December 2020, our lease liabilities were approximately RMB51.1 million. The lease liabilities were secured by rental deposits and unguaranteed.

### *Convertible Preference Shares*

On 3 June 2019, we entered into the Preference Share Subscription Agreement, pursuant to which, Poly Platinum subscribed for 5,000 Convertible Preference Shares for a consideration of HK$200 million. As at 31 December 2019, the carrying amounts of the Convertible Preference Shares were approximately RMB172.1 million and as at 31 December 2020, the carrying amounts of the Convertible Preference Shares were nil, which included the initial proceeds received on issuance of the Convertible Preference Shares and their subsequent fair value changes. The Convertible Preference Shares were secured by Shares of the Company held by each of Tan Zheng Ltd and Tan Xiao Yang Ltd and guaranteed by each of Tan Xiaoyang, Mr Tan Zheng, Zhang Junzheng, Ma Xiaoou, Song Aiping, Ke Shaobin, Wang Shuhui, Li Yunhui, Tan Yueyue and Wang Yuning.

On 23 August 2019, a written resolution of the Shareholders of the Company was passed, pursuant to which each preference share of the Company of US$1.00 each was sub-divided into 1,000 shares of US$0.001 each. Following the subdivision of share capital of the Company, the number of the preference shares was increased from 5,000 of US$1.00 each into 5,000,000 of US$0.001 each.

Upon completion of the IPO on 10 July 2020, the preferred shares were automatically converted into 5,000,000 ordinary Shares of the Company.

### *Contingent liabilities, charge of assets and guarantees*

Save as disclosed above, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, lease liabilities, liabilities under acceptance or other similar indebtedness, any guarantees or other material contingent liabilities as at 31 December 2020.

## CAPITAL STRUCTURE

The Shares of the Company were listed on the Main Board of the Stock Exchange on 10 July 2020, and 100,000,000 Shares of the Company were issued at the offer price of HK$11.00 per share by way of Global Offering.

Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the global offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering. There was no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares. As at 31 December 2020, the total issued share capital of the Company was US$514,584 divided into 514,584,000 Shares.

The capital structure of the Group was 6.7% debt and 93.3% equity as at 31 December 2020, compared with 59.1% debt and 40.9% equity as at 31 December 2019.

## FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may affect our financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit our exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

## SELECTED FINANCIAL RATIO

The following table sets out certain selected financial ratios as at the balance sheet dates indicated:

| | **Year ended 31 December** | |
|---|---|---|
| | **2020** | 2019 |
| Current ratio | **27.95** | 1.49 |
| Quick ratio | **27.83** | 1.47 |

*Notes:*

(1) Current ratio equals current assets divided by current liabilities as at the end of the period.

(2) Quick ratio equals (a) current assets less inventories divided by (b) current liabilities as at the end of the period.

Our current ratio increased from 1.49 as at 31 December 2019 to 27.95 as at 31 December 2020 and our quick ratio increased from 1.47 as at 31 December 2019 to 27.83 as at 31 December 2020 because of the net proceeds received from the Listing and the Convertible Preference Shares were converted into ordinary Shares of the Company.

## EVENTS AFTER THE REPORTING PERIOD

### Exclusive license agreement with T-Cure

On 11 January 2021, we entered into the License Agreement with T-Cure, pursuant to which T-Cure agreed to grant an exclusive license to us to use the know-hows, patent rights and processes that are controlled or owned by T-Cure necessary or useful to develop, manufacture or commercialise of the Licensed Products for the development, manufacturing and commercialisation of Licensed Products in the Territory in the field of retroviral-based T-cell receptor based immunotherapy for renal cell carcinoma, and in consideration of which, the Company agreed to pay the upfront payment of US$2 million, the milestone payment of US$10 million and royalties based on the net annual sales of Licensed Products, in accordance with the terms of the License Agreement.

Details of the License Agreement are set out in the announcement of the Company dated 21 January 2021.

### Establishment of and investment in the Industry Fund

On 24 February 2021, we, through Beijing Yongtai, entered into a cooperation framework agreement (the "**Cooperation Framework Agreement**") with the Shaoxing Binhai New Area Management Committee* (紹興濱海新區管理委員會), a governmental management committee of Shaoxing City, Zhejiang Province, with a view to promote the development of biomedical industry in Shaoxing Binhai New Area* (紹興濱海新區) by the introduction of Beijing Yongtai to participate in the Huadong Cellular Immunotherapy Industrial Park* (華東細胞產業園) project, including, among other things, the proposed set up of research and development and production centre of EAL® for the Huadong region, the proposed joint establishment of academician workstations with universities and research institutions in the PRC, the proposed land development regarding the project and the proposed establishment of a specialised industry fund, targeted at investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy.

