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ALPHAMAB ONCOLOGY

康寧傑瑞生物製藥

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9966)

**(1) REVISION OF ANNUAL CAP FOR EXISTING CONTINUING
CONNECTED TRANSACTION; AND
(2) RENEWAL OF THE MASTER TECHNICAL SERVICE AGREEMENT**

This announcement is made by Alphamab Oncology (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the provisions in relation to connected transactions under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

INTRODUCTION

Reference is made to the announcement of the Company dated January 14, 2022 in relation to, among others, the renewal of the master technical service agreement entered into by Jiangsu Alphamab Biopharmaceuticals Co., Ltd. (江蘇康寧傑瑞生物製藥有限公司) (“**Jiangsu Alphamab**”), a wholly-owned subsidiary of the Company, and Suzhou Alphamab Co., Ltd. (蘇州康寧傑瑞生物科技股份有限公司) (“**Suzhou Alphamab**”) with a term commencing from January 14, 2022 to March 31, 2024 (the “**Existing Master Technical Service Agreement**”). As the Existing Master Technical Service Agreement has expired on March 31, 2024, the board (the “**Board**”) of the Directors (the “**Directors**”) of the Company hereby announces that Suzhou Alphamab and Jiangsu Alphamab have renewed the Existing Master Technical Service Agreement (the “**Renewed Master Technical Service Agreement**”) on April 2, 2024 for an extended term commencing from April 2, 2024 to December 31, 2025, pursuant to which Jiangsu Alphamab agreed to provide services in relation to the production of biological drug substance, fill-finish and packaging (the “**Services**”) to Suzhou Alphamab with substantially similar terms and conditions as the Existing Master Technical Service Agreement. It is also noted that the annual cap for the service fees under the Existing Master Technical Service Agreement for the year ending December 31, 2024 will not be sufficient upon renewal. Therefore, a revised annual cap is proposed for the service fees under the Renewed Master Technical Service Agreement for the year ending December 31, 2024.

THE RENEWED MASTER TECHNICAL SERVICE AGREEMENT

Details of the Renewed Master Technical Service Agreement are as follows:

Date of Agreement	April 2, 2024
Parties	(i) Suzhou Alphamab (ii) Jiangsu Alphamab
Transaction nature	<p>Pursuant to the Renewed Master Technical Service Agreement, Jiangsu Alphamab agrees to provide the Services to Suzhou Alphamab. Suzhou Alphamab shall inform Jiangsu Alphamab of any request for the Services at least two months before the expected production commencement date. The parties shall enter into individual agreement for each request of the Services. Jiangsu Alphamab is entitled to refuse to provide or delay the provision of the Services for Suzhou Alphamab if Jiangsu Alphamab considers it not to have adequate manufacturing capacity to perform the requested services.</p> <p>Suzhou Alphamab shall pay Jiangsu Alphamab the service fees in accordance with the Services provided by Jiangsu Alphamab.</p>
Term of Agreement	The term shall commence from April 2, 2024 to December 31, 2025.
Service Fees	(i) RMB1,600,000 per batch for the production of biological drug substance in accordance with the good manufacture practice. Each batch of biological drug substances to be produced shall not exceed 500L; (ii) RMB90,000 per batch for fill-finish. Each batch of substances to be filled shall not exceed 20,000 items, with batches of substances to be filled less than 5,000 items free of charge; and (iii) RMB30,000 per batch for packaging. Each batch of drug products to be packaged shall not exceed 20,000 items, with batches of drug products to be packaged less than 1,000 items free of charge.

The above service fees do not include the cost of raw and auxiliary materials, reagents, consumables and transportation.

Other Fees	The raw and auxiliary materials, reagents, consumables and other materials required for the service process shall be provided by Suzhou Alphamab on its own. If Jiangsu Alphamab's materials are used for production out of convenience and other reasons, Suzhou Alphamab shall pay Jiangsu Alphamab the cost of such materials at its purchase price.
Payment	The services fees will be paid and settled by the Suzhou Alphamab within 45 days after the delivery of the up-to-standard Services.
Pricing Policy	The service fees to be paid by Suzhou Alphamab to Jiangsu Alphamab were determined after arm's length negotiation with reference to (i) the nature of the Services and (ii) the prevailing market rates in the neighborhood for providing similar services.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that, as far as the shareholders of the Company are concerned, the Renewed Master Technical Service Agreement is entered into on normal commercial terms and in the ordinary and usual course of business of the Group, the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

HISTORICAL TRANSACTION AMOUNTS

There were no historical transaction amounts under the Existing Master Technical Service Agreement for the two years ended December 31, 2022 and 2023 and for the three months ended March 31, 2024.

REVISED/PROPOSED ANNUAL CAPS

The Directors propose to revise or set (as the case may be) annual caps for the service fees under the Renewed Master Technical Service Agreement as follows:

	For the year ending December 31, 2024 (RMB in thousands)
Original annual cap	7,860
Proposed revised annual cap	10,500
	For the year ending December 31, 2025 (RMB in thousands)
Proposed annual cap	10,000

The original annual cap for the service fees under the Existing Master Technical Service Agreement was estimated on the basis that the Existing Master Technical Service Agreement ends on March 31, 2024. However, as the Renewed Master Technical Service Agreement has been entered into for an extended term ending on December 31, 2025, the expected business needs and demands for 2024 is expected to increase the transaction amount under the Renewed Master Technical Service Agreement. As such, the proposed revised annual cap for the year ending December 31, 2024 is made on a prudent basis to ensure compliance with the Listing Rules and actively facilitate the extension of provision of the Services under the Renewed Master Technical Service Agreement.

