Abbisko Cayman Limited
和譽開曼有限責任公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2256)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

The board of directors (the "**Board**") of Abbisko Cayman Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**", "**we**", "**our**" or "**us**") for the six months ended June 30, 2022 (the "**Reporting Period**"), together with comparative figures for the corresponding period in 2021.

BUSINESS HIGHLIGHTS

We have made significant progresses in every aspect during 2022 year-to-date:

Established a worldwide co-discovery collaboration with Eli Lilly

In January 2022, we entered into a worldwide co-discovery collaboration with Eli Lilly and Company ("**Lilly**") for the discovery, development and potential commercialization of novel molecules against an undisclosed target.

- We are responsible for the discovery and development of such molecules using our proprietary research and development (the "**R&D**") platform.
- Lilly has joined the effort by providing prior discovery information associated with this target as well as certain additional disease knowledge and expertise.
- Lilly will have the right to further develop and commercialize the compounds if the compounds meet the agreed endpoints.
- We are eligible to receive up to US$258 million in potential payments upon achievement of prespecified preclinical, clinical development and commercial milestones, as well as tiered royalties on sales, if Lilly is responsible for further clinical development and commercialization.

Further advanced our clinical-stage assets

ABSK011

- We are conducting a Phase Ib monotherapy trial in second-line treatment of hepatocellular carcinoma ("**HCC**") patients with FGF19 overexpression in mainland China. We have completed patient enrollment for the 180mg QD cohort and have started patient enrollment for another cohort at 160mg BID.

- We are also conducting a Phase II trial of ABSK011 in combination with the anti-PD-L1 antibody atezolizumab from F. Hoffmann-La Roche Ltd. and Roche China Holding Ltd. ("**Roche**") in late stage HCC patients with FGF19 overexpression in mainland China. The first patient was dosed in January 2022. Patient enrollment is ongoing.

ABSK091 (AZD4547)

- We are conducting a Phase II trial in mainland China for ABSK091 (AZD4547) in patients with locally advanced or metastatic urothelial carcinoma with FGFR2/3 genetic alterations. We dosed the first patient in November 2021 and patient enrollment is ongoing.

- In February 2022, we entered into partnership with BeiGene, Ltd. ("**BeiGene**") on the combination therapy of ABSK091 (AZD4547) and tislelizumab, an anti-PD-1 antibody developed by BeiGene for the treatment of urothelial cancer with FGFR2/3 genetic alterations. In May 2022, we received the Investigational New Drug (the "**IND**") approval from National Medical Products Administration (the "**NMPA**"). We are initiating the trial and expect to start patient enrollment soon.

- In addition to urothelial carcinoma, we also plan to conduct clinical trials for ABSK091 (AZD4547) in other solid tumors. In March 2022, we received Orphan Drug Designation granted by the U.S. Food and Drug Administration ("**U.S. FDA**") to ABSK091 (AZD4547) in gastric cancer.

ABSK021

- We are conducting a Phase Ib trial for ABSK021 in the U.S. and mainland China concurrently. We have completed patient enrollment for the tenosynovial giant cell tumor ("**TGCT**") cohort at 50mg QD of the Phase Ib trial in mainland China.

- In July 2022, ABSK021 was granted the breakthrough therapy designation by NMPA for the treatment of TGCT that is not amenable to surgery. This breakthrough therapy designation approval was based on preliminary trial results from the TGCT cohort of the ongoing Phase Ib clinical trial in China for ABSK021. We expect to release the preliminary trial results in the second half of 2022.

ABSK081

- We are conducting a Phase Ib/II clinical trial of ABSK081 (mavorixafor) in combination with toripalimab from Shanghai Junshi Biomedical Technology Co., Ltd. in triple-negative breast cancer ("**TNBC**") patients in mainland China. Patient enrollment is ongoing.

ABSK043

- We are conducting a Phase I trial in Australia to assess the safety, tolerability and PK/PD profile of ABSK043 in patients with solid tumors. Patient enrollment is ongoing.

- In March 2022, we received the IND approval for a Phase I trial of ABSK043 in the treatment of patients with malignant tumor in mainland China. We expect to start patient enrollment in mainland China soon.

ABSK061

- We have received IND approval in both mainland China and the U.S. to conduct a Phase I clinical trial for ABSK061 in patients with solid tumors. In June 2022, we dosed the first patient.

Continued to move forward pre-clinical candidates

Despite the lockdown in Shanghai due to COVID-19 in the first half of 2022, we have taken various measures to minimize the impact on our pre-clinical programs and expect to file INDs for the below three programs in IND-enabling stage:

- **ABSK121** – a next-generation small molecule FGFR inhibitor that targets both wild-type and mutants of FGFR1-3 including those that are resistant to the prior FGFR inhibitors;

- **ABSK051** – a small molecule CD73 inhibitor being developed for the treatment of various tumor types including lung cancer, pancreatic cancer and other cancers;

- **ABSK012** – a next-generation small molecule FGFR4 inhibitor with strong potency against both wild-type and mutant FGFR4.

We are also conducting or initiating IND-enabling studies for the following two programs:

- **ABSK112** – A next-generation EGFR-exon20 inhibitor with improved selectivity over wild-type EGFR and strong brain-penetrating ability;

- **ABSK071** – A next-generation KRAS-G12C inhibitor with improved potency and drug-like properties.

FINANCIAL HIGHLIGHTS

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") MEASURES:

Cash and bank balances. Cash and bank balances as at June 30, 2022 were RMB2,496.6 million (approximately US$372.0 million), a decrease by RMB48.9 million from RMB2,545.5 million for the year ended December 31, 2021, primarily attributable to spending on research and development activities as well as business operations, partially offset by impact from foreign exchange volatility.

Other income and gains. Other income and gains increased by RMB1.7 million from RMB10.0 million for the six months ended June 30, 2021 to RMB11.7 million for the six months ended June 30, 2022, primarily attributable to the increase in bank interest income resulting from an increase in our cash and bank balances compared to the six months ended June 30, 2021 and increase in government subsidies.

