EVEREST MEDICINES
云 顶 新 耀
雲 頂 新 耀 有 限 公 司

Everest Medicines Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1952)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the "**Board**") of directors (the "**Directors**") of Everest Medicines Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2021 (the "**Reporting Period**"). These interim results have been reviewed by the Company's audit committee and the Company's auditors, PricewaterhouseCoopers.

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

FINANCIAL HIGHLIGHTS

IFRS Numbers:

- Research and development ("**R&D**") expenses increased by RMB89.8 million from RMB161.0 million for the six months ended 30 June 2020 to RMB250.8 million for the six months ended 30 June 2021, primarily due to: (i) additional clinical trials of our drug candidates; (ii) expansion of our R&D team; and (iii) the establishment of an internal discovery team to build in-house R&D capability.
- General and administrative expenses increased by RMB6.1 million from RMB101.3 million for the six months ended 30 June 2020 to RMB107.4 million for the six months ended 30 June 2021, mainly due to increase in employee remuneration in connection with organization expansion.
- Distribution and selling expenses increased by RMB32.9 million from RMB9.2 million for the six months ended 30 June 2020 to RMB42.1 million for the six months ended 30 June 2021, primarily due to the build up of a commercial team and pre-launch activities carried out for upcoming products commercialization.
- Net loss for the period decreased by RMB240.4 million from RMB623.5 million for the six months ended 30 June 2020 to RMB383.1 million for the six months ended 30 June 2021, primarily attributable to the decrease in loss from fair value change of financial instruments issued to investors.

- Other comprehensive income increased by RMB284.7 million from RMB282.6 million for the six months ended 30 June 2020 to RMB567.3 million for the six months ended 30 June 2021, primarily attributable to the increase in income from fair value change of financial assets at fair value through other comprehensive income.

- Cash and cash equivalents amounted to RMB3,971.0 million as of 30 June 2021.

Non-IFRS Measure:

- Adjusted loss for the period[1] increased by RMB57.2 million from RMB245.9 million for the six months ended 30 June 2020 to RMB303.1 million for the six months ended 30 June 2021, primarily attributable to increase in R&D expense and distribution and selling expenses.

[1] Adjusted loss for the period represents the loss for the period attributable to the equity holders of the Company excluding the effect of certain non-cash items and one-time events, namely the loss on fair value changes of preferred shares (non-current financial liabilities measured at fair value through profit or loss) and share-based compensation loss. For the calculation and reconciliation of this non-IFRS measure, please refer to paragraph numbered 15 under the heading "Financial Review" below.

BUSINESS HIGHLIGHTS

The Group continued advancing our drug pipeline and business operations, including the following milestones and achievements:

Sacituzumab govitecan-hziy (Trodelvy™), *our anchor drug candidate in the oncology therapeutic area, is a first-in-class TROP-2 directed antibody-drug conjugate ("**ADC**").*

- The China National Medical Products Administration ("**NMPA**") accepted the biologics license application ("**BLA**") for sacituzumab govitecan-hziy for the treatment of adult patients with unresectable locally advanced or metastatic triple-negative breast cancer ("**TNBC**") who have received two or more prior systemic therapies, at least one of them for metastatic disease in May 2021. Following the BLA acceptance, sacituzumab govitecan-hziy was granted priority review by the Center for Drug Evaluation ("**CDE**") of China NMPA in May 2021.

- The Ministry of Food and Drug Safety ("**MFDS**") in South Korea has granted fast track designation and orphan drug designation to sacituzumab govitecan-hziy for the treatment of metastatic TNBC in May 2021.

- The Company's partner, Gilead Sciences, Inc. ("**Gilead**"), received full approval from the United States Food and Drug Administration ("**US FDA**") for Trodelvy™ for second-line metastatic TNBC in 2021, and accelerated approval of Trodelvy™ from the US FDA for the treatment of metastatic urothelial cancer ("**mUC**") in April 2021.

- The China clinical trial application ("**CTA**") for TROPiCS-04, a global phase 3 registration clinical trial of sacituzumab govitecan-hziy for mUC, was granted approval by the China NMPA in January 2021. The first person of this trial in China has been dosed in August 2021.

- A phase 3 Asia study designed to assess and compare the efficacy and safety of sacituzumab govitecan-hziy versus treatment of physician's choice in Asian patients with hormone receptor positive, HER2 negative metastatic breast cancer ("**HR+/HER2- mBC**") who have failed at least two prior chemotherapy regimens is currently ongoing.

- The China CTA for a phase 2 basket trial for a variety of cancers with high TROP-2 expression was granted approval by the China NMPA in March 2021 to evaluate sacituzumab govitecan-hziy in 180 patients with relapse/refractory esophageal squamous cell carcinoma, gastric cancer, and cervical cancer at select sites in China.

- The Company has submitted a new drug application ("**NDA**") to the Health Sciences Authority ("**HSA**") of Singapore for sacituzumab govitecan-hziy for the treatment of metastatic TNBC in January 2021, and the indication was subsequently amended to second-line metastatic TNBC. That application is currently under review.

Nefecon, *our anchor drug candidate in cardio-renal therapeutic area, is a novel oral formulation of budesonide in the development for the treatment of IgA nephropathy ("**IgAN**").*

- The Company has completed Chinese patient enrollment into the NefIgArd phase 3 global registrational study evaluating Nefecon as a treatment for IgAN.

- The Company's partner, Calliditas Therapeutics AB ("**Calliditas**"), submitted an NDA to the US FDA for Nefecon for the treatment of primary IgAN with a target Prescription Drug User Fee Act ("**PDUFA**") date of 15 September 2021. Calliditas also submitted a marketing authorization application ("**MAA**") to the European Medicines Agency ("**EMA**") for Nefecon for the treatment of primary IgAN in May 2021 with Accelerated Assessment procedure granted previously in April 2021.

Eravacycline (Xerava™), *is a novel, fully synthetic fluorocycline intravenous antibiotic developed for use as first-line empiric monotherapy for the treatment of multidrug resistant ("**MDR**") infections, including MDR Gram-negative infections.*

- The China NMPA accepted an NDA for eravacycline for the treatment of complicated intra-abdominal infections ("**cIAI**") in March 2021.