Upon the entering into of the Cooperation Framework Agreement, Beijing Yongtai, as the limited partner to the Industry Fund, Tianjin Jinxin Health Technology Co., Ltd.* (天津金新健康科技有限公司), as the general partner to the Industry Fund, and among other limited partners of the Industry Fund, such as Shaoxing Binhai Investment Fund, entered into a limited partnership agreement on 21 February 2021 to, among other things, invest in the upstream and downstream industrial chain of cellular immunotherapy, stem cell research, gene therapy and precision medicine. Beijing Yongtai's total capital commitment in the Industry Fund as a limited partner to the Industry Fund is RMB50 million.

Details of the establishment of and investment in the Industry Fund are set out in the announcement of the Company dated 24 February 2021.

**Resumption of the Phase I clinical trial of 6B11-OCIK Injection**

We expect to resume Phase 1 clinical trial of 6B11-OCIK Injection in as early as the third quarter of 2021, based on recent discussions with the CDE. We plan to complete the enrollment of all targeted patients required for the Phase 1 clinical trial as early as the second half of 2022.

**Completion of targeted 272 patients for Phase II clinical trial of EAL® with the post-surgical recurrence of liver cancer selected as the clinical indication**

As at the date of this announcement, we have completed the enrollment of targeted 272 patients required for the Phase II clinical trial with the post-surgical recurrence of liver cancer selected as the clinical indication. Based on the current progress of the Phase II clinical trial, the Company's management is confident that it will finish the interim data analysis as early as the second quarter of 2021 and submit pre-NDA meeting application for the product to the NMPA.

## FINAL DIVIDEND

No dividend was paid, declared or proposed for the Reporting Period.

## ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Friday, 21 May 2021 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the Shareholders 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 Monday, 17 May 2021 to Friday, 21 May 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, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 14 May 2021.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Corporate Governance

The Company has applied the principles and code provisions as set out in the CG Code contained in Appendix 14 to the Listing Rules as its own code of corporate governance. The CG code has been applicable to the Company with effect from the Listing Date and was not applicable to the Company during the period from 1 January 2020 to 9 July 2020.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code since the Listing Date up till 31 December 2020.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

### Use of Net Proceeds from Listing and Over-allotment Option

The Shares of the Company were listed on the Stock Exchange on 10 July 2020. Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the global offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering.

After deducting the underwriting fees and commissions, other listing expenses and other expenses in connection with the exercise of the initial global offering and the exercise of the over-allotment option, the net proceeds amounted to approximately HK$1,127.8 million. As at the date of this announcement, the Company used a total of approximately HK$269.6 million of the proceeds, including approximately HK$103.8 million for investment in the ongoing clinical trial and commercialisation of EAL®, approximately HK$103.2 million for investments in CAR-T-19 clinical trial and TCR-T product series candidates and approximately HK$31.2 million for working capital and other general corporate purposes. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus.

The table below sets out the planned applications of the net proceeds from the global offering the over-allotment option and actual usage up to the date of this announcement:

| **Use of Proceeds** | **Allocation of the net proceeds from the Global Offering** *(HKD million)* | **Percentage of total net proceeds** *(%)* | **Utilised amount (from the Listing date to 31 December 2020)** *(HKD million)* | **Utilised amount (as at the date of this announcement)** *(HKD million)* | **Unutilised amount (as at the date of this announcement)** *(HKD million)* |
|---|---|---|---|---|---|
| For investment in the ongoing clinical trial and commercialisation of EAL® | 385.6 | 34.2 | 64.8 | 103.8 | 281.8 |
| For R&D expenditure in connection with expansion of other clinical indications for EAL® | 213.2 | 18.9 | – | – | 213.2 |
| For investments in CAR-T-19 clinical trial and TCR-T product series candidates | 374.5 | 33.2 | 88.7 | 103.2 | 271.3 |
| Development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres | 98.1 | 8.7 | 15.4 | 31.4 | 66.7 |
| Working capital and other general corporate purposes | 56.4 | 5.0 | 27.4 | 31.2 | 25.1 |
| **Total** | 1,127.8 | 100.0 | 196.3 | 269.6 | 858.2 |

For the Company's planned usage of the use of proceeds as described above, the Company expects the net proceeds will be used up by 2025.