Research and development expenses. Our research and development expenses primarily consisted of research and development expenses in connection with exploratory research, pre-clinical research and clinical research, as well as reagent costs, employee costs, licensing fees, share-based payments and depreciation. Research and development expenses increased by RMB79.4 million from RMB79.6 million for the six months ended June 30, 2021 to RMB159.0 million for the six months ended June 30, 2022, primarily attributable to continuous expansion of functions related to research and development and advancement of our pipeline programs.

Administrative expenses. Administrative expenses increased by RMB15.0 million from RMB40.8 million for the six months ended June 30, 2021 to RMB55.8 million for the six months ended June 30, 2022, primarily attributable to continuous expansion of workforce in non-R&D related functions, while partially offset by the absence of IPO related expenses.

Finance costs. Finance costs increased by RMB1.34 million from RMB0.06 million for the six months ended June 30, 2021, to RMB1.4 million for the six months ended June 30, 2022, mainly due to the increase in the interest expenses on lease liabilities.

Other expenses. Other expense increased by RMB16.7 million from RMB0.4 million for the six months ended June 30, 2021 to RMB17.1 million for the six months ended June 30, 2022, primarily attributable to the fluctuation of foreign exchange differences.

Loss for the period. Loss for the period decreased from RMB377.2 million for six months ended June 30, 2021 to RMB221.6 million for the six months ended June 30, 2022, primarily attributable to the combination of impacts from increase in research and development expenses and elimination of fair value losses on convertible redeemable preferred shares.

NON-INTERNATIONAL FINANCIAL REPORTING STANDARDS ("NON-IFRS") MEASURES:

Research and development expenses excluding share-based compensation cost increased by RMB52.3 million from RMB72.1 million for six months ended June 30, 2021 to RMB124.4 million for the six months ended June 30, 2022, primarily attributable to the continuous expansion of functions related to research and development, as well as advancement of our pipeline programs.

Administrative expenses excluding share-based compensation cost decreased by RMB2.1 million from RMB35.0 million for the six months ended June 30, 2021 to RMB32.9 million for the six months ended June 30, 2022, primarily attributable to the absence of IPO related expenses, while partially offset by the expansion of workforce in non-R&D related functions.

Loss for the period excluding the effect of the fair value losses on convertible redeemable preferred shares and share-based compensation cost increased by RMB66.5 million from RMB97.5 million for the six months ended June 30, 2021 to RMB164.0 million for the six months ended June 30, 2022, primarily attributable to increase in R&D expenses and other expenses resulted from fluctuation of foreign exchange differences, while partially offset by decrease in administrative expenses and increase in other income and gains.

I. FINANCIAL INFORMATION

The Board announces the unaudited condensed consolidated results of the Group for the six months ended June 30, 2022, with comparative figures for the corresponding period in the previous year as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**June 30, 2022 (Unaudited) *RMB'000***	June 30, 2021 (Unaudited) *RMB'000*
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other income and gains	*4*	**11,740**	9,972
Research and development expenses		**(159,007)**	(79,571)
Administrative expenses		**(55,848)**	(40,760)
Other expenses	*6*	**(17,090)**	(360)
Fair value losses on convertible redeemable preferred shares		**–**	(266,438)
Finance costs	*5*	**(1,400)**	(60)
LOSS BEFORE TAX	*7*	**(221,605)**	(377,217)
Income tax expenses	*8*	**–**	–
LOSS FOR THE PERIOD		**(221,605)**	(377,217)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**1,315**	59
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company		**112,305**	20,883
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**113,620**	20,942
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(107,985)**	(356,275)
Loss attributable to:			
Owners of the parent		**(107,985)**	(356,275)
Total comprehensive loss attributable to:			
Owners of the parent		**(107,985)**	(356,275)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
For loss for the period	*10*	**RMB0.32**	RMB3.80

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	**June 30, 2022 (Unaudited) *RMB'000***	December 31, 2021 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**17,877**	15,209
Right-of-use assets		**49,331**	54,085
Intangible assets		**2,980**	3,051
Other non-current assets		**2,977**	805
Total non-current assets		**73,165**	73,150
CURRENT ASSETS			
Prepayments and other receivables	*12*	**30,300**	35,876
Cash and bank balances		**2,496,576**	2,545,513
Total current assets		**2,526,876**	2,581,389
CURRENT LIABILITIES			
Other payables and accruals	*13*	**66,724**	64,676
Lease liabilities		**11,414**	8,862
Total current liabilities		**78,138**	73,538
NET CURRENT ASSETS		**2,448,738**	2,507,851
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,521,903**	2,581,001
NON-CURRENT LIABILITIES			
Lease liabilities		**40,318**	44,942
Total non-current liabilities		**40,318**	44,942
NET ASSETS		**2,481,585**	2,536,059
EQUITY/(DEFICIT)			
Equity attributable to owners of the parent			
Share capital		**46**	46
Treasury shares		**(5)**	(5)
Other reserves		**2,481,544**	2,536,018
Total equity/(deficit)		**2,481,585**	2,536,059

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 28 March 2018. The registered address of the Company is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investment holding company. During the period, the Company's subsidiaries were 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 13 October 2021.

In the opinion of the Company's directors (the "**Directors**"), the holding company and the ultimate holding company of the Company is Yao Chang Family Holding Limited, which was incorporated in the Cayman Islands on April 20, 2021. Yao Chang Family Holding Limited is ultimately controlled by Dr. Xu Yao-Chang, the chairman and the chief executive officer of the Company.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2021.

This interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS Standards 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*

The adoption of the revised standards has had no significant financial effect on the Group's interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the development of innovative 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 information in accordance with IFRS 8 *Operating Segments* is presented.

4. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income		
Bank interest income	**6,173**	3,848
Other gains		
Government grants*	**5,567**	141
Gain on disposal of an associate	**–**	5,900
Others	**–**	83
	5,567	6,124
	11,740	9,972

* The government grants mainly represent subsidies received from the local governments for the purpose of supporting on research and clinical trial activities.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on lease liabilities	**1,400**	60

6. OTHER EXPENSES

An analysis of other expenses is as follows:

	Six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other expenses		
Foreign exchange loss, net	**17,047**	336
Others	**43**	24
	17,090	360

7. LOSS BEFORE TAX

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

	Six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Depreciation of items of property, plant and equipment	**2,348**	2,540
Depreciation of right-of-use assets	**4,754**	2,935
Amortisation of intangible assets	**708**	242
Research and development expenses excluding depreciation and amortisation	**152,769**	75,902
Short-term lease payment	**123**	–
Listing expenses	**–**	16,696
Auditor's remuneration	**500**	142
Foreign exchange differences, net	**17,047**	336
Employee benefit expense:		
Wages and salaries	**58,163**	30,377
Pension scheme contributions (defined contribution scheme)	**8,200**	4,612
Equity-settled share option expense	**57,566**	13,273
	123,929	48,262
Fair value losses on convertible redeemable preferred shares	**–**	266,438

8. 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.

Hong Kong

The subsidiary incorporated in Hong Kong are subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.

Mainland China

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

Australia

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

Deferred taxation had not been recognized on the unused tax losses and deductible temporary differences since it is not probable that the taxable profits will be available against which the tax losses and deductible temporary differences can be utilized in the foreseeable future.

9. DIVIDENDS

No dividend was paid or declared by the Company during the six months ended June 30, 2022 (June 30, 2021: Nil).

10. 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 period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 701,974,626 (June 30, 2021: 99,192,020) in issue during the period, as adjusted to reflect the rights issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended June 30, 2022 and 2021 in respect of a dilution as the impact of the share options and redeemable convertible 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:

	Six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(221,605)**	(377,217)

	Numbers of shares Six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**701,974,626**	99,192,020

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired assets at a cost of RMB5,016,000 (30 June 2021: RMB2,057,000).

The Group did not dispose of any asset during the six months ended 30 June 2022 (June 30, 2021: Nil).

No impairment losses were recognised during the six months ended 30 June 2022 and 2021.

As at 30 June 2022, there were no pledged property, plant and equipment (December 31, 2021: Nil).

12. PREPAYMENTS AND OTHER RECEIVABLES

	June 30,	December 31,
	2022	2021
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Prepayments to suppliers	**9,410**	9,393
Deposits and other receivables	**20,890**	26,483
	30,300	35,876

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 30 June 2022 and 31 December 2021, the loss allowance was assessed to be minimal.

13. OTHER PAYABLES AND ACCRUALS

	June 30, 2022 (Unaudited) *RMB'000*	December 31, 2021 (Audited) *RMB'000*
Payroll payable	**13,558**	22,303
Payables of construction and purchase of equipment	**10**	18
Other tax payables	**1,238**	1,296
Share issue expenses payables	**127**	9,306
Other payables	**51,791**	31,753
	66,724	64,676

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 of the reporting periods approximated to their fair values due to their short-term maturities.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Our vision

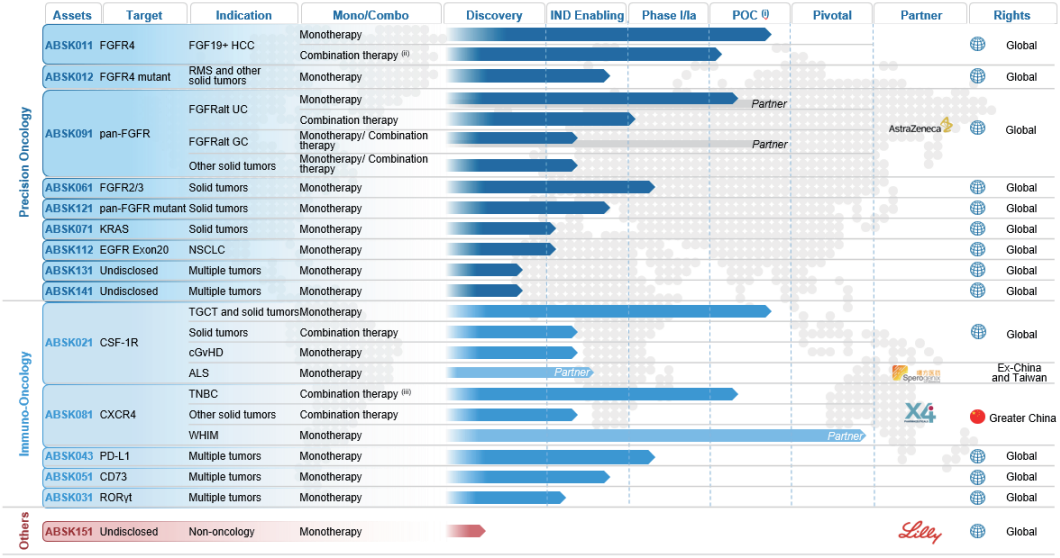
Our vision is to discover and develop novel, differentiated therapies in oncology and beyond to address critical unmet medical needs for patients in China and worldwide.

Company overview

We are a clinical-stage biopharmaceutical company primarily dedicated to the discovery and development of innovative and differentiated small molecule oncology therapies. Since our inception in 2016, we have strategically designed and developed a pipeline of 15 candidates primarily focused on oncology, including six candidates at clinical stage. Our product candidates are primarily small molecules that focus on small molecule precision oncology and small molecule immuno-oncology therapeutic areas.

Product pipeline

We have a pipeline of 15 drug candidates ranging from pre-clinical stage to clinical stage programs. The following charts summarizes our pipeline and the development status of each candidate as of June 30, 2022.