- In August 2021, the CDE of the NMPA approved the CTA for eravacycline for the treatment of community-acquired bacterial pneumonia ("**CABP**").

New senior management appointments

- Kevin Guo joined the Company as the chief commercial officer in February 2021 to lead commercial planning and execution across the pipeline, helping to transition the Company into a commercial-stage organization.

- Dr. Jennifer Yang joined the Company as the chief scientific officer in April 2021 to lead the establishment of a robust discovery organization.

For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the Company's prior announcements.

BUSINESS REVIEW AND OUTLOOK

Overview

The Group is a biopharmaceutical company that integrates discovery, licensing, clinical development, commercialization and manufacturing of potentially novel or differentiated therapies to address critical unmet medical needs initially in Asia Pacific markets, and eventually around the world.

Since the founding of the Company in July 2017, we have strategically built a portfolio of eight promising clinical-stage drug candidates across oncology, immunology, cardio-renal disease, and infectious disease, which position us to capture a number of underserved disease areas. We continue to deliver our current portfolio by advancing clinical candidates through important clinical and regulatory milestones. Six of our clinical-stage candidates, sacituzumab govitecan-hziy, etrasimod, nefecon, ralinepag, eravacycline and taniborbactam, are in registrational trials targeting eight different indications. Led by our experienced and visionary management team, our seasoned clinical development and regulatory teams successfully submitted an NDA for eravacycline and a BLA for sacituzumab govitecan-hziy in China in the first half of 2021. We expect multiple late-stage clinical trial data readouts in 2021 and 2022 as well as additional NDA filings in 2022. In addition to our existing portfolio of promising investigational therapies, we will continue to enrich our pipeline through in-licensing of first-in-class or best-in-class drug candidates and through organic innovation.

In 2021 we have also been working to drive progress in three key areas — commercialization, discovery and manufacturing. New product launch is a priority for our commercial organization as we transition to the next phase of growth as a commercial-stage company. In addition to building an industry-leading commercial team with three business units focused on oncology, internal medicine and infectious disease under the leadership of Kevin Guo, we have also expanded our geographical footprint with newly established offices and general managers in South Korea, Taiwan and Singapore to ensure commercial success in those markets.

We are committed to building a strong discovery organization with a deep bench of professionals that have comprehensive understanding of disease biology, cutting edge technology, and have expertise in drug discovery. Under the leadership of Dr. Jennifer Yang, we will continue to attract and recruit top notch talents, and we are also in the process of establishing a research facility in Zhangjiang, Shanghai.

We are making steady progress on the construction of our global manufacturing site in the Jiashan Economic and Technological Development Zone. The site is expected to comply with US FDA, EMA and NMPA good manufacturing practice ("**GMP**") standards to meet demands in both China and the global market.

PRODUCT PIPELINE

The following table summarizes our pipeline and the development status of each drug candidate as of the date of this announcement:

	Molecule (Modality)	Partner	Commercial Right (In-licensing time)	Indication	IND Approval	China Ph3 / Pivotal		Clinical Status	
						Planning	Enrollment	Global	APAC
Oncology	Trodelvy / Sacituzumab govitecan-hziy (ADC)	GILEAD / Immunomedics	Greater China, South Korea, Mongolia, SE Asia (Apr 2019)	mTNBC (2L)	✓			BLA approved in US	BLA accepted in China with priority review; NDA submitted in Singapore
				HR+ / HER2- (3L)	✓			Phase 3	
				mUC (2/3L)	✓			BLA approved in US	Seek BLA approval based on US approval
				Asia basket trial	✓			Phase 2	
				NSCLC (2L)				Phase 3	
				mTNBC (1L)				Phase 2	
	FGF401 (Small Molecule)	NOVARTIS	Worldwide (Jun 2018)	HCC	✓			Phase 1/2	
Immunology	Etrasimod (Small Molecule)	ARENA PHARMACEUTICALS	Greater China, South Korea (Dec 2017)	Ulcerative Colitis	✓			Phase 3	China, South Korea and Taiwan included in multi-regional trial
				Other autoimmune disease (CD and AD)				Phase 2/3[1]	
Cardio-renal	Nefecon (Small Molecule)	calliditas	Greater China, Singapore (Jun 2019)	IgA nephropathy	✓			Phase 3	NDA filed in US with PDUFA date of 15 September 2021
	Ralinepag (Small Molecule)	United Therapeutics	Greater China, South Korea (Dec 2017)	PAH	✓			Phase 3	
Infectious Disease	Xerava (eravacycline) (Small Molecule)	La Jolla / TETRAPHASE	Greater China, South Korea, SE Asia (Feb 2018)	cIAI	✓			NDA approved in US, EU and Singapore	NDA approved in Singapore; NDA filed and accepted in China
				CABP	✓			Phase 3	
	Taniborbactam (Small Molecule)	VenatoRx PHARMACEUTICALS	Greater China, South Korea, SE Asia (Sep 2018)	cUTI	✓			Phase 3	
	SPR206 (Small Molecule)	SPERO THERAPEUTICS	Greater China, South Korea, SE Asia (Jan 2019)	Gram negative infections				Phase 1	

Abbreviations: mTNBC=metastatic triple-negative breast cancer; HR+/HER2-=hormone receptor-positive/human epidermal growth factor receptor 2-negative; mUC=metastatic urothelial cancer; NSCLC=non-small cell lung cancer; HCC=hepatocellular carcinoma; CD=Crohn's disease; AD=atopic dermatitis; IgA=immunoglobulin A; PAH=pulmonary arterial hypertension; cIAI=complicated intra-abdominal infections; CABP=community-acquired bacterial pneumonia cUTI=complicated urinary tract infections; IND=investigational new drug; BLA=biologics license application; NDA=new drug application; 1L=first-line of treatment; 2L=second-line of treatment; 3L=third-line of treatment; SE Asia=Southeast Asia; US=United States; Greater China=PRC, Hong Kong SAR, Macau SAR and Taiwan.

