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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)

**CONNECTED TRANSACTION ANNOUNCEMENT
TECHNOLOGY DEVELOPMENT COLLABORATION
WITH SUZHOU ALPHAMAB ON JSKN003 PROJECT
AND KN062 COVID-19 ANTIBODY PROJECT**

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

The board of directors (the “**Board**”) of the Company is pleased to announce that on May 26, 2021, 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**”) entered into two technology development agreements (the “**JSKN003 and KN062 Technology Development Agreements**”) for the technology development projects for the Company’s two drug candidates: (i) the process development project for JSKN003 (Project No.: JSKN003) (the “**JSKN003 Project**”) and the preparation process development project for mGalt1, a key material of conjugation process (Project No.: JSKN003e) (the “**JSKN003e Project**”); and (ii) KN062 COVID-19 neutralizing bispecific antibody development project (the “**KN062 COVID-19 Antibody Project**”).

JSKN003 Project and JSKN003e Project

The principal terms of the technology development agreement for the JSKN003 Project and JSKN003e Project are as follows:

Date of Agreement	May 26, 2021
Parties	(i) Jiangsu Alphamab (ii) Suzhou Alphamab
Scope of the Collaboration Project	<p>Suzhou Alphamab shall complete two sub-projects, transfer related process and provide materials for IND application, details of which are set out below:</p> <ul style="list-style-type: none">(i) JSKN003 Project: to develop the method for conjugation process and product releasing for JSKN003, including process development, freeze-dried formulation development, process parameter optimization and product release analytical method development, as well as the subsequent transfer of such processes to Jiangsu Alphamab;(ii) JSKN003e Project: to develop production process, release method and pilot scale-up of mGalt1, the key material of conjugation process, including stable cell lines generation, cell culture process development, purification process development, analytical method development and two batches of pilot production, as well as the subsequent transfer of such preparation processes to Jiangsu Alphamab;(iii) to assist Jiangsu Alphamab to complete the above process transfers; and(iv) to provide information and materials to Jiangsu Alphamab as required for the preparation of clinical trial application.
Service Fee	RMB9 million
Pricing Basis	The service fee under the technology development agreement for the JSKN003 Project and JSKN003e Project is determined after arm's length negotiations between the parties with reference to the current market prices of similar technology development services provided by independent third-party suppliers.
Term of Agreement	The term shall commence on May 26, 2021 and shall expire one year after the full completion of process transfers of the JSKN003 Project and JSKN003e Project.

Terms of Payment

Jiangsu Alphamab shall pay Suzhou Alphamab a total of RMB9 million in accordance with the following schedule:

(i) JSKN003e Project:

- a. within five business days from May 26, 2021, Jiangsu Alphamab shall pay Suzhou Alphamab RMB0.5 million;
- b. upon confirmation by Jiangsu Alphamab on the completion of stable cell line generation, cell culture process development, purification process development and analytical method development (excluding method validation) of mGalt1 expression, Jiangsu Alphamab shall pay Suzhou Alphamab RMB3.5 million;
- c. upon confirmation by Jiangsu Alphamab on the completion of the two batches of pilot scale-up, Jiangsu Alphamab shall pay Suzhou Alphamab RMB1.8 million;

(ii) JSKN003 Project:

- a. within five business days upon launching the development of the first analytical method, Jiangsu Alphamab shall pay Suzhou Alphamab RMB0.9 million;
- b. within ten business days after the completion of process confirmation by Jiangsu Alphamab and process transfers by Suzhou Alphamab, Jiangsu Alphamab shall pay Suzhou Alphamab RMB2.3 million.

Termination

The technology development agreement for the JSKN003 Project and JSKN003e Project may be terminated on an earlier date upon the written consent of both parties. If either party fails to comply with, perform or cannot substantially comply with and perform the agreement, or seriously violates the terms of the agreement and fails to take remedial measures within the agreed period, the other party may terminate the agreement immediately by written notice.