Abbreviations: HCC = hepatocellular carcinoma; RMS = rhabdomyosarcoma; FGFRalt = FGFR altered; UC = urothelial cancer; GC = gastric cancer; NSCLC = non-small cell lung cancer; TGCT = tenosynovial giant cell tumor; cGvHD = chronic graft-versus-host disease; ALS = amyotrophic lateral sclerosis; TNBC = triple-negative breast cancer; WHIM = warts, hypogammaglobulinemia, infections and myelokathexis

Notes:

i. Represents Phase Ib/II clinical trial

ii. In combination with anti-PD-L1 antibody atezolizumab with Roche

iii. In combination with anti-PD-1 antibody toripalimab with Junshi

Clinical candidates

ABSK011

ABSK011 is a potent and highly selective small molecule inhibitor of fibroblast growth factor receptor 4 (FGFR4) that we are conducting clinical trials in China. ABSK011 is being developed for the treatment of advanced HCC with hyper-activation of FGF19/FGFR4 signaling. The FGFR4 signaling pathway is a promising direction for the development of molecularly targeted therapies in HCC. The number of patients with an overexpression of FGF19/FGFR4 account for approximately 30% of total HCC patients worldwide, according to Frost & Sullivan. Currently, no FGFR4 inhibitor has been approved to the market yet.

Current status

We are conducting a Phase Ib trial for patients in second-line HCC with FGF19 overexpression. We have completed patient enrollment for the 180mg QD cohort. Given the superior safety and quality PK/PD profiles of ABSK011 from the Phase Ia trial, we have extended to 320mg QD and started patient enrollment of another cohort at 160mg BID for dose escalation. We may continue to explore additional dose levels in order to find out the optimal dosage.

We are also conducting a Phase II trial of ABSK011 in combination with the anti-PD-L1 antibody atezolizumab from Roche in late stage HCC patients with FGF19 overexpression in mainland China. The first patient was dosed in January 2022 and patient enrollment is ongoing.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK011 SUCCESSFULLY.

ABSK091 (AZD4547)

ABSK091, previously known as AZD4547, is a molecularly targeted candidate and a highly potent and selective inhibitor of FGFR subtypes 1, 2 and 3. According to Frost & Sullivan, the cancers most commonly affected by FGFR aberration are urothelial cancer (32%), cholangiocarcinoma (25%), breast cancer (18%), endometrial carcinoma (11%) and gastric cancer (7%). Specific FGFR aberrations have been observed in a proportion of certain cancers: for example, FGFR1 amplification in squamous cell lung cancer, FGFR2 mutations in endometrial carcinoma and FGFR3 mutations in urothelial cancer.

ABSK091 has a chemical structure different from other FGFR inhibitors with similar anti-tumor activities. Prior to the in-licensing of ABSK091, AstraZeneca started conducting clinical trials on AZD4547 in 2009. From 2009 to 2019, AstraZeneca sponsored and completed a total of four trials, including two Phase I trials and two Phase II trials. In November 2019, we entered into an exclusive license agreement with AstraZeneca and obtained the global rights for the development, manufacturing and commercialization of ABSK091.

Among the clinical trials conducted by AstraZeneca, the BISCAY trial, a study in patients with advanced urothelial cancer who have progressed on prior treatments, achieved 31.3% response rate in the ABSK091 monotherapy arm, which is on par with the approved pan-FGFR inhibitor Erdafitinib in treatment of locally advanced or metastatic urothelial carcinoma with FGFR2/3 alteration (ORR 32.2%).

In another trial previously conducted by AstraZeneca in patients with previously treated advanced FGFR amplified cancer, 33% of the FGFR2-amplified gastro-oesophageal patients had confirmed responses to ABSK091. This demonstrated that ABSK091 could potentially bring significant clinical benefits to the treatment of gastric cancer patients with FGFR alterations.

Current status

We are conducting a Phase II trial in mainland China for ABSK091 (AZD4547) in patients with locally advanced or metastatic urothelial carcinoma with FGFR2/3 genetic alterations. We dosed the first patient in November 2021. Patient enrollment is ongoing.

In February 2022, we entered into partnership with BeiGene on the combination therapy of ABSK091 (AZD4547) and tislelizumab, an anti-PD-1 antibody developed by BeiGene for the treatment of urothelial cancer with FGFR2/3 genetic alterations. In May 2022, we received the IND approval from NMPA to initiate a Phase II trial for the combination therapy. We are initiating the trial and expect to start patient enrollment soon.

In addition to urothelial carcinoma, we also plan to conduct clinical trials for ABSK091 (AZD4547) in other solid tumors. In March 2022, we received Orphan Drug Designation granted by the U.S. FDA to ABSK091 (AZD4547) in gastric cancer.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK091 SUCCESSFULLY.

ABSK021

ABSK021 is an orally bioavailable, selective, potent small molecule CSF-1R inhibitor being developed for the treatment of multiple types of oncology and non-oncology indications. The overexpression of CSF-1 is observed in many tumors and also at sites of inflammation. Indications for CSF-1R inhibitors include, the treatment of adult patients with TGCT, pancreatic cancer, colorectal cancer, chronic graft-versus-host disease ("**cGVHD**") and ALS.

Current status

We are conducting a Phase Ib trial for ABSK021 in the U.S. and mainland China concurrently. We have completed patient enrollment for the TGCT cohort at 50mg QD of the Phase Ib trial in mainland China.

In July 2022, ABSK021 was granted the breakthrough therapy designation by NMPA for the treatment of TGCT that is not amenable to surgery. This breakthrough therapy designation approval was based on preliminary trial results from the TGCT cohort of the ongoing Phase Ib clinical trial in China for ABSK021. We expect to release the preliminary trial results in the second half of 2022.

ABSK081

ABSK081 (mavorixafor), also known as X4P-001, is a novel small molecule antagonist to CXCR4 and currently the only orally bioavailable CXCR4 modulator in clinical development globally, according to Frost & Sullivan. ABSK081 is a potential treatment option for various cancers in which CXCR4 and its ligand CXCL12 contribute to the tumor microenvironment (TME) that supports immune evasion, neoangiogenesis, and tumor metastasis. In July 2019, we entered into an exclusive license agreement with X4 and obtained the rights for the development, manufacturing and commercialization of the licensed compound ABSK081 (mavorixafor) in mainland China, Taiwan, Hong Kong and Macau for any oncological indication and WHIM Syndrome in humans, excluding mozobil indications and any use for auto-HSCT treatment and allo-HSCT treatments.