Note:

(1) Arena is conducting a phase 2/3 program for CD and is planning to initiate a phase 3 development program for AD.

Business Review

Sacituzumab govitecan-hziy

- Development achievements during the Reporting Period:

  — On 17 May 2021, the China NMPA accepted for review the Company's BLA for sacituzumab govitecan-hziy, an investigational therapy for the treatment of second-line metastatic TNBC. Subsequently, sacituzumab govitecan-hziy was granted priority review by the CDE of China NMPA.

  — The MFDS in South Korea granted orphan drug designation and fast track designation to sacituzumab govitecan-hziy in metastatic TNBC in May 2021.

  — Our partner Gilead received full approval from the US FDA for sacituzumab govitecan-hziy (Trodelvy™) for the treatment of adult patients with second-line metastatic TNBC in April 2021. The approval is supported by data from the phase 3 ASCENT study. In this study, Trodelvy™ demonstrated a statistically significant and clinically meaningful 57% reduction in the risk of disease worsening or death (progression-free survival ("**PFS**")), extending the median PFS to 4.8 months from 1.7 months with chemotherapy (HR: 0.43; 95% CI: 0.35-0.54; p<0.0001). Trodelvy™ also extended the median overall survival ("**OS**") to 11.8 months vs. 6.9 months (HR: 0.51; 95% CI: 0.41-0.62; p<0.0001), representing a 49% reduction in the risk of death. The most frequent Grade ≥3 adverse reactions for sacituzumab govitecan-hziy compared to single-agent chemotherapy in the study were neutropenia (52% vs. 34%), diarrhea (11% vs. 1%), leukopenia (11% vs. 6%) and anemia (9% vs. 6%). Adverse reactions leading to treatment discontinuation occurred in 5% of patients receiving sacituzumab govitecan-hziy. The Trodelvy™ U.S. Prescribing Information has a BOXED WARNING for severe or life-threatening neutropenia and severe diarrhea.

  — In April 2021, our partner Gilead received accelerated approval from the US FDA for sacituzumab govitecan-hziy for the treatment of adult patients with locally advanced or mUC who have previously received a platinum-containing chemotherapy and either a programmed cell death protein-1 ("**PD-1**") or a programmed death-ligand 1 ("**PD-L1**") inhibitor. The

accelerated approval was based on data from the phase 2, single-arm TROPHY study of 112 patients, which found that Trodelvy™ achieved a 27.7% overall response rate with a 7.2-month median duration of response. Continued approval for this indication is contingent upon verification and description of clinical benefit in a confirmatory trial.

— On 6 January 2021, the CDE of the China NMPA approved a CTA for sacituzumab govitecan-hziy for the treatment of patients with mUC. With this CTA, we plan to enroll patients in China as part of the phase 3, global, multicenter, open-label randomized controlled TROPiCS-04 trial. The trial will evaluate sacituzumab govitecan-hziy compared with standard of care chemotherapeutic options in subjects with metastatic or locally advanced unresectable urothelial cancer who have progressed after prior therapy with a platinum-based regimen and PD-1/PD-L1 therapy.

— A phase 3 Asia study was initiated, which is designed to assess and compare the efficacy and safety of sacituzumab govitecan-hziy versus treatment of physician's choice in Asian patients with HR+/HER2- mBC who have failed at least two prior chemotherapy regimens. The trial will enroll approximately 330 HR+/HER2- mBC patients in Greater China and South Korea. The study is currently ongoing.

— On 31 March 2021, the CDE of the China NMPA approved a CTA for a phase 2 basket trial for a variety of cancers with high TROP-2 expression. The trial is designed to evaluate sacituzumab govitecan-hziy in 180 patients with relapse/refractory esophageal squamous cell carcinoma, gastric cancer, and cervical cancer at select sites in China.

— On 6 January 2021, we submitted an NDA to the HSA of Singapore for sacituzumab govitecan-hziy for the treatment of patients with metastatic TNBC, and the indication was subsequently amended to second-line metastatic TNBC.

• Post-Reporting Period (expected) milestones and achievements:

— On 26 August 2021, the first person has been dosed in China as part of the global phase 3 registration trial, TROPiCS-04, in mUC.

— On 29 July 2021, the Taiwan FDA granted pediatric and rare severe disease priority review designation for sacituzumab govitecan-hziy, an investigational treatment for adult patients with second-line metastatic TNBC.

— In the second half of 2021, we expect to read out topline results of a phase 2b China registrational clinical trial for metastatic TNBC, EVER-132-001, and submit a BLA for sacituzumab govitecan-hziy for metastatic TNBC in Taiwan and South Korea. The initiation of our phase 2 Asia basket trial for a variety of cancers with high TROP-2 expression is expected in the second half of 2021 as well.

— The Company expects to receive a BLA approval for sacituzumab govitecan-hziy for the treatment of second-line metastatic TNBC in the first half of 2022.

— Our partner Gilead anticipates PFS data readout from its global phase 3 TROPiCS-02 study for HR+/HER2- mBC and providing an update on the phase 2 TROPiCS-03 basket study, particularly in NSCLC in the second half of 2021.

Nefecon

- Development achievements during the Reporting Period:

  — Chinese patient enrollment into the NefIgArd phase 3 global registrational study evaluating Nefecon as a treatment for IgAN was completed.

  — Our partner Calliditas submitted an NDA to the US FDA for Nefecon for the treatment of primary IgAN on 15 March 2021 and was granted priority review on 28 April 2021 with a target PDUFA date of 15 September 2021. The NDA submission is based on positive data from part A of the NefIgArd pivotal phase 3 study, which achieved its primary endpoint of proteinuria reduction compared to placebo. The primary endpoint analysis showed a 31% mean reduction in the 16 mg arm versus baseline, with placebo showing a 5% mean reduction versus baseline, resulting in a 27% mean reduction at 9 months (p=0.0005) of the 16 mg arm versus placebo. The trial also met the key secondary endpoint, showing a statistically significant difference in estimated glomerular filtration rate or eGFR after 9 months of treatment with Nefecon compared to placebo. Nefecon was also generally well-tolerated, and the safety profile was in keeping with the phase 2b results and consistent with the known safety profile of budesonide.

