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**康宁杰瑞**

ALPHAMAB ONCOLOGY

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**康寧傑瑞生物製藥**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9966)**

**INSIDE INFORMATION ANNOUNCEMENT  
COLLABORATIVE AGREEMENT WITH SIMCERE PHARMACEUTICAL  
AND 3D MEDICINES FOR KN035  
AND  
SUPPLEMENTAL AGREEMENTS TO THE KN035 CO-DEVELOPMENT  
AGREEMENT**

This announcement is made by Alphamab Oncology (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provision (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

**INTRODUCTION**

Reference is made to the initial co-development agreements in respect of KN035 (a recombinant humanized single domain antibody against programmed death ligand 1 (“**PD-L1**”) invented by the Group) since February 2016 (the “**KN035 Co-development Agreement**”), and a series of co-development agreements and subsequent supplemental agreements (together with the KN035 Co-development Agreement and the supplemental agreement thereof, the “**Existing Co-development Agreements**”) entered into between Jiangsu Alphamab Biopharmaceuticals Co., Ltd. (“**Jiangsu Alphamab**”), a wholly-owned subsidiary of the Company and 3D Medicines (Beijing) Co., Ltd. (“**3D Medicines**”) in respect of KN035. Pursuant to the Existing Co-development Agreements, the Company has the rights to manufacture and supply KN035, and is entitled to share the profit of KN035, and 3D Medicines has the exclusive right to clinical development and commercialization KN035 worldwide.

**COLLABORATIVE AGREEMENT WITH SIMCERE PHARMACEUTICAL AND 3D MEDICINES FOR KN035**

The board of directors of the Company (the “**Board**”) is pleased to announce that, Jiangsu Alphamab, Jiangsu Sincere Pharmaceutical Co., Ltd. (“**Sincere Pharmaceutical**”) and 3D Medicines entered into a cooperation agreement (the “**Sincere Agreement**”) on March 30, 2020, pursuant to which, Sincere Pharmaceutical has been granted an exclusive marketing right in respect of oncology indications of KN035 in the People’s Republic of China (except for Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) (“**Mainland China**”) and the rights of first refusal for in-licenses or transfers in Mainland China, subject to the terms and conditions of the Sincere Agreement.

Under the Sincere Agreement, Jiangsu Alphamab, as the exclusive manufacturer, will be responsible for supplying KN035 to 3D Medicines at pre-negotiated prices and 3D Medicines will sell KN035 to the relevant customers in accordance with the instructions of Sincere Pharmaceutical, while Sincere Pharmaceutical is entitled to receive the marketing service fees according to the Sincere Agreement. Among which, the parties agreed that (i) in respect of general matters including the marketing and commercialization of KN035 in Mainland China, Jiangsu Alphamab, 3D Medicines and Sincere Pharmaceutical shall negotiate with each other. Sincere Pharmaceutical is entitled to make final decisions, except that reserved matters such as the pricing of KN035 when it is launched in the market for the first time and the adjustments of product price as stipulated in the agreement shall be agreed unanimously by all three parties; (ii) in respect of specific matters, including drug application for centralized procurement or volume purchase catalog, Jiangsu Alphamab, 3D Medicines and Sincere Pharmaceutical shall unanimously reach consent in writing and adjust relevant economics pursuant to the written resolution.

### **Reasons for and Benefits of the Cooperation**

As the marketing and the increase of market shares of KN035 require a large scale and experienced oncology drug promotion team, the Company and 3D Medicines are of the view that a reputable and qualified business partner should be introduced to enter into the collaborative agreement in respect of marketing service and be entrusted to market KN035 in Mainland China after it is registered and launched in the market.

The Company believes that such cooperation will enable the Company to effectively utilize the existing team and resources of Sincere Pharmaceutical, rapidly establish a favorable market position for KN035. The Company believes that the implementation of the Sincere Agreement will have a positive impact on the commercialization of KN035 upon its launch. The Company also believes that the Sincere Agreement is in the interests of the Company and its shareholders as a whole.

### **Information on the Parties Involved**

3D Medicines, a company established in China with limited liability on December 22, 2014, is a clinical stage biopharmaceutical company that adheres to the “patient-centered” principle. In anticipation of a future when cancer is being treated as a chronic disease, the company focuses on the development of differentiated next-generation immune-oncology therapies to help cancer patients worldwide live longer and better. The company’s pipeline includes differentiated biological and small molecule anti-cancer treatments. 3D Medicines has a seasoned team with global talents that is capable of conducting worldwide clinical development and registration of oncology products.

Sincere Pharmaceutical, a company established in China with limited liability on March 28 1995, a subsidiary of Sincere Pharmaceutical Group which is a leading R&D driven pharmaceutical group in China, has the “state key lab for translational medicine and innovative drug development”. It focuses on major disease areas such as tumors, nerves, and autoimmunity, and is committed to enabling patients to use better drugs as soon as possible. With its outstanding commercialization capabilities, its core products maintain a leading market position in China. Sincere Pharmaceutical continues to promote the advancement of international scientific and medical breakthroughs through a collaborative R&D strategy and extensive strategic partnership with several multinational companies.