KN062 COVID-19 Antibody Project

The principal terms of the agreement for the KN062 COVID-19 Antibody Project are as follows :

Date of Agreement	May 26, 2021
Parties	(i) Jiangsu Alphamab (ii) Suzhou Alphamab
Scope of the Collaboration Project	<p>Suzhou Alphamab shall complete the followings in the KN062 COVID-19 Antibody Project:</p> <ul style="list-style-type: none">(i) to develop preparation process for KN062, including stable cell lines generation, cell culture process development, purification process development, analytical method development, and the subsequent transfer of such preparation processes to Jiangsu Alphamab;(ii) to develop formulation and product release analytical method for KN062; and(iii) to provide information and materials to Jiangsu Alphamab as required for the preparation of clinical trial application.
Service Fee	RMB6 million
Pricing Basis	The service fee under the agreement for the KN062 COVID-19 Antibody Project is determined after arm's length negotiations between the parties with reference to the current market prices of similar technology development services provided by independent third-party suppliers.
Term of Agreement	The term shall commence on May 26, 2021 and shall expire one year after the full completion of process transfers of the KN062 COVID-19 Antibody Project.

Terms of Payment

Jiangsu Alphamab shall pay Suzhou Alphamab a total of RMB6 million in accordance with the following schedule:

- (i) within ten business days from the signing of the agreement for the KN062 COVID-19 Antibody Project, RMB2 million shall be paid;
- (ii) within ten business days after confirmation by Jiangsu Alphamab of the completion of the generation and database of KN062 expression cell line, cell culture process development, purification process development and analytical method development, Jiangsu Alphamab shall pay Suzhou Alphamab RMB2 million;
- (iii) within ten business days after the transfer of relevant processes and documentation to Jiangsu Alphamab, Jiangsu Alphamab shall pay Suzhou Alphamab RMB2 million.

Termination

The agreement for the KN062 COVID-19 Antibody Project may be terminated on an earlier date upon the written consent of both parties. If either party fails to comply with, perform or cannot substantially comply with and perform the agreement, or seriously violates the terms of the agreement and fails to take remedial measures within the agreed period, the other party may terminate the agreement immediately by written notice.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

In line with industry practice, the Company engages contract research organizations and other related service suppliers to provide certain services in our pre-clinical research and clinical trials. Jiangsu Alphamab was a subsidiary of Suzhou Alphamab prior to the reorganization as disclosed in the prospectus of the Company. Suzhou Alphamab has been a reliable service provider of the Company since 2018. Therefore, it is very familiar with the Company's needs and requirements. In addition, the Company is also actively expanding the Group's internal highly differentiated pipelines to accelerate the research and development of the Company's core products and COVID-19 antibody drugs. Suzhou Alphamab has extensive experience and industry-leading capabilities in process optimization for JSKN003 and the technology development for KN062 COVID-19 antibodies. Considering the quality of relevant technology development services provided by Suzhou Alphamab, and the convenience and confidentiality of the technology transfer in the future, as well as that its quotation for the transactions is more competitive than other independent third-party suppliers, the Company believes that this collaboration will help optimize the existing production process of relevant products and reduce the production costs, and will have a positive impact on the research and development, manufacturing and commercialization of the Company's relevant products.

The directors of the Company (including independent non-executive directors) believe that (i) the JSKN003 and KN062 Technology Development Agreements and the transactions contemplated thereunder are entered into on normal commercial terms and the terms of the agreements are fair and reasonable, and (ii) the JSKN003 and KN062 Technology Development Agreements and the transactions contemplated thereunder are carried out in the ordinary and usual course of business of the Company and are in the interests of the Company and its shareholders as a whole.