## Significant Investments, Material Acquisitions and Disposals

### *Bid for Lot N5M4, Beijing Economic and Technological Development Zone, Beijing*

In April 2020, we won a bid for a parcel of land situated at Lot N5M4, Beijing Economic and Technological Development Zone, Beijing for the purpose of establishing its Beijing production centre. As at the date of this announcement, we have selected the general contractor and expects to commence construction by April 2021. The expected investment for the Beijing production centre would amount to approximately RMB1.2 billion, which is expected to be financed by a bank loan. After completion, it is expected to reach an annual production capacity of over 200,000 batches of cells, covering the domestic Northern and Northeast markets in China.

### *Subscription of the Investment Fund*

On 31 December 2020, we entered into the Subscription Agreement with Tasly Bioscience, in relation to the subscription of the Investment Fund. The Company's total capital contribution to the Investment Fund as a limited partner is HK$156.8 million.

Upon the entering into of the Subscription Agreement, Tasly Bioscience, as the general partner to the Investment Fund, and Tasly Bioscience, as attorney of the limited partners of the Investment Fund including the Company, entered into a limited partnership agreement on 31 December 2020 to govern their relationship and provide for, among others, the manner of operation and management of the Investment Fund.

Details of the subscription to the Investment Fund are set out in the announcement of the Company dated 31 December 2020.

Save as disclosed and as at the date of this announcement, there were no significant investments held by the Group or future plans regarding significant investment or capital assets. For the year ended 31 December 2020, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

**Employee and Remuneration Policy**

As at 31 December 2020, we had a total of 241 employees in the PRC and nine employees in the Republic of Korea.

The following table sets forth the number of our employees for each function as at 31 December 2020:

| Function | Number of Employees |
|---|---|
| General management and administration | 34 |
| Research and development | |
| – Senior management | 10 |
| – Product and technology R&D | 61 |
| – Production, purification, equipment and safety | 59 |
| – Quality | 63 |
| – Clinical support and business development | 23 |
| **Total** | 250 |

We have designed an evaluation system to assess the performance of our employees periodically. Such system forms the basis of our determinations of whether an employee should receive a salary raise, bonus, or promotion. We believe the salaries and bonuses our employees receive are competitive with market rates.

We place strong emphasis on providing training to our employees in order to enhance their technical and product knowledge. We design and offer different training programmes for our employees in various positions.

We make contributions to the social insurance and housing provident fund for all our employees in the PRC.

**Share Option Schemes**

In order to reward the participants defined thereunder for their contribution to the Group's success and to provide them with incentives to further contribute to the Group, the Company adopted the pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") and a share option scheme (the "**Post-IPO Share Option Scheme**") on 6 June 2020.

For details of the principal terms of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, please refer to Appendix IV to the Prospectus.

***Pre-IPO Share Option Scheme***

No share options were granted, exercised, cancelled or lapsed under the Pre-IPO Option Scheme during the period from the Listing Date to date of this announcement. The summary of the share options granted under the Pre-IPO Share Option Schemes that were still outstanding as at date of this announcement is as follows:

| **Name of the grantee** | **No. of share options outstanding as at 31 December 2020** | **No. of share options granted during the Reporting Period and up to 31 December 2020** | **No. of share options exercised during the Reporting Period and up to 31 December 2020** | **No. of share options forfeited during the Reporting Period and up to 31 December 2020** | **No. of share options outstanding as at 31 December 2020** |
|---|---|---|---|---|---|
| Tan Zheng<br>*Chairman and executive Director* | 5,000,000 | – | – | – | 5,000,000 |
| Wang Yu<br>*Executive Director, CEO and co-CTO* | 23,450,000 | – | – | – | 23,450,000 |
| Employees (in aggregate) | 9,050,000 | – | – | (250,000) | 8,800,000 |
| **Total** | **37,500,000** | **–** | **–** | **(250,000)** | **37,250,000** |