To the best knowledge and belief of the Company, each of Sincere Pharmaceutical and 3D Medicines is independent of, and not connected with, the Company and/or its connected persons. The transactions contemplated under the Sincere Agreement do not constitute any notifiable transactions or connected transactions of the Company under the Listing Rules.

## SUPPLEMENTAL AGREEMENT TO THE KN035 CO-DEVELOPMENT AGREEMENT

Reference is made to the announcement of the Company dated December 20, 2019 in relation to a collaborative partnership agreement entered into among Jiangsu Alphamab, TRACON Pharmaceuticals, Inc. (“**Tracon**”, the shares of which are listed on the Nasdaq Global Select Market (Ticker Symbol: TCON)) and 3D Medicines on December 20, 2019 (the “**Tracon Agreement**”), pursuant to which, Tracon has been granted an exclusive and non-transferable license right in the United States, Canada, Mexico and each of their dependent territories (the “**Collaborative Territory**”) for KN035 in the field of human therapeutic applications for sarcoma (the “**Collaborative Field**”) subject to the terms and conditions in the Tracon Agreement.

The Board announces that Jiangsu Alphamab and 3D Medicines entered into a supplemental agreement (the “**Supplemental Agreement A**”) to the KN035 Co-development Agreement on March 30, 2020, pursuant to which, both parties agree that (1) the gains from drug supplies by Jiangsu Alphamab as a KN035 oncology drug producer shall be exclusively owned by Jiangsu Alphamab; (2) the gains to be shared by Jiangsu Alphamab and 3D Medicines under the Tracon Agreement and gains from transfer, delegation or otherwise disposal of the rights of KN035 in the Collaborative Field within the Collaborative Territory under the Tracon Agreement shall be shared by Jiangsu Alphamab and 3D Medicines as to 65% and 35%, respectively.

The Board announces that Jiangsu Alphamab and 3D Medicines entered into another supplemental agreement (the “**Supplemental Agreement B**”) to the KN035 Co-development Agreements on March 30, 2020, pursuant to which, both parties agree that, among other matters, the gains for KN035 sold in Mainland China, payable by 3D Medicines to Jiangsu Alphamab, should be calculated based on the agreed method. The relevant gains are determined based on the following formula:

$$\text{Gains} = \frac{\text{Net profit of the relevant products} \times 49\%}{(1 + \text{value-added tax and additional tax rate})}$$

The net profit of relevant products represents, based on the calculation method specified in the Supplementary Agreement B, the difference between the weighted average bidding price and the weighted average supply price multiplied by the sales volume of products, after deducting the marketing service fees and commodity delivery fees paid by 3D Medicines to Simcere Pharmaceutical or other third parties. Both parties to the agreement further agreed on an annual cap of marketing service fees, which shall not be higher than that calculated based on the agreed formula. Depending on the product launch time, 3D Medicines shall compensate for part of the excess amount of marketing fee over the annual cap to Jiangsu Alphamab. The above prices and fees exclude value-added tax and are subject to terms and conditions of the Simcere Agreement.

The terms of Supplemental Agreement A and Supplemental Agreement B were determined after arm’s length negotiation between the parties. The Company believes that these agreements are in the interest of the Company and its shareholders as a whole.

## **ABOUT KN035**

KN035 is a recombinant anti-PD-L1 single domain antibody fused with human Fc, a drug independently invented by the Company and co-developed with 3D Medicines since 2016. It is likely to become the first PD-1/PD-L1 antibody with subcutaneous injection to be marketed globally. KN035 has undergone clinical trials for multiple tumor indications in China, the United States and Japan, with a total of more than 900 patients enrolled. Currently, phase II pivotal clinical trial for advanced solid tumors with microsatellite instability-high (MSI-H)/deficient mismatch repair (dMMR) and phase III pivotal clinical trial for advanced biliary tract cancer (BTC) are being conducted in China. On January 18, 2020, the Food and Drug Administration of the United States rewarded KN035 with orphan drug designation in treating advanced biliary tract cancer.

**Cautionary Statement required by Rule 18A.05 of the Listing Rules:** The Company cannot guarantee that it will be able to develop, or ultimately market, KN035 successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

By Order of the Board  
**Alphamab Oncology**  
**Dr. Xu Ting**  
*Chairman and Executive Director*

Hong Kong, March 30, 2020

*As at the date of this announcement, the Board comprises Dr. XU Ting as the Chairman and Executive Director and Ms. LIU Yang as Executive Director, Mr. XU Zhan Kevin and Mr. QIU Yu Min as Non-executive Directors, and Dr. JIANG Hualiang, Mr. WEI Kevin Cheng and Mr. WU Dong as Independent Non-executive Directors.*