Current status

In November 2021, our partner, X4, announced that it had completed patient enrollment in the Phase III clinical trial and top-line data from the trial is expected in the fourth quarter of 2022, and a regulatory filing will likely follow in 2023.

In mainland China, we are conducting a Phase Ib/II clinical trial of ABSK081 (mavorixafor) in combination with toripalimab from Shanghai Junshi Biomedical Technology Co., Ltd. in TNBC patients in China. We dosed the first patient in July 2021. Patient enrollment is ongoing.

ABSK043

ABSK043 is an orally bioavailable, highly selective small molecule PD-L1 inhibitor being developed for the treatment of various cancers and potentially non-oncology indications. While anti-PD-1/anti-PD-L1 antibodies have revolutionized cancer treatment, the antibody-based immunotherapies carry a number of disadvantages such as high cost, lack of oral bioavailability, and immunogenicity, which could likely be improved with small molecule inhibitors. Pre-clinical data have demonstrated strong inhibition of PD-1/PD-L1 interaction by ABSK043, and rescue of PD-L1-mediated inhibition of T-cell activation. ABSK043 has also demonstrated strong anti-tumor efficacy and excellent safety profile in several pre-clinical models.

Current status

We are conducting a Phase I trial in Australia to assess the safety, tolerability and PK/PD profile of ABSK043 in patients with solid tumors. Patient enrollment is ongoing.

In March 2022, we received the IND approval for a Phase I trial of ABSK043 in the treatment of patients with malignant tumor in mainland China. We expect to start patient enrollment in mainland China soon.

ABSK061

ABSK061 is a highly selective small molecule FGFR2/3 inhibitor. Pre-clinical research has shown that ABSK061 selectively inhibits FGFR2/3 over FGFR1 across various in vitro and cellular assays, with little activity against other kinases. Its high selectivity against FGFR2/3 and reduced FGFR1 activity could lead to an improved safety profile due to less off-target side effects, and potentially improved therapeutic window and efficacy as well as better opportunities for treating non-oncology indications. We believe ABSK061 has the potential to be a second generation FGFR inhibitor with its improved selectivity over currently marketed FGFR inhibitors based on our pre-clinical data.

Current status

We have received IND approval in both mainland China and the U.S. to conduct a Phase I clinical trial for ABSK061 in patients with solid tumors. In June 2022, we dosed the first patient.

IND-enabling candidates

ABSK121 is a highly selective, next-generation small molecule FGFR inhibitor that targets both wild-type and mutants of FGFR1-3 including those that are resistant to the currently approved or clinical FGFR inhibitors. It could potentially bring clinical benefits to patients who relapsed or progressed after initial treatment with first-generation FGFR inhibitors. In pre-clinical studies, ABSK121 has demonstrated strong potency against wild-type and various mutations of FGFR1-3, and excellent in vivo efficacy in FGFR dependent and FGFR-mutant dependent models. We are currently conducting IND-enabling studies and expect to file IND in 2022.

ABSK051 is a small molecule CD73 inhibitor being developed for the treatment of various tumor types including lung cancer, pancreatic cancer and other cancers. It has demonstrated strong potency in inhibiting the activities of soluble and surface-expressed CD73. It has also shown strong efficacy in vivo in various animal models. We are currently conducting IND-enabling studies.

ABSK012 is an orally bioavailable, highly selective, next-generation small molecule FGFR4 inhibitor with strong potency against both wild-type and mutant FGFR4. In pre-clinical studies, ABSK012 has demonstrated strong activities in vitro and in cells against both wild-type FGFR4 and various FGFR4 mutants that are resistant to current FGFR4 inhibitors in clinical development, and excellent in vivo efficacy in FGF19-driven and FGFR4-mutant models. We are currently conducting IND-enabling studies.

ABSK112 is a next-generation EGFR-exon20 inhibitor with improved selectivity over wild-type EGFR and strong brain penetrating ability. EGFR-exon20 mutations occur in 3-5% of NSCLC patients, and are resistant to the currently available first, second and third generation EGFR inhibitors. Current clinical compounds targeting these mutations have limited therapeutic window due to limited selectivity against wild-type EGFR. Increased selectivity will likely lead to better target modulation and efficacy in clinical trials. ABSK112 demonstrates strong activity against EGFR-exon20 mutants and clear selectivity against wild-type EGFR in various cellular assays. It has efficacy and PD effects in mouse xenograft models bearing EGFR Exon20 mutation. We have declared ABSK112 as a PCC and are currently conducting IND-enabling studies.

ABSK071 is a next-generation KRAS-G12C inhibitor with improved potency and drug-like properties. KRAS is one of the most mutated oncogenes in many cancer types, including pancreatic, colon, and lung. KRAS mutations occur in around 30% of lung cancer patients who are in dire need of effective therapies. We have declared ABSK071 as a PCC and are initiating IND-enabling studies.

Business development activities

We have established a dedicated business development team to source and evaluate potential licensing deal opportunities as well as strategic partnerships of various forms. Through business development activities, we aim to not only maximize the commercial value of our pipeline globally and beyond oncology, but also tap into the potential of our in-house drug discovery engine.

- In January 2022, we entered into a worldwide co-discovery collaboration with Lilly for the discovery, development and commercialization of novel small molecules against an undisclosed target with critical unmet medical needs. Under the agreement, Lilly will provide prior discovery information as well as additional disease knowledge and expertise to us, and we will be responsible for the discovery and development of molecules that modulate a novel and challenging drug target using our proprietary R&D platform. Upon achievement of the agreed endpoints, Lilly will have the right to further develop and commercialize the asset, and we will be eligible to receive up to US$258 million in potential payments based on the achievement of prespecified preclinical, clinical development and commercial milestones, as well as tiered royalties on sales.