Details regarding the number of options, date of grant, vesting period, exercise period and exercise price of the share options granted under the Pre-IPO Share Option Scheme that were still outstanding as at the date of the announcement are set out below:

| **Name of the grantee** | **Date of grant** | **Vesting Period** | **Exercise Period** | **Exercise Price per share** (Note 2) | **No. of outstanding option as at 31 December 2020** |
|---|---|---|---|---|---|
| Tan Zheng<br>*Chairman and executive Director* | 31 December 2019 | Two equal tranches on 31 December 2020 and 2021, respectively | 31 December 2019 to 30 December 2026 | HK$5.5 | 5,000,000 |
| Wang Yu<br>*Executive Director, chief executive officer and co-chief technology officer* | 31 December 2019 | Two equal tranches on 31 December 2020 and 2021, respectively | 31 December 2019 to 30 December 2026 | HK$5.5 | 23,450,000 |
| Employees (in aggregate) | 31 December 2019 | Three tranches of 30%, 30% and 40% on 31 December 2020, 2021 and 2022, Respectively/ Two equal tranches on 31 December 2020 and 2021, Respectively (Note 1) | 31 December 2019 to 30 December 2026 | HK$5.5 | 8,800,000 |
| **Total** | | | | | **37,250,000** |

*Notes:*

1. For details of the vesting periods of share options granted to each of the employees, please refer to Appendix IV to the Prospectus.

2. Closing price of the shares is not applicable as the shares of the Company were not listed at the date of grant.

As at the date of this announcement, the total number of share available for issue under the Share Option Scheme is 37,250,000 Shares, representing approximately 7.24% of the total issued shares of the Company.

*Post-IPO Share Option Scheme*

The Post-IPO Share Option Scheme will remain in force for a maximum period of 10 years commencing on the date on which the Post-IPO Share Option Scheme is adopted.

No share options were granted, exercised, cancelled or lapsed under the Post-IPO Option Scheme during the period from the Listing Date to date of this announcement.

**Compliance with the Model Code for Securities Transactions**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code since the Listing Date and up to the date of this announcement. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

**Purchase, Sale or Redemption of the Company's Listed Securities**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares from the Listing Date to the year ended 31 December 2020.

**Audit Committee and Review of Financial Report**

The Audit Committee was established on 6 June 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three members, being three independent non-executive Directors, namely Mr Ng Chi Kit, who is the chairman of the Audit Committee, Ms Peng Sujiu, and Professor Wang Yingdian. Mr Ng Chi Kit is an independent non-executive Director possessing the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Directors.

The Audit Committee has reviewed the Company's annual financial results for the year ended 31 December 2020, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

**Scope of work of Messrs. Deloitte Touche Tohmatsu**

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 31 December 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period as approved by the Directors on 25 March 2021. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

**Changes to Directors' Information**

There has been no change in the Directors' biographical details which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

**Directors' Rights to Acquire Shares or Debentures**

Save for the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, no arrangement has been made by the Company or any of its subsidiaries for any Director to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate, and no rights to any share capital or debt securities of the Company or any other body corporate were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised during or at the end of the Reporting Period.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2020*

| | Notes | For the year ended 31 December 2020 RMB'000 | 2019 RMB'000 |
|---|---|---|---|
| Other income | 5 | **6,005** | 2,888 |
| Other gains and losses, net | 6 | **(40,454)** | 6,316 |
| Fair value (loss) gain of convertible redeemable preference shares | | **(16,984)** | 3,825 |
| Business development expenses | | **–** | (569) |
| Administrative expenses | | **(68,625)** | (27,760) |
| Research and development expenses | | **(278,626)** | (61,975) |
| Finance costs | 7 | **(2,389)** | (2,070) |
| Listing expenses | | **(37,583)** | (22,283) |
| Other expenses | 5 | **(473)** | (7,426) |
| Loss before tax | | **(439,129)** | (109,054) |
| Income tax expense | 8 | **–** | – |
| Loss and total comprehensive expenses for the year | | **(439,129)** | (109,054) |
| Loss and total comprehensive expenses for the year attributable to: | | | |
| Owners of the Company | | **(439,047)** | (108,801) |
| Non-controlling interests | | **(82)** | (253) |
| | | **(439,129)** | (109,054) |
| Loss per share (RMB) | | | |
| Basic | | **(0.99)** | (0.29) |
| Diluted | | **(0.99)** | (0.29) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2020*