In addition, the proposed revised annual cap for the year ending December 31, 2024 and the proposed annual cap for the year ending December 31, 2025 for the service fees under the Renewed Master Technical Service Agreement have been estimated based on (i) the unit price for each type of Services as described above, and (ii) the estimated demand for each type of Services from Suzhou Alphamab after taking into account the status and progress of its product pipeline and drug development plans for the term commencing from January 1, 2024 to December 31, 2025. In arriving at the above proposed annual caps, the Directors have considered the expected transaction amount for the same type of transactions as set out in the table above based on information provided by Suzhou Alphamab.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company's principal operating subsidiary Jiangsu Alphamab had been a subsidiary of Suzhou Alphamab prior to the reorganization of the Company. For details, please refer to the prospectus of the Company dated December 2, 2019. Therefore, the Company is very familiar with Suzhou Alphamab's needs and requirements. Although there were no historical transaction amounts under the Existing Master Technical Service Agreement for the two years ended December 31, 2022 and 2023 and for the three months ended March 31, 2024, the Directors believe that it is complementary and beneficial for both of Suzhou Alphamab and Jiangsu Alphamab to enter into the Renewed Master Technical Service Agreement to allow the flexibility for Jiangsu Alphamab to provide the Services to Suzhou Alphamab when needed for Suzhou Alphamab's manufacturing operations. Under the Renewed Master Technical Service Agreement, Jiangsu Alphamab is entitled to refuse to provide or delay the provision of the Services to Suzhou Alphamab if Jiangsu Alphamab considers that it does not have adequate manufacturing capacity to perform the requested Services. Such arrangement enables Jiangsu Alphamab to fully utilize its production capacity as well as generate income for the Group.

LISTING RULES IMPLICATIONS

As the date of this announcement, Suzhou Alphamab is controlled by Dr. XU Ting ("**Dr. XU**"), the chairman, executive Director, chief executive officer and a controlling shareholder of the Company. Pursuant to the Chapter 14A of the Listing Rules, Suzhou Alphamab is an associate of Dr. XU and a connected person of the Company. Therefore, the transaction contemplated under the Renewed Master Technical Service Agreement constitutes a connected transaction for the Company under the Listing Rules.

As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the highest annual cap for the transaction contemplated under the Renewed Master Technical Service Agreement exceed 0.1% but less than 5%, the Renewed Master Technical Service Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independence financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Ms. LIU Yang, an executive Director of the Company, is the spouse of Dr. XU, Suzhou Alphamab is a close associate of Dr. XU and Ms. LIU Yang as defined under the Listing Rules, Dr. XU and Ms. LIU Yang are deemed to have material interests in the Renewed Master Technical Service Agreement and the transaction contemplated thereunder. In accordance with the Listing Rules, they have abstained from considering and approving the Renewed Master Technical Service Agreement and the transaction contemplated thereunder at the Board meeting. Except for Dr. XU and Ms. LIU Yang, there are no Directors of the Company who have any material interests in the Renewed Master Technical Service Agreement or shall abstain from approving relevant Board resolution.

INFORMATION ON THE PARTIES

About Jiangsu Alphamab

Jiangsu Alphamab was established in China on July 14, 2015, primarily engaging in research and development, manufacturing and commercialization of biologics of oncology. It is a wholly-owned subsidiary and the principal operating subsidiary of the Company.

About Suzhou Alphamab

Suzhou Alphamab was established in China on November 6, 2008, primarily engaging in research and development, manufacturing and commercialization of biologics for treatment of, among others, autoimmune diseases, hematology and infertility. As of the date of this announcement, Suzhou Alphamab was owned by Dr. XU as to approximately 43.35%, by Mr. XUE Chuanxiao and Mr. ZHANG Xitian as to 20.825% and 20.825%, respectively, by Suzhou Ruiyou Jincheng Enterprise Management Partnership (Limited Partnership)* (蘇州瑞友錦成企業管理諮詢合夥企業(有限合夥)) (“**Ruiyou Jincheng**”) and Suzhou Dingfu Jinshang Enterprise Management Partnership (Limited Partnership)* (蘇州丁孚錦上企業管理合夥企業(有限合夥)) (“**Dingfu Jinshang**”) as to 10.00% and 5.00%, respectively. Both of Ruiyou Jincheng and Dingfu Jinshang were held by Dr. XU, who also served as their respective general partner, as to 51.00%, by Mr. XUE Chuanxiao as to 24.50% and Mr. ZHANG Xitian as to 24.50%, respectively. Therefore, Dr. XU is entitled to exercise voting rights attaching to approximately 58.35% of the total issued and outstanding shares of Suzhou Alphamab. As such, Suzhou Alphamab is controlled by Dr. XU and therefore is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As of the date of this announcement, neither of Mr. XUE Chuanxiao nor Mr. ZHANG Xitian is a connected person of the Company under the Listing Rules.

ABOUT THE COMPANY

The Company is a leading biopharmaceutical company in China with a fully integrated proprietary biologics platform in bispecific and protein engineering. The Company's highly differentiated in-house pipeline consists of monoclonal antibodies, bispecific antibodies, and antibody-drug conjugates in staggered development status in oncology, including, among others, one approved for marketing by the National Medical Products Administration of China (國家藥品監督管理局) and three in late clinical stage. The Company has developed various technologies and platforms of antibody-based therapies for oncology treatment and expertise in this regard. Benefitting from the proprietary protein engineering platforms and structure-guided molecular modeling expertise, the Company is able to create a new generation of multi-functional biological drug candidates that could potentially benefit patients globally.

* *For identification purpose only*

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

Hong Kong, April 2, 2024

As at the date of this announcement, the Board comprises Dr. XU Ting as the chairman of the Board and executive Director and Ms. LIU Yang as executive Director, and Dr. Guo Zijian, Mr. WEI Kevin Cheng and Mr. WU Dong as independent non-executive Directors.