- In February 2022, we announced a collaboration with BeiGene on the combination therapy of ABSK091 and tislelizumab, an anti-PD-1 antibody developed by BeiGene, for the treatment of urothelial cancer. In May 2022, we received the IND approval from NMPA to initiate a Phase II trial for the combination therapy. We are initiating the trial and expect to start patient enrollment soon.

Research and development

We believe research and development are critical to our future growth and our ability to remain competitive in the Chinese biopharmaceutical market. We are dedicated to enhancing our pipeline by leveraging our leading in-house R&D capabilities, which spans from early drug discovery to clinical development.

As at June 30, 2022, our R&D team consisted of approximately 136 employees. Our R&D team members have extensive clinical development experience, with a particular focus on oncology. Among our R&D team members, over 70% have obtained at least post-graduate degrees, and approximately 25% hold Ph.D. degrees. Among our pre-clinical R&D team members, approximately 80% have obtained at least post-graduate degrees, and approximately 35% hold Ph.D. degrees.

Drug discovery and pre-clinical development

Our drug discovery effort is led by our co-founders, Dr. Xu Yao-Chang, Dr. Yu Hongping and Dr. Chen Zhui, who collectively have made contributions to dozens of discovery programs, a number of which led to successful commercialization, such as Ameile (almonertinib), Cymbalta (duloxetine), Balversa (erdafitinib), Reyvow (lasmiditan), Fu Laimei (PEG-loxenatide), Kisqali (ribociclib), Xinfu (flumatinib) and Venclexta (venetoclax).

We use various discovery and engineering technologies to discover and select our lead compounds with suitable pharmaceutical properties and market potential. Our drug discovery team collaborates with our CMC team at an early stage to complement each team's needs and to ensure continued knowledge sharing, regulatory compliance and a streamlined transition from discovery to development. Our drug discovery team also includes a translational medicine function that conducts biomarker discovery and bioinformatics data processing and analysis to facilitate our clinical studies. We conduct translational research to assess the effectiveness of treatment, evaluate different ways to customize therapies, and improve personalized medicine guidelines using the new data generated. These insights help further guide us toward new directions in novel drug and biomarker discovery.

Clinical development

Our clinical development team is led by Dr. Ji Jing, who received a M.D. degree from Fudan University and Shanghai Second Medical University, majoring in GI and liver disease. She has over 25 years of experience in early and late-stage clinical development in global pharmaceutical companies, serving as clinical development leader and head of therapy area. She has led and executed a wide range of functions, including medical, clinical operations, quality control, clinical research, clinical pharmacology and patient safety. As at June 30, 2022, our clinical development team consisted of 60 employees, including 37 holding master or doctorate degrees.

Our clinical development team manages all stages of our clinical trials, including clinical trial design, implementation, drug supply, and the collection and analysis of trial data. We have entered into agreements with hospitals and principal investigators located in China, the U.S. and other regions that can support our clinical trials of different indications at different stages. We believe our experience in executing clinical trials helps us accelerate our drug development.

With the vision to address unmet medical needs of global patients, we have always been aiming for the global markets. We believe such going-global approach will maximize the commercial value of our assets, for which we own global rights. We have received 13 IND or clinical trial approvals in four countries and regions. Trials outside mainland China include a Phase Ib trial ongoing in the U.S. for ABSK021, a Phase I trial ongoing in Australia for ABSK043, a Phase I trial ongoing in the U.S. for ABSK061, and two completed trials in Taiwan for ABSK011 Phase Ia and ABSK091 Phase I respectively.

Events after the Reporting Period

Subsequent to June 30, 2022, the significant event that took place is listed below:

- In July 2022, ABSK021 was granted the breakthrough therapy designation by NMPA for the treatment of TGCT that is not amenable to surgery. This breakthrough therapy designation approval was based on preliminary trial results from the TGCT cohort of the ongoing Phase Ib clinical trial in China for ABSK021.

Future and Outlook

The first half of 2022 has been challenging due to continuous regional outbreak of COVID-19 pandemic and strict zero-COVID policy. Shanghai has experienced a city-wide lockdown. Despite the challenges we faced during the first half of 2022, we have taken various measures to minimize the impact of COVID-19 on business operations and R&D activities.

Under the joint efforts of all departments of our Company, we were able to progress most of our business during lockdown without disruption. For instance, we managed to successfully submit IND application for ABSK091 combo study during the lockdown, and subsequently received IND approval before lockdown is over.

Looking forward into the second half of 2022, we will continue to monitor the pandemic and the prevention and control policies, as well as relevant government policies and to timely assess the impact on our business operations and R&D activities. We will continue to advance our clinical and preclinical programs as planned and expect to release the first wave of proof-of-concept data during the second half of 2022. We also expect to submit IND applications for certain pre-clinical assets.

Looking beyond 2022, as a company focused on discovery and development of differentiated therapies in cancer and targeted to treat critical unmet needs for patients in China and globally, we will continue to strive for our various initial goals, which mainly comprise the following:

- We will continue to advance our clinical-stage compounds with quality and speed, and push forward the development of pre-clinical candidates.

- We will continue to expand our pipeline with innovative programs primarily focusing on first-in-class or best-in-class therapies, to address critical unmet medical needs for patients in China and globally, as always advocated in our mission statement.

- We will also continue to explore, evaluate and identify suitable business development opportunities so as to maximize the commercial value of our pipeline candidates.

Impact of COVID-19

During the first half of 2022, the PRC government has continuously stuck to the strict zero-COVID policy and imposed mandatory quarantine, closure of workplaces and facilities, travel restriction and other related measures to contain the spread and regional outbreak of the virus.