  — Our partner Calliditas was granted Accelerated Assessment procedure for Nefecon for the treatment of IgAN from the EMA on 23 April 2021, followed by a MAA submission to the EMA on 28 May 2021. If approved, Nefecon could be available to patients in Europe in the first half of 2022.

- Post-Reporting Period (expected) milestones and achievements:

  — We expect to read out proteinuria data from the global phase 3 NefIgArd study in Chinese patients who were treated with Nefecon, and submit an NDA to the China NMPA in the first half of 2022.

Eravacycline

- Development achievements during the Reporting Period:

  — The China NMPA accepted an NDA for eravacycline for the treatment in cIAI in China in March 2021.

- Post-Reporting Period (expected) milestones and achievements:

  — The CDE of the NMPA approved a CTA for eravacycline for the treatment of CABP in August 2021.

  — We expect NDA approval for eravacycline for the treatment in cIAI in China in the first half of 2022.

Other clinical-stage assets

- Development achievements during the Reporting Period:

  — Ralinepag is a next-generation, potent, selective oral IP prostacyclin receptor agonist being developed for the treatment for pulmonary arterial hypertension ("**PAH**"). We continue to progress our phase 3 registrational trial for PAH in China as part of a global phase 3 study conducted together with our partner United Therapeutics.

- Post-Reporting Period (expected) milestones and achievements:

  — We plan to initiate a phase 2 clinical trial for FGF401 for the treatment of FGF19 amplified hepatocellular carcinoma patients in China in the second half of 2021.

  — We are conducting a phase 3 study for etrasimod for the treatment of moderate-severe ulcerative colitis ("**UC**"), which is expected to complete enrollment in the first half of 2022.

  — Our partner Arena Pharmaceuticals, Inc. expects to read out topline data from both ELEVATE UC 12 and ELEVATE UC 52 with etrasimod in the first quarter of 2022 as well as data from the phase 2/3 CULTIVATE sub-study, a dose-ranging study of etrasimod for Cohn's disease, in the second quarter of 2022.

  — We expect to announce topline results of the phase 3 global clinical trial for taniborbactam for complicated urinary tract infections ("**cUTI**") in the first quarter of 2022.

  — We expect to initiate a phase 1 study of SPR206 in the second half of 2021.

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

Other Key Corporate Development

- On 18 February 2021, we appointed Kevin Guo as our chief commercial officer. Mr. Guo has more than 22 years of commercial leadership and business management experience across a number of multinational pharmaceutical companies. Under Mr. Guo's leadership, we continue to remain focused on advancing our work across four strategic pillars to launch strategy formulation, develop commercial capabilities, embrace and deploy innovative solutions, and expand our international footprint.

- In July 2021, the Company established key strategic partnerships with Tencent Holdings Limited, Medbanks Health Technology Co., Ltd and MediTrust Health Co., Ltd. to explore innovative tools in digital marketing, patients' access to novel medicines and payment solution. These are just first steps to achieving our strategic commercial goals of delivering a differentiated omni-channel approach to better engage with healthcare providers, payors and patients.

- On 15 April 2021, we appointed Dr. Jennifer Yang as our chief scientific officer, whose deep expertise in drug discovery and translational medicine will help the Company establish a robust discovery organization that contributes to the strategic expansion of our clinical development pipeline.

- Effective 18 June 2021, the Company's stock was included as a constituent stock of the Small Cap Index, FTSE All-Cap Index and FTSE Total-Cap Index in the FTSE Global Equity Index Series.

- Effective 15 March 2021, the Company was selected as a constituent stock of the Hang Seng Composite Index, the Hang Seng Healthcare Index and the Hang Seng Hong Kong-Listed Biotech Index in accordance with the latest index series released by Hang Seng Indexed Company Limited. At the same time, the Company became eligible for Southbound Trading under the Stock Connect Scheme, which is a channel that facilitates stock trading and investment between Hong Kong and a broader base of Chinese investors.

Business Development

Our business development team is actively working on a number of licensing, research collaboration and partnership transactions across our therapeutic areas of focus, and we expect to aggressively pursue value accretive and strategic deals to broaden our pipeline and complement our internal discovery initiatives.

Commercialization

We continue to build out our commercial organization and internal infrastructure to support our long-term commercial capabilities. Our commercial team has been developing an integrated commercialization plan that covers branding, pricing strategy and market access, which will ensure market readiness and build advocacy among key opinion leaders, healthcare professionals and other key stakeholders. We recently established strategic collaborations with key industry partners, including Tencent Holdings Limited, Medbanks Health Technology Co., Ltd and MediTrust Health Co., Ltd., to explore innovative ways to improve drug access and to reduce economic burden to patients through digital marketing, patients access and reimbursement solutions. The Company does not intend to develop a payment solution business. Rather, it is working with strategic partners to explore innovative payment solutions that enable greater access and affordability to the Company's therapeutics for patients in China. With respect to international expansion, we hired general managers based in South Korea, Taiwan and Singapore to roll-out the local commercial plans.

Future Development

We will continue to drive progress towards our corporate goal of becoming a leading biopharmaceutical company that integrates discovery, licensing, clinical development, commercialization and manufacturing of globally innovative therapies to address critical unmet medical needs, initially in the Asia Pacific markets, and eventually around the world.

Looking ahead, we are preparing NDA submissions of sacituzumab govitecan-hziy in second-line metastatic TNBC in South Korea and Taiwan in the second half of 2021. We will endeavor to work with our partner Gilead on the expansion of new indications for sacituzumab govitecan-hziy in mUC, HR+/HER2- mBC, NSCLC and other high TROP-2 expression cancers. For our cardio-renal

drug candidate Nefecon, we anticipate topline results from the phase 3 NefIgArd trial in Chinese IgAN patients and subsequently NDA filing in China in 2022. In addition, we are initiating a phase 3 trial of eravacycline for the treatment of CABP in the second half of 2021.