| | | As at 31 December | |
|---|---|---|---|
| | | **2020** | 2019 |
| | *Note* | ***RMB'000*** | *RMB'000* |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **154,492** | 85,350 |
| Intangible assets | | **7,371** | 7,767 |
| Prepayments, deposits and other receivables | | **31,442** | 14,216 |
| Contract costs | | **1,232** | 1,488 |
| Financial asset at fair value through profit or loss ("FVTPL") | | **131,969** | – |
| | | **326,506** | 108,821 |
| **CURRENT ASSETS** | | | |
| Contract costs | | **256** | 256 |
| Inventories | | **3,975** | 4,810 |
| Amount due from a related party | | **–** | 750 |
| Prepayments, deposits and other receivables | | **34,106** | 20,087 |
| Bank balances and cash | | **845,386** | 282,247 |
| | | **883,723** | 308,150 |
| **CURRENT LIABILITIES** | | | |
| Contract liabilities | | **710** | 710 |
| Trade and other payables | *11* | **20,164** | 23,134 |
| Lease liabilities | | **7,204** | 3,786 |
| Deferred government grants | | **3,539** | 6,433 |
| Convertible redeemable preference shares | | **–** | 172,107 |
| | | **31,617** | 206,170 |
| **NET CURRENT ASSETS** | | **852,106** | 101,980 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **1,178,612** | 210,801 |

| | As at 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| **NON-CURRENT LIABILITIES** | | |
| Contract liabilities | **3,404** | 4,114 |
| Lease liabilities | **43,856** | 35,214 |
| Deferred government grants | **2,504** | 1,138 |
| | **49,764** | 40,466 |
| **NET ASSETS** | **1,128,848** | 170,335 |
| **CAPITAL AND RESERVES** | | |
| Share capital | **3,576** | 677 |
| Reserves | **1,123,961** | 168,265 |
| Equity attributable to owners of the Company | **1,127,537** | 168,942 |
| Non-controlling interests | **1,311** | 1,393 |
| **TOTAL EQUITY** | **1,128,848** | 170,335 |

## 1. GENERAL INFORMATION

Immunotech Biopharm Ltd (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law Chapter 22 (Law of 3 of 1961, as consolidated and revised) of the Cayman Islands on 11 April 2018. Its ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 10 July 2020. The address of the Company's registered office is at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at 8/F, Block 1, Guosheng Technology Park, No.1 Kangding Street, Beijing Economic-Technological Development Area, Beijing, the PRC.

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in research and development, manufacturing and commercialisation of immune cell products for treatments of cancers in the PRC. The Company and its subsidiaries are hereinafter collectively referred to as the "**Group**".

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries.

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

**Amendments to IFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in IFRS Standards* and the following amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

| | |
|---|---|
| Amendments to IAS 1 and IAS 8 | Definition of Material |
| Amendments to IFRS 3 | Definition of a Business |
| Amendments to IFRS 9, IAS 39 and IFRS 7 | Interest Rate Benchmark Reform |

Except as described below, the application of the *Amendments to References to the Conceptual Framework in IFRS Standards* and the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**2.1 Impacts on application of Amendments to IAS 1 and IAS 8 Definition of Material**

The Group has applied the Amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

**New and amendments to IFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

| | |
|---|---|
| IFRS 17 | Insurance Contracts and the related Amendments[1] |
| Amendments to IFRS 16 | COVID-19-Related Rent Concessions[4] |
| Amendments to IFRS 3 | Reference to the Conceptual Framework[2] |
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 | Interest Rate Benchmark Reform – Phase 2[5] |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3] |
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current[1] |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies[1] |
| Amendments to IAS 8 | Definition of Accounting Estimates[1] |
| Amendments to IAS 16 | Property, Plant and Equipment: Proceeds before Intended Use[2] |
| Amendments to IAS 37 | Onerous Contracts – Cost of Fulfilling a Contract[2] |
| Amendments to IFRS Standards | Annual Improvements to IFRS Standards 2018-2020[2] |

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 June 2020.
5 Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company (the "**Directors**") anticipate that the application of all the new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

## 4. SEGMENT INFORMATION

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

**Geographical information**

The Group did not record any revenue during the year ended 31 December 2020 (2019: nil), and over 90% (31 December 2019: over 90%) of the Group's non-current assets excluding financial instruments are located in the PRC, accordingly, no analysis of geographical segment is presented.