In particular, in response to the outbreak of COVID-19 in Shanghai, the PRC government adopted a city-wide lockdown. Disruption of hospitals in Shanghai caused minor impact on certain trials. However, given that our clinical trials are conducted in hospitals located in multiple cities across China and most of these clinical trial sites are located outside Shanghai, there was no significant impact on the progress of our clinical trials due to COVID-19 pandemic in the first half of 2022. We do not expect the pandemic to have any material impact on the overall clinical development plans in the long term.

Due to the closure of our lab in Zhangjiang area and the disruption of certain Contract Research Organisations (the "**CROs**") during Shanghai lockdown, some delays have occured to our pre-clinical programs. During the lockdown, we kept monitoring the latest pandemic prevention and control policy and maintained continuous communication with relevant government authorities regarding resumption of business operation. In May 2022, we were included in the white list of enterprise resuming work and production issued by Shanghai municipal government and our lab successfully resumed operation afterwards, with most of the key R&D staff back to lab in mid-May. Since early June, we have fully resumed business operations in all aspects.

Although the pandemic may continue, we believe our ability to continue our business operations and conduct R&D activities will not be significantly impacted. We will keep monitoring the pandemic situation and policies going forward and take various measures to minimize the impact on our company if any.

II. FINANCIAL REVIEW

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Revenue	**–**	–
Cost of sales	**–**	–
Gross profit	**–**	–
Other income and gains	**11,740**	9,972
Research and development expenses	**(159,007)**	(79,571)
Administrative expenses	**(55,848)**	(40,760)
Other expenses	**(17,090)**	(360)
Fair value losses on convertible redeemable preferred shares	**–**	(266,438)
Finance costs	**(1,400)**	(60)
LOSS BEFORE TAX	**(221,605)**	(377,217)
Income tax expenses	**–**	–
LOSS FOR THE PERIOD	**(221,605)**	(377,217)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**1,315**	59
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	**112,305**	20,883
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**113,620**	20,942
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(107,985)**	(356,275)
Loss attributable to:		
Owners of the parent	**(107,985)**	(356,275)
Total comprehensive loss attributable to:		
Owners of the parent	**(107,985)**	(356,275)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted		
For loss for the period	**RMB0.32**	RMB3.80

Other income and gains. Other income and gains increased by RMB1.7 million from RMB10.0 million for the six months ended June 30, 2021 to RMB11.7 million for the six months ended June 30, 2022, primarily attributable to: 1) an increase in bank interest income by RMB2.3 million, resulting from an increase in our cash and bank balances; 2) an increase in government subsidies by RMB5.4 million; and 3) a decrease in gain on disposal of an associate, resulting from a non-recurring gain of RMB5.9 million recognized from the disposal of a previous equity investment occurred during the six months ended June 30, 2021.

	Six months ended June 30,	
	2022	2021
	(RMB'000)	*(RMB'000)*
Bank interest income	**6,173**	3,848
Government subsidies	**5,567**	141
Gain on disposal of an associate	**–**	5,900
Others	**–**	83
	11,740	9,972

Research and development expenses. Research and development expenses increased by RMB79.4 million from RMB79.6 million for the six months ended June 30, 2021 to RMB159.0 million for the six months ended June 30, 2022, primarily attributable to: 1) increase in employee cost by RMB47.3 million due to continuous expansion of functions related to research and development; and 2) increase in third party contracting cost by RMB28.9 million, which is in line with our increased R&D activities.

	Six months ended June 30,	
	2022	2021
	(RMB'000)	*(RMB'000)*
Employee cost	**80,202**	32,909
Third party contracting cost	**68,197**	39,294
Other	**10,608**	7,368
	159,007	79,571

Administrative expenses. Administrative expenses increased by RMB15 million from RMB40.8 million for the six months ended 30 June, 2021 to RMB55.8 million for the six months ended 30 June, 2022, primarily attributable to: 1) an increase in employee cost by RMB28.4 million due to expansion of workforce in non-R&D related functions; and 2) a decrease in third party advisory service cost by RMB13.3 million, mainly due to the professional fees charged to administrative expenses of RMB16.7 million in relation to IPO for the six months ended June 30, 2021.

	Six months ended June 30,	
	2022	2021
	(RMB'000)	*(RMB'000)*
Employee cost	**43,726**	15,365
Third party advisory service cost	**9,430**	22,700
Others	**2,692**	2,695
	55,848	40,760

Finance costs. Finance costs increased by RMB1.34 million from RMB0.06 million for the six months ended 30 June, 2021 to RMB1.4 million for the six months ended 30 June, 2022. The nature of the finance cost is the interest expense incurred on lease liabilities. Increase in finance cost for the six months ended 30 June, 2022 is mainly due to the addition of new office and laboratory during the second half of 2021.

Other expenses. Other expenses increased by RMB16.7 million from RMB0.4 million for the six months ended 30 June, 2021 to RMB17.1 million for the six months ended 30 June, 2022, primarily due to the fluctuation of foreign exchange differences.

Fair value losses on convertible redeemable preferred shares. Fair value losses on convertible redeemable preferred shares decreased by RMB266.4 million from RMB266.4 million for the six months ended 30 June, 2021 to nil for the six months ended 30 June, 2022. The convertible redeemable preferred shares had been converted into ordinary shares upon the listing of the Company's shares, and will not affect our financial performance in the subsequent financial years.

NON-IFRS MEASURE

To supplement the Group's Consolidated Financial Statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss for the period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations.