We will keep expanding our innovative drug portfolio in areas of high unmet medical needs through in-licensing and building of organic discovery capabilities. We are actively building our discovery team by recruiting experienced talents in drug discovery and translational medicines, and exploring new modalities and technology platforms to accelerate our discovery efforts. Our new research laboratory in Zhangjiang, Shanghai is expected to be fully operational in the first quarter of 2022. Business development efforts are ongoing as we continue to identify assets and technologies that complement to our existing portfolio and offer opportunities for commercial synergy, as well as potential share of global economics.

We will continue to build our commercial infrastructure with deep expertise in sales, marketing, medical affairs, market access strategies, distribution & key accounts across therapeutic areas to support our upcoming commercial launch of Trodelvy™ and Xerava™.

In addition, we are building our own GMP/Good Supply Practice manufacturing facilities in China to facilitate local manufacturing. Phase 1a of the facility construction including quality control and office building is expected to be completed in 2022 and phase 1b containing production, repackaging, and warehouse is expected to be completed in 2023.

EVENTS AFTER THE REPORTING PERIOD

On 14 July 2021, the Board has resolved to grant a total of 3,173,821 options to 11 grantees under the Post-IPO Share Option Scheme, subject to acceptance by the grantees. None of the grant of options will be subject to approval by the shareholders of the Company. The grant of options enable the Company to attract, retain, incentivize, reward and remunerate the grantees, and encourage them to work towards enhancing the value of the Company.

On the same date, the Company granted 227,042 awards to 2 grantees under the Post-IPO Share Award Scheme, subject to acceptance by the grantees. None of the grant of awards will be subject to approval by the shareholders of the Company, and none of the grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or an associate (as defined in the Listing Rules) of any of them. The Post-IPO Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

The Board also resolved to grant 1,371,095 awards to 9 grantees under the Post-IPO Share Award Scheme on 14 July 2021 and to grant 444,400 awards to 4 grantees under the Pre-IPO ESOP, each subject to acceptance by the grantees and the Independent Shareholder's approval at the extraordinary general meeting to be held to consider the grants aforementioned.

In addition, the Company also intends to grant certain number of restricted stock units to C-level management team, subject to the achievement of the applicable stock price target from HK$150 to HK$200 at different times during the period from 1 January 2022 to 31 December 2024.

For further details of the above, please refer to the announcement published by the Company on 15 July 2021.

Six Months Ended 30 June 2021 Compared to Six Months Ended 30 June 2020

	Six Months Ended 30 June	
	2021	2020
	(RMB in thousands)	
General and administrative expenses	**(107,428)**	(101,316)
Research and development expenses	**(250,774)**	(161,025)
Distribution and selling expenses	**(42,098)**	(9,160)
Other income	**2,213**	943
Other losses — net	**(8,175)**	(184)
Operating loss	**(406,262)**	(270,742)
Finance income/(costs) — net	**26,519**	(17,862)
Fair value change in financial instruments issued to investors	**(3,365)**	(334,927)
Loss before income tax	**(383,108)**	(623,531)
Income tax expense	**—**	—
Loss for the period attributable to the equity holders of the Company	**(383,108)**	(623,531)
Other comprehensive income	**567,256**	282,627
Total comprehensive income/(loss) for the period attributable to the equity holders of the Company	**184,148**	(340,904)
Non-IFRS measure:		
Adjusted loss for the period	**(303,115)**	(245,852)

1. Overview

For the six months ended 30 June 2021, the Group recorded a loss of RMB383.1 million. The general and administrative expenses were RMB107.4 million for the six months ended 30 June 2021 as compared with RMB101.3 million for the six months ended 30 June 2020. The R&D expenses of the Group were RMB250.8 million for the six months ended 30 June 2021, as compared with RMB161.0 million for the six months ended 30 June 2020. The distribution and selling expenses were RMB42.1 million for the six months ended 30 June 2021 as compared with RMB9.2 million for the six months ended 30 June 2020.

2. Revenue

For the six months ended 30 June 2021 and the six months ended 30 Jun 2020, the Group has not commercialized any products and therefore has not recorded any revenue.

3. Research and Development Expenses

The Group's R&D expenses increased from RMB161.0 million for the six months ended 30 June 2020 to RMB250.8 million for the six months ended 30 June 2021. The increase was primarily attributable to (i) additional clinical trials of our drug candidates; (ii) expansion of our R&D team; and (iii) the establishment of an internal discovery team to build in-house R&D capability.

4. Distribution and Selling Expenses

The Group's distribution and selling expenses increased from RMB9.2 million for the six months ended 30 June 2020 to RMB42.1 million for the six months ended 30 June 2021. The increase was primarily attributable to the build up of a commercial team and pre-launch activities carried out for upcoming products commercialization.

5. General and Administrative Expenses

The Group's general and administrative expenses increased from RMB101.3 million for the six months ended 30 June 2020 to RMB107.4 million for the six months ended 30 June 2021. The increase was primarily attributable to the increase in employee remuneration in connection with organization expansion.

6. Other Income

Other income increased from RMB0.9 million for the six months ended 30 June 2020 to RMB2.2 million for the six months ended 30 June 2021. The increase was primarily attributable to government grants received.

7. Other Losses — Net

Other losses increased from RMB0.2 million for the six months ended 30 June 2020 to losses of RMB8.2 million for the six months ended 30 June 2021. The increase was primarily attributable to foreign exchange losses from operating activities.

8. Operating Loss

The operating loss of the Group increased from RMB270.7 million for the six months ended 30 June 2020 to RMB406.3 million for the six months ended 30 June 2021. The increase was primarily attributable to (i) employee remuneration increases in connection with organization expansion; (ii) expanded research and development activities; and (iii) commencement of commercial activities.

9. Finance (Income)/Costs — Net

The Group's finance income for the six months ended 30 June 2021 was RMB26.5 million, compared to finance costs for the six months ended 30 June 2020 were RMB17.9 million. Such change was primary attributable to interest income on bank balances and net exchange gains from foreign currency borrowings.