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 Ting (“**Dr. XU**”) as to approximately 48.45%, by Mr. XUE Chuanxiao and Mr. ZHANG Xitian as to approximately 23.3% and 23.3%, respectively, and by 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 approximately 5.0%. Dr. XU is the chairman, executive director, chief executive officer and a controlling shareholder of the Company. Dingfu Jinshang was held by Dr. XU, who also served as its general partner, as to 51.0%, by Mr. XUE Chuanxiao as to 24.5% and Mr. ZHANG Xitian as to 24.5%. Therefore, Dr. XU is entitled to exercise voting rights attaching to approximately 53.45% of the total issued and outstanding shares of Suzhou Alphamab. As such, Suzhou Alphamab is controlled by Dr. XU and therefore is our connected person pursuant to Chapter 14A of the Listing Rules. As of the date of this announcement, neither of Mr. XUE Chuanxiao and Mr. ZHANG Xitian is a connected person of the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Suzhou Alphamab is controlled by Dr. XU, the chairman, executive director, chief executive officer and a controlling shareholder of the Company. Pursuant to Chapter 14A of the Listing Rules, Suzhou Alphamab is an associate of Dr. XU and a connected person of the Company. Therefore, the transactions contemplated under the JSKN003 and KN062 Technology Development Agreements constitute a connected transaction for the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the relevant amounts under the JSKN003 and KN062 Technology Development Agreements will be calculated on an aggregate basis. The highest applicable percentage ratio of the transactions under the JSKN003 and KN062 Technology Development Agreements, on an aggregated basis, is more than 0.1% but less than 5%, and the total consideration exceeds HK\$3 million. Therefore, in accordance with Rule 14A.76(2) of the Listing Rules, the transactions were exempted from the circular (including the independent financial advisory opinion) and the shareholders’ approval requirements.

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 JSKN003 and KN062 Technology Development Agreements and the transactions contemplated thereunder. In accordance with the Listing Rules, they have abstained from voting on the resolution considering and approving the JSKN003 and KN062 Technology Development Agreements and the transactions 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 JSKN003 and KN062 Technology Development Agreements or shall abstain from voting on relevant Board resolution.

ABOUT JSKN003 PROJECT AND JSKN003e PROJECT

In response to the molecular characteristics of antibody given by cell culture process in antibody production, the Group cooperated with Nanjing University in September 2020 to develop a glycosite-specific antibody-drug conjugation platform. At present, the Group has completed the research and development of technology method for the site-specific conjugation platform, and has applied it to the JSKN003 HER2 bi-antibody ADC project. Currently, the project is at the stage of the process development and optimization.

ABOUT KN062 COVID-19 ANTIBODY PROJECT

In 2020, the Group and Institute Pasteur of Shanghai, Chinese Academy of Sciences screened out three high-affinity neutralizing antibodies that bind to different key proteins of the new coronavirus. In the *in vitro* and *in vivo* efficacy tests, each of the three antibodies exhibited excellent neutralizing capabilities against pseudovirus and evirus. The Group has currently humanized the three antibodies and is in the process of activity verification. In addition, we are also developing active bispecific neutralizing antibodies by adopting a multi-specific antibody strategy, which targets different proteins of virus to reduce the dosage, increase the curative effect and prevent the virus from mutating and escaping. We look forward to providing a new and effective therapeutic drug option for the treatment of the new coronavirus.

ABOUT THE COMPANY

The Company is a leading clinical-stage biopharmaceutical company in China with a fully-integrated proprietary biologics platform in bispecific antibody and protein engineering. Differentiated in-house pipeline of the Company includes 15 oncology drug candidates with one BLA submitted, three in late clinical stage, and two to three in schedule for IND submission in 2021, and a COVID-19 multi-functional antibody. 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 new drug candidates that could potentially benefit patients globally.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“BsAb”	bispecific monoclonal antibody
“COVID-19”	coronavirus disease, an infectious disease caused by the most recently discovered coronavirus (severe acute respiratory syndrome coronavirus 2), first reported in December 2019
“FDA”	the U.S. Food and Drug Administration, a federal agency of the U.S. Department of Health and Human Services responsible for regulating food and drugs
“HER2”	human epidermal growth factor receptor 2
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China and clinical trial notification in Australia
“NMPA”	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

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

Hong Kong, May 26, 2021

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.