Adjusted loss for the period represents the loss for the period excluding the effect of certain non-cash items and onetime events, namely the loss on fair value changes of the convertible redeemable preferred shares and share-based compensation cost. The term adjusted loss for the period 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 to adjusted loss during the periods indicated:

	Six months ended June 30,	
	2022	2021
	(RMB'000)	*(RMB'000)*
Loss for the period	**(221,605)**	(377,217)
Added:		
Fair value losses on convertible redeemable preferred shares	**–**	266,438
Share-based compensation cost	**57,566**	13,273
Adjusted loss for the period	**(164,039)**	(97,506)

The table below sets forth a reconciliation of the research and development expenses to adjusted research and development expenses during the periods indicated:

	Six months ended June 30,	
	2022	2021
	(RMB'000)	*(RMB'000)*
Research and development expenses for the period	**(159,007)**	(79,571)
Added:		
Share-based compensation cost	**34,601**	7,487
Adjusted research and development expenses for the period	**(124,406)**	(72,084)

The table below sets forth a reconciliation of the administrative expenses to adjusted administrative expenses during the periods indicated:

	Six months ended June 30,	
	2022	2021
	(RMB'000)	*(RMB'000)*
Administrative expenses for the period	**(55,848)**	(40,760)
Added:		
Share-based compensation cost	**22,965**	5,786
Adjusted administrative expenses for the period	**(32,883)**	(34,974)

Employee and Remuneration Policy

The following table sets forth a breakdown of our employees as at June 30, 2022, by function:

Functions	**Numbers**	**Percentage of total %**
Research	58	30.2%
Pre-clinical Development	18	9.4%
Clinical Development	60	31.3%
Scientific Strategy and Operations	18	9.4%
Others	38	19.8%
Total	**192**	**100%**

As at June 30, 2022, the Group had 192 employees, where their salaries and allowances were determined based on their performance, experience and the then prevailing market rates. We have also invested in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, project and share incentive plans to our employees especially key employees.

Liquidity and Financial Resources

The Group's cash and bank balances as June 30, 2022 were RMB2,496.6 million (approximately US$372.0 million), representing a decrease of RMB48.9 million compared to RMB2,545.5 million for the year ended December 31, 2021, primarily attributable to spending on research and development activities as well as business operations, partially offset by impact from foreign exchange volatility.

As at June 30, 2022, the current assets of the Group were RMB2,526.9 million, including cash and bank balances of RMB2,496.6 million and other current assets of RMB30.3 million. As at June 30, 2022, the current liabilities of the Group were RMB78.1 million, including other payables and accruals of RMB66.7 million and other current liabilities of RMB11.4 million.

Gearing ratio

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As at June 30, 2022, our gearing ratio was 4.56% (as at December 31, 2021: 4.46%).

Other Financial Information

Significant Investment Held

During the Reporting Period, the Group did not have any significant investments, acquisitions or disposals.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

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

Foreign Exchange Risk

Our financial statements are expressed in RMB, but certain of our financial assets measured at fair value through profit or loss and other payables 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.

Bank Loans and Other Borrowings

As at June 30, 2022, we did not have any bank loans or other forms of borrowings.

Contingent Liabilities

The Group had no material contingent liability as at June 30, 2022.

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 (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 Reporting Period, the Board is of the opinion that the Company has complied with all the code provisions apart from the deviation below.

Code provision C.2.1 of the CG Code provides that the roles of the chairman of the Board (the "**Chairman**") and chief executive officer (the "**CEO**") should be separated and should not be performed by the same individual. As at the date of this announcement, the roles of the Chairman and the CEO of the Company are held by Dr. Xu Yao-Chang ("**Dr. Xu**").

The Board believes that, in view of Dr. Xu's experience, personal profile and his roles in our Company as mentioned above, Dr. Xu is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our chief executive officer. The Board also believes that the combined role of chairperson and chief executive officer 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 two non-executive Directors and three independent non-executive Directors, which the Company believes that there are sufficient checks and balances in the Board. Dr. Xu 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 ending December 31, 2022. 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.

The Board will examine and review, from time to time, the Company's corporate governance practices and operations in order to meet the relevant provisions under the Listing Rules.

Compliance with Model Code

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**"). Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Model Code during the Reporting Period.

Use of Proceeds from the Global Offering

The shares of the Company were listed on the Stock Exchange on October 13, 2021 (the "**Listing Date**") and the Company obtained net proceeds of approximately HK$1,674 million (after deducting the underwriting commissions and other estimated expenses in connection with the exercise of the global offering and the over-allotment option).

For the period from the Listing Date up to the date of this announcement, the Company has not utilized any of the net proceeds raised from the global offering. The Company intends to use the net proceeds in the same matter and proportion as set out in the prospectus of the Company dated September 30, 2021 under the section headed "Future Plans and Use of Proceeds". The Company intends to utilize the net proceeds in accordance with such intended purpose based on actual business needs.

Significant Investments Held

During the Reporting Period, the Group did not hold any significant investments.

Purchase, Sale or Redemption of Listed Securities

In February 2022, the Company repurchased in total 804,000 shares on the Stock Exchange for an aggregate consideration of approximately HK$4.7 million before expenses. The highest price per share paid and the lowest price per share paid was HK$5.9 and HK$5.69 respectively. All of the repurchased shares were subsequently cancelled on March 14, 2022.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended June 30, 2022.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the six months ended June 30, 2022.

AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has considered and reviewed the unaudited interim results of the Group for the six months ended June 30, 2022 and the accounting principles and practices adopted by the Group, and has discussed with management on issues in relation to internal control, risk management and financial reporting. The Audit Committee is of the opinion that the unaudited interim results of the Group for the six months ended June 30, 2022 are in compliance with the relevant accounting standards, laws and regulations.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website (www.abbisko.com) and the website of the Stock Exchange (www.hkexnews.hk).

The interim report for the six months ended June 30, 2022 of the Company containing all relevant information required under the Listing Rules will be published on the aforementioned websites and dispatched to the shareholders of the Company in due course.

By order of the Board
Abbisko Cayman Limited
Dr. Xu Yao-Chang
Chairman

Shanghai, August 22, 2022

As at the date of this announcement, the board of Directors of the Company comprises Dr. Xu Yao-Chang, Dr. Yu Hongping and Dr. Chen Zhui as executive Directors; Dr. Xia Gavin Guoyao and Ms. Tang Yanmin as non-executive Directors; and Dr. Sun Piaoyang, Mr. Sun Hongbin and Mr. Wang Lei as independent non-executive Directors.