10. Fair Value Change in Financial Instruments Issued to Investors

The Group recorded a loss from fair value change of financial instruments issued to investors of RMB3.4 million for the six months ended 30 June 2021 and RMB334.9 million for the six months ended 30 June 2020. Apart from the preferred shares issued by our subsidiary, EverNov Medicines Limited ("**EverNov**"), all of the Group's preferred shares were converted to ordinary shares upon the initial public offering ("**IPO**") of the Company, the loss from fair value change of financial instruments issued to investor for the six months ended 30 June 2021

are due to the increase in per share fair value of preferred shares issued by EverNov.

11. Income Tax Expense

For the six months ended 30 June 2021 and 2020, the Group did not incur any income tax expense, as the Group did not generate any taxable income in both periods.

12. Loss for the Period Attributable to the Equity Holders of the Company

The loss for the six months attributable to equity holders of the Company decreased from RMB623.5 million for the six months ended 30 June 2020 to RMB383.1 million for the six months ended 30 June 2021. Such change was primarily attributable to the decrease in loss from fair value change of financial instruments issued to investors.

13. Other Comprehensive Income

Other comprehensive income increased from RMB282.6 million for the six months ended 30 June 2020 to RMB567.3 million for the six months ended 30 June 2021, primarily attributable to the increase in income from fair value change of financial assets at fair value through other comprehensive income. The Group has equity investments in I-Mab Biopharma ("**I-Mab**") and the fair value of this investment is measured based on quoted market share price of I-Mab with fair value change recorded in other comprehensive income. The increase was primarily attributable to the significant increase of market share price of I-Mab for the six months ended 30 June 2020.

14. Total Comprehensive Income/(Loss) for the Period Attributable to the Equity Holders of the Company

As a result of the foregoing, the Group's income for the six months ended 30 June 2021 was RMB184.1 million, compared to a loss for the six months ended 30 June 2020 was RMB340.9 million.

15. Non-IFRS Measure

In order to supplement the Group's consolidated financial statements, which are presented in accordance with the International Financial Reporting Standard ("**IFRS**"), the Group also uses adjusted loss for the six months period, which is not required by, or presented in accordance with the IFRS. The Company believes that the adjusted loss for the six months period provides useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations.

Adjusted loss for the six months represents the loss for the period attributable to the equity holders of the Company excluding the effect of certain non-cash items and one-time events, namely the loss on fair value changes in financial instruments issued to investors and share-based compensation expenses. The term adjusted loss for the six months period is not defined under the IFRS. The use of this non-IFRS measures have 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 measure is a reflection 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 extend applicable.

The table below sets forth a reconciliation of the loss for the period attributable to the equity holders of the Company to adjusted loss for the period during the periods indicated:

	Six Months Ended 30 June	
	2021	2020
	(RMB in thousands)	
Loss for the period attributable to the equity holders of the Company	**(383,108)**	(623,531)
Added:		
Loss on fair value changes in financial instruments issued to investors	**3,365**	334,927
Share-based compensation expenses	**76,628**	42,752
Adjusted loss for the period	**(303,115)**	(245,852)

16. Liquidity and Source of Funding

As of 30 June 2021, the Group's cash and cash equivalents were RMB3,971.0 million, which primarily resulted from proceeds from external financing and IPO.

As of 30 June 2021, the current assets of the Group were RMB4,003.2 million, including bank balances and cash of RMB3,971.0 million and prepayments and other current assets of RMB32.2 million. As of 30 June 2021, the current liabilities of the Group were RMB132.5 million, including trade payables of RMB108.8 million, lease liabilities of RMB23.2 million and amounts due to related parties of RMB0.4 million. As of 30 June 2021, the Group has borrowings from Jiashan Shanhe Equity Investment Company ("**Jiashan Shanhe**") of RMB351.8 million.

17. Operating Activities

Net cash used in our operating activities for the six months ended 30 June 2021 was RMB388.5 million. Our net loss was RMB383.1 million for the same period. The difference between our loss before income tax and our net cash used in operating activities was primarily attributable to (i) changes in the working capital and (ii) offset by share-based compensation to employees in the amount of RMB76.6 million.

Net cash used in our operating activities for the six months ended 30 June 2020 was RMB219.9 million. Our net loss was RMB623.5 million for the same period. The difference between our loss before income tax and our net cash used in operating activities was primarily attributable to (i) fair value changes of financial instruments in the amount of RMB334.9 million and (ii) share-based compensation to employees in the amount of RMB42.8 million.

18. Investing Activities

Net cash used in investing activities for the six months ended 30 June 2021 was RMB83.1 million, primarily attributable to (i) purchase of intangible assets of RMB43.7 million mainly in connection with our milestone payment for eravacycline NDA submission in China and payment to Venatorx for taniborbactam patent, and (ii) payment of RMB25.6 million to Tetraphase with respect to technology transfer.

Net cash used in investing activities for the six months ended 30 June 2020 was RMB473.5 million, primarily attributable to purchase of intangible assets of RMB470.8 million mainly in connection with our milestone payment for sacituzumab govitecan-hziy and nefecon.

19. Financing Activities

Net cash used in financing activities for the six months ended 30 June 2021 was RMB4.8 million, primarily attributable to lease payments made during the period.

Net cash generated from financing activities for the six months ended 30 June 2020 was RMB2,255.0 million, primarily attributable to proceeds received from Series C financing.

20. Key Financial Ratios

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

	As of 30 June	
	2021	2020
Current ratio[(1)]	**30.22**	24.06
Gearing ratio[(2)]	**N/A**	N/A

Notes:

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

(2) Gearing ratio is calculated using interest-bearing borrowings divided by total equity. As of 30 June 2021, the Group was in a net cash position and thus, gearing ratio is not applicable.

21. Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5 percent or more of the Company's total assets as of 30 June 2021) during the six months ended 30 June 2021.

22. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries or associated companies during the six months ended 30 June 2021.