## 5. OTHER INCOME/OTHER EXPENSES

**Other income**

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Income received from provision of cell cryopreservation services *(Note a)* | **710** | 710 |
| Interest income on bank deposits | **3,581** | 325 |
| Interest income from lease deposits | **70** | 63 |
| Interest income from loans | **–** | 52 |
| Government grants *(Note b)* | **1,605** | 1,726 |
| Others | **39** | 12 |
| Total | **6,005** | 2,888 |

**Other expenses**

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Costs for provision of cell cryopreservation services | **290** | 325 |
| Issue costs for convertible redeemable preference shares | **–** | 7,018 |
| Others | **183** | 83 |
| Total | **473** | 7,426 |

*Notes:*

a. An analysis of the Group's income from cell cryopreservation service as follows:

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Types of goods or service | | |
| Cell cryopreservation services | **710** | 710 |
| Timing of revenue recognition | | |
| Over time | **710** | 710 |

The Group generated income from cell cryopreservation services in the PRC for both years. Cell cryopreservation is the process whereby cells are preserved by cooling to very low temperatures. The Group entered into ten-year agreements with individuals to help them preserve immunocytes extracted from their bodies. The provision of cell cryopreservation services is not considered the principal business of the Group. The Group ceased to enter into new contracts with new customers since November 2017.

Income relating to cell cryopreservation services is recognised over time since customers simultaneously receive and consume the benefits as the Group provides the cell cryopreservation services. The Group required 100% upfront payments from its customers which gives rise to a contract liability recognised at the commencement of a contract and contract liability is released on a straight line basis over the period of services, i.e. 10 years.

b.

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Government grants related to | | |
| – Research and development activities | **1,394** | 1,568 |
| – Plant and machinery | **134** | 134 |
| – Others | **77** | 24 |
| | **1,605** | 1,726 |

Government grants include subsidies from local PRC governments which are specifically for (i) the subsidies for the Group's research and development activities, which are recognised upon compliance with the attached conditions; (ii) compensations of the capital expenditure incurred for purchase of plant and machinery in relation to research and development of immune cell products, which are recognised over the useful life of the related assets; and (iii) subsidies to provide immediate financial support to the Group with no conditions attached which are recognised in profit or loss when the subsidies are received.

## 6. OTHER GAINS AND LOSSES, NET

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Exchange (loss) gain, net | **(40,531)** | 7,042 |
| Fair value gains on financial products issued by banks | **–** | 1,087 |
| Gain (loss) on disposal of property, plant and equipment | **78** | (38) |
| Loss on early termination of leases | **–** | (10) |
| Impairment loss on intangible assets | **–** | (1,714) |
| Others | **(1)** | (51) |
| Total | **(40,454)** | 6,316 |

## 7. FINANCE COSTS

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Interest expenses on lease liabilities | **2,389** | 2,070 |

## 8. INCOME TAX EXPENSE

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Current PRC corporate income tax | **–** | – |

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the basic tax rate of the Company's PRC subsidiaries is 25% for both years.

Immunotech Applied Science Limited* (北京永泰生物制品有限公司) ("**Beijing Yongtai**") has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities on 31 October 2018 for a term of three years, and has been registered with the local tax authorities for enjoying the reduced EIT rate of 15%. Accordingly, the profits derived by the subsidiary is subject to EIT rate of 15% (2019: 15%) for the year ended 31 December 2020.

No provision for PRC income tax was made as the Group's PRC subsidiaries incurred tax losses for both years.

No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong profit tax.

The tax expense for the year is reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Loss before tax | **(439,129)** | (109,054) |
| Tax at the applicable tax rate of 25% | **(109,782)** | (27,264) |
| Effect of non-taxable income | **(858)** | (2,924) |
| Effect of expenses not deductible for tax purpose | **65,277** | 8,214 |
| Effect of accelerated deduction for research and development expenses *(Note)* | **(28,175)** | (10,875) |
| Effect of unrecognised tax losses | **73,538** | 32,849 |
| | **–** | – |

*Note:* Pursuant to Caishui 2018 circular No. 99, Beijing Yongtai, Beijing Yongtai Ruike Biotechnology Company Ltd* (北京永泰瑞科生物科技有限公司) ("**Yongtai Ruike**") and Beijing Weixiao Biotechnology Development Limited* (北京緯曉生物技術開發有限責任公司) ("**Beijing Weixiao**") enjoy accelerated deduction of 175% on qualifying research and development expenditures from 1 January 2018 to 31 December 2020.

* *English names are for identification purpose only*

As at 31 December 2020, the Group had estimated unused tax losses of approximately RMB498,046,000 (31 December 2019: RMB207,115,000) which are available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses as at 31 December 2020 and 2019 due to the unpredictability of future profit streams.