23. Future Plans for Material Investments or Capital Asset

Save as disclosed in this announcement, the Group did not have detailed future plans for material investments or capital assets.

The construction of quality control building of Jiashan manufacturing facility is ongoing and we will continue the build out of the facility in 2021.

24. Pledge of Assets

As of 30 June 2021, the land for our Jiashan manufacturing facility has been pledged to Jiashan Shanhe.

25. Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2021.

26. Foreign Exchange Exposure

The Company's functional currency is United States Dollars and the functional currency of the Company's subsidiaries in China is Renminbi ("**RMB**"). During the six months ended 30 June 2021, the Group mainly operated in China and the majority of the transactions were settled in RMB, the same as the functional currency of the operating entities. Our financial assets and liabilities are subject to foreign currency risk as a result of certain bank deposits and trade and other payables denominated in non-functional currency. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect our results of operations. As of 30 June 2021, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations. We have not entered into any hedging transactions to manage the potential fluctuation in foreign currency as of 30 June 2021.

27. Employees and Remuneration

As of 30 June 2021, we employed a total of 227 full-time employees, with 215 based in Greater China, 9 based in the United States, 1 based in France, 1 based in Singapore and 1 based in South Korea, including a total of 33 employees with a Ph.D. degree or an M.D. degree.

The following table sets forth a breakdown of our employees by function as of 30 June 2021:

	Number	**% of Total**
Function		
Clinical Development	109	48.0
Business Development	5	2.2
Commercialization	44	19.4
Operations, Administrative and others	69	30.4
Total	227	100.0

The total remuneration cost incurred by the Group for the six months ended 30 June 2021 was RMB212.6 million, as compared to RMB137.6 million for the six months ended 30 June 2020.

The Company has also adopted a pre-IPO MSOP, a pre-IPO ESOP, a post-IPO share award scheme and a post-IPO share option scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Compliance with the Code on Corporate Governance Practices

The Company has complied with all applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules during the Reporting Period.

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

Compliance with the Model Code for Securities Transactions by Directors

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

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the Reporting Period and up to the date of this announcement.

Audit Committee

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules. The audit committee comprises three independent non-executive Directors, namely, Mr. Yifan Li, Mr. Shidong Jiang and Mr. Bo Tan. Mr. Yifan Li is the chairman of the audit committee.

The audit committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2021 and has met with the independent auditor, PricewaterhouseCoopers. The audit committee has also reviewed the accounting policies and practices adopted by the Company and discussed auditing, risk management, internal control and financial reporting matters with senior management members of the Company.

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

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

Use of Proceeds from Global Offering

On 9 October 2020, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering were approximately HK$3,795 million. There was no change in the intended use of net proceeds as previously disclosed in prospectus of the Company dated 25 September 2020 (the "**Prospectus**"). The Company will gradually apply the unutilised net proceeds in the manner set out in the Prospectus.

Set out below is the status of use of proceeds from the global offering as of 30 June 2021.

Purpose	% of use of proceeds	Net proceeds (HK$ million)	Utilised for the year ended 31 December 2020 (HK$ million)	Utilised for the six months ended 30 June 2021 (HK$ million)	Unutilised amount as of 30 June 2021 (HK$ million)
Funding ongoing and planned clinical trials, preparation for registration filings and other steps or activities related to commercialization of eravacycline	15%	569	22	53	494
Funding ongoing and planned clinical trials, preparation for registration filings and other steps or activities related to commercialization of etrasimod, one of our Core Drug Candidates	15%	569	13	71	485
Funding ongoing and planned clinical trials, preparation for registration filings and potential commercialization of sacituzumab govitecan	20%	759	13	230	516
Funding ongoing and planned clinical trials, preparation for registration filings and potential commercialization of nefecon.	10%	380	43	55	282

Purpose	% of use of proceeds	Net proceeds (HK$ million)	Utilised for the year ended 31 December 2020 (HK$ million)	Utilised for the six months ended 30 June 2021 (HK$ million)	Unutilised amount as of 30 June 2021 (HK$ million)
Funding ongoing and planned clinical trials, preparation for registration filings and potential commercialization of other drug candidates in our pipeline	15%	569	31	51	487
Funding our business development activities and the expansion of our drug pipeline	15%	569	0	9	560
Working capital and general and administrative purposes	10%	380	49	86	245
Total	**100%**	**3,795**	**171**	**555**	**3,069**

Dividend

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2021.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the Six months ended June 30, 2021

	Note	Six months ended 30 June	
		2021	2020
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
General and administrative expenses	4	**(107,428)**	(101,316)
Research and development expenses	4	**(250,774)**	(161,025)
Distribution and selling expense	4	**(42,098)**	(9,160)
Other income		**2,213**	943
Other losses — net		**(8,175)**	(184)
Operating loss		**(406,262)**	(270,742)
Finance income/(cost) — net		**26,519**	(17,862)
Fair value change in financial instruments issued to investors		**(3,365)**	(334,927)
Loss before income tax		**(383,108)**	(623,531)
Income tax expense	5	**—**	—
Loss for the period attributable to the equity holders of the Company		**(383,108)**	(623,531)
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss:			
Change in foreign currency translation adjustments		**(61,035)**	(15,712)
Change in fair value of financial assets at fair value through other comprehensive income ("**FVOCI**")		**628,291**	298,339
Other comprehensive income		**567,256**	282,627
Total comprehensive income/(loss) for the period attributable to the equity holders of the Company		**184,148**	(340,904)
Basic loss per share for loss attributable to the equity holders of the Company	7	**(1.31)**	(25.06)
Diluted loss per share for loss attributable to the equity holders of the Company	7	**(1.31)**	(25.06)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2021