The unused tax losses will be expired as follows:

| | As at 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| 2021 | **1,350** | 1,350 |
| 2022 | **20,435** | 20,435 |
| 2023 | **53,936** | 53,936 |
| 2024 | **128,175** | 131,394 |
| 2025 | **294,150** | – |
| Total | **498,046** | 207,115 |

## 9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2020, nor has any dividend been proposed since the end of the reporting period (2019: nil).

## 10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Loss | | |
| Loss for the year attributable to owners of the Company | **(439,047)** | (108,801) |

| | For the year ended 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | **Shares** | Shares |
| | ***('000)*** | *('000)* |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | **443,811** | 379,909 |

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for both years have been determined on the assumptions that the ordinary shares subdivision and Capitalisation Issue had been effective since 1 January 2019.

The Group issued the convertible redeemable preference shares, and granted share options under the pre-IPO share option scheme during the year ended 31 December 2019, respectively. For the purpose of calculation of diluted loss per share for the year ended 31 December 2020 and 2019, the convertible redeemable preference shares and share options granted under the pre-IPO share option scheme were not included as their inclusion would result in a decrease in loss per share. In addition, for the purpose of calculation of diluted loss per share for the year ended 31 December 2020, the Company's over-allotment options granted pursuant to the listing of the Company's shares on the Stock Exchange were not included as their inclusion would result in a decrease in loss per share.

## 11. TRADE AND OTHER PAYABLES

| | As at 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Trade payables | **5,840** | 4,632 |
| Payables for acquisition of property, plant and equipment | **77** | 624 |
| Accrued salaries and other allowances | **5,757** | 3,006 |
| Government grants repayable | **1,837** | 1,837 |
| Listing expenses payable/accrued listing expenses | **5,038** | 9,275 |
| Accrued share issue costs for IPO | **–** | 2,769 |
| Others | **1,615** | 991 |
| | **20,164** | 23,134 |

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

| | As at 31 December | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Within 1 year | **5,784** | 4,601 |
| 1 year to 2 years | **25** | 11 |
| 2 year to 3 years | **11** | 20 |
| More then 3 years | **20** | – |
| | **5,840** | 4,632 |

## PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.eaal.net).

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

## DEFINITIONS AND GLOSSARY TERMS

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

| | |
|---|---|
| "6B11-OCIK Injection" | Injection of Ovarian Cancer Autologous Cytotoxic T Lymphocyte, one of the Group's biologic product pipeline for treatment of overian cancer |
| "Audit Committee" | the audit committee of the Board |
| "B cells" | a type of lymphocytes |
| "Beijing Yongtai" | Immunotech Applied Science Limited (北京永泰生物製品有限公司), a limited liability company established in the PRC on 20 November 2006 and an indirect wholly-owned subsidiary of our Company |
| "Board" or "Board of Directors" | the board of directors of the Company |
| "CAR-T cells" | chimeric antigen receptor T cells, are T cells that have been genetically engineered to produce an artificial T-cell receptor and chimeric antigen receptors that have been engineered to give T cells the new ability to target a specific protein on the surfaces of cells |
| "CDE" | Centre for Drug Evaluation of the NMPA |
| "CG Code" | the Corporate Governance Code as set out in Appendix 14 to the Listing Rules |
| "China", "Mainland China" or "the PRC" | the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administration Region and Taiwan |

| | |
|---|---|
| "Company", "the Company" or "We" | Immunotech Biopharm Ltd (永泰生物製藥有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 11 April 2018 |
| "Convertible Preference Shares" | the convertible preference shares with an aggregate par value of US$5,000.0 issued pursuant to the Preference Share Subscription Agreement by our Company to Poly Platinum |
| "Core Product Candidate" | our "core product" as defined under Chapter 18A of the Listing Rules, namely EAL® |
| "Director(s)" | the director(s) of the Company |
| "EBV" | Epstein-Barr virus, a member of the herpes virus family |
| "GMP" | good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimise the risks of contamination, cross contamination, confusion, and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use |
| "Group" or "the Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HLA" | human leukocyte antigen, a gene complex encoding the major MHC proteins |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "HPV" | human papillomavirus |
| "IND" | investigational new drug |
| "Industry Fund" | the cellular immunotherapy specialised industry fund (細胞免疫治療專項產業基金) |
| "License Agreement" | the license agreement dated 30 December 2020 made between the Company and T-Cure in relation to the grant exclusive license to the Company to use T-Cure IP for the development, manufacturing and commercialisation of Licensed Products in the Territory pursuant to the terms of the License Agreement |

| | |
|---|---|
| "Licensed Patent Rights" | licensed patent rights of 800TCR, which is a T cell receptor (TCR) encoded by a retrovirus (including lentivirus) recognising the HERVE-E tumour antigen |
| "Licensed Product(s)" | tangible materials within the scope of one or more claims of the Licensed Patent Rights |
| "Listing" or "IPO" | the listing of the Shares on the Main Board of the Stock Exchange on 10 July 2020 |
| "Listing Date" | 10 July 2020, being the date on which the Shares were listed on the Main Board |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time |
| "lymphocytes" | a sub-type of white blood cells, such as T cells, B cells and NK cells |
| "Main Board" | the Main Board of the Stock Exchange |
| "MHC" | major histocompatibility complex, proteins found on the surfaces of cells specialised for displaying short peptide fragments ont he surface of cells |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules |
| "NIH" | the U.S. Department of Health and Human Services, as represented by the National Heart, Lung, and Blood Institute, an institute or center of the National Institutes of Health |
| "NK cells" | natural killer cells, a type of lymphocyte and a component of innate immune system |
| "NMPA" | National Medical Products Administration of the People's Republic of China |
| "Poly Platinum" | Poly Platinum Enterprises Limited, a business company incorporated in the BVI on 9 November 2018 and a direct wholly-owned subsidiary of Greater Bay Area Homeland Development Fund LP (大灣區共同家園發展基金有限合夥), an independent third party |

| | |
|---|---|
| "Preference Shares Subscription Agreement" | the subscription agreement dated 3 June 2019, as amended and supplemented by the first supplemental subscription agreement dated 12 June 2019 entered into, among other parties, between Poly Platinum and our Company in relation to the subscription of 5,000 Convertible Preference Shares for HK$200 million |
| "Prospectus" | the prospectus issued by the Company dated 29 June 2020 |
| "R&D" | research and development |
| "Renminbi" or "RMB" | Renminbi Yuan, the lawful currency of China |
| "Reporting Period" | the 12-month period from 1 January 2020 to 31 December 2020 |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended supplemented or otherwise modified from time to time |
| "Shaoxing Binhai Investment Fund" | Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (LP)* (紹興濱海新區生物醫藥產業股權投資基金合夥企業(有限合夥)) |
| "Shareholder(s)" | holder(s) of Shares |
| "Share(s)" | ordinary shares with a nominal value of US$0.001 each in the capital of the Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subscription Agreement" | the subscription agreement dated 31 December 2020 entered into among the Company, as subscriber, and Tasly Bioscience, for itself and in its capacity as general partner of the Investment Fund |
| "T cells" or "T lymphocytes" | a type of lymphocytes produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of a T cell receptor on the cell surface |
| "T-Cure" | T-Cure Bioscience, Inc. |

| | |
|---|---|
| "T-Cure IP" | the know-hows, patent rights and processes that are controlled or owned by T-Cure necessary or useful to develop, manufacture or commercialise the Licensed Products |
| "Tasly Bioscience" | Tasly Bioscience Fund Limited |
| "TCR" | T cell receptor, a molecule found on the surface of T cells responsible for recognising fragments of antigen |
| "Territory" | the Republic of Korea, PRC, including Hong Kong and Macau, but (for the purpose of this transaction) excluding Taiwan |
| "TGF-ß" | transforming growth factor beta, a family of proteins involved in regulating and mediating processes at the cellular level |
| "U.S. dollar(s)", "USD" or "US$" | United States dollars, the lawful currency of the United States of America |
| "Yongtai Ruike" | Beijing Yongtai Ruike Biotechnology Company Ltd (北京永泰瑞科生物科技有限公司), a company established in the PRC with limited liability on 8 June 2018 and is a wholly-owned subsidiary of the Company |

By order of the Board
**Immunotech Biopharm Ltd**
**Tan Zheng**
*Chairman and executive Director*

Hong Kong, 25 March 2021

*As at the date of this announcement, the Board of the Company comprises Mr Tan Zheng as Chairman and executive Director, Dr Wang Yu and Mr Jung Hyun Chul as executive Directors, Mr Si Xiaobing, Mr Lu Yuan and Mr Li Yuezhong as non-executive Directors, and Professor Wang Yingdian, Mr Ng Chi Kit and Ms Peng Sujiu as independent non-executive Directors.*

* *The English transliteration of the Chinese name in this announcement, where indicated, is included for information only, and should not be regarded as the official English name of such Chinese name.*