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**28,426**	11,411
Right-of-use assets		**109,221**	110,563
Intangible assets		**2,029,740**	2,006,056
Investments		**1,465,589**	845,697
Other non-current assets		**36,564**	7,045
		3,669,540	2,980,772
Current assets			
Prepayments and other current assets		**32,190**	15,287
Cash and cash equivalents		**3,970,978**	4,481,122
		4,003,168	4,496,409
Total assets		**7,672,708**	7,477,181
Liabilities			
Non-current liabilities			
Financial instruments issued to investors		**24,032**	20,880
Lease liabilities		**59,140**	58,878
Other non-current liabilities		**351,771**	369,438
		434,943	449,196
Current liabilities			
Lease liabilities		**23,194**	19,015
Trade and other payables	8	**108,848**	167,459
Amounts due to related parties		**436**	440
		132,478	186,914
Total liabilities		**567,421**	636,110

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at June 30, 2021

	As at 30 June 2021 *RMB'000* **(Unaudited)**	As at 31 December 2020 *RMB'000* (Audited)
Equity		
Equity attributable to the equity holders of the Company		
Share capital	**199**	198
Reserves	**13,472,598**	13,392,531
Accumulated deficit	**(7,299,124)**	(6,916,016)
Accumulated other comprehensive income	**931,614**	364,358
Total equity	**7,105,287**	6,841,071
Total equity and liabilities	**7,672,708**	7,477,181

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 General information

Everest Medicines Limited (the "**Company**" or "**Everest**") was incorporated under the law of Cayman Islands as an exempted company with limited liability on 14 July 2017. The Company and its subsidiaries (collectively referred to as the "**Group**") engages primarily in license-in, development and commercialization of innovative therapies in Greater China and other emerging Asia Pacific markets.

The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company listed its shares on the Main Board of the Stock Exchange of Hong Kong Limited on 9 October 2020 (the "**Listing**").

2 Basis of preparation

The interim condensed consolidated financial information ("**Interim Financial Information**") has been prepared in accordance with International Accounting Standard ("**IAS**") 34 'Interim Financial Reporting' issued by the International Accounting Standards Board ("**IASB**").

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. The Interim Financial Information should be read in conjunction with the annual audited financial statements of the Group for the year ended December 31, 2020 which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") by the Group as set out in the 2020 annual report of the Company dated April 29, 2021 (the "**2020 Financial Statements**").

3 Accounting policies

The accounting policies applied are consistent with those used in the 2020 Financial Statements, as described in annual financial statements, except for the estimation of income tax (see Note 5) and the adoption of new and amended standards as set out below.

3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, which did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

3.2 New standards and amendments to standards that have been issued but not effective

A number of new standards and amendments to existing standards and interpretations that are relevant to the Group have been issued but are not yet effective and have not been early adopted by the Group. These new standards and amendments are set out below:

Standards	Key requirements	Effective for accounting periods beginning on or after
IFRS 10 and IAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
IAS 16 (Amendment)	Property, plant and equipment — proceeds before intended use	1 January 2022
IFRS 3 (Amendment)	Reference to the Conceptual Framework	1 January 2022
IAS 37 (Amendment)	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Annual Improvements	Annual Improvements to IFRS Standards 2018–2020	1 January 2022
IAS 1 (Amendment)	Classification of liabilities as current or non-current	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1 and IFRS Practise Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023

The Group has already commenced an assessment of the impact of these new or revised standards and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective.

4 Expenses by nature

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**212,645**	137,596
Clinical trial expenses	**113,633**	80,124
Professional expenses	**38,421**	43,113
Office and travelling expenses	**14,071**	4,662
Depreciation	**13,985**	9,888
Others	**7,545**	2,770
Total general and administrative expenses, research and development, distribution and selling expense expenses and cost of other income	**400,300**	278,153

5 Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2021 is 0% (For 31 December 2020: 0%).

6 Dividend

No dividend has been paid or declared by the Company or companies comprising the Group during the periods presented.

7 Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2021 and 2020. In determining the weighted average number of ordinary shares in issue the unvested restricted shares are excluded:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(383,108)**	(623,531)
Weighted average number of ordinary shares in issue	**293,514,910**	24,883,772
Basic loss per share (in RMB)	**(1.31)**	(25.06)
Diluted loss per share (in RMB)	**(1.31)**	(25.06)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2021, the Company's potential ordinary shares include share-based awards granted to employees and for the six months ended 30 June 2020, the Company had two categories of potential ordinary shares: convertible redeemable preferred shares and share-based awards granted to employees. For the six months ended 30 June 2021 and 2020, the potential ordinary shares were not included in the calculation of loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2021 and 2020 are the same as basic loss per share.

8 Trade and other payables

	As at 30 June 2021 *RMB'000* (Unaudited)	As at 31 December 2020 *RMB'000* (Audited)
Trade payables (a)	**28,218**	40,725
Accrual for service fees to contract research organizations ("**CROs**")	**25,120**	37,823
Payables for service suppliers (a)	**9,388**	34,376
Salary and staff welfare payables	**33,205**	49,357
Payables for property and equipment	**5,580**	—
Payables for individual income tax	**3,610**	3,674
Others	**3,727**	1,504
	108,848	167,459

As at 30 June 2021 and 31 December 2020, all trade and other payables of the Group were non-interest bearing, and their fair value approximated their carrying amounts due to their short maturities.

(a) As at 30 June 2021 and 31 December 2020, the ageing analysis of trade payables and payables for service suppliers based on invoice date are as follows:

	As at 30 June 2021 *RMB'000* (Unaudited)	As at 31 December 2020 *RMB'000* (Audited)
— Within 1 year	**37,606**	75,101

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.everestmedicines.com). The interim report for the six months ended 30 June 2021 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders in due course.

By order of the Board
Everest Medicines Limited
Wei Fu
Chairman and Executive Director

Hong Kong, 30 August 2021

As at the date of this announcement, the board of Directors of the Company comprises Mr. Wei Fu as Chairman and Executive Director, Dr. Kerry Levan Blanchard, Mr. Ian Ying Woo and Mr. Xiaofan Zhang as Executive Directors, Mr. Yubo Gong and Ms. Lan Kang as Non-executive Directors, and Mr. Bo Tan, Mr. Yifan Li and Mr. Shidong Jiang as Independent Non-executive Directors.