ALPHAMAB ONCOLOGY
康寧傑瑞生物製藥

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9966)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2021

The board (the "**Board**") of directors (the "**Directors**") of Alphamab Oncology (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended June 30, 2021 (the "**Reporting Period**"), together with the comparative figures for the same period of 2020.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other income	**22,503**	44,341
Other gains and losses	**(13,552)**	33,666
Research and development ("**R&D**") expenses	**(231,947)**	(133,724)
Administrative expenses	**(38,131)**	(40,579)
Finance costs	**(6,237)**	(6,804)
Loss before taxation	**(267,364)**	(103,100)

	As of June 30, 2021 ***RMB'000*** **(unaudited)**	As of December 31, 2020 *RMB'000* (audited)
Non-current assets	**475,446**	440,294
Current assets	**2,024,709**	2,199,228
Non-current liabilities	**106,548**	36,903
Current liabilities	**383,025**	329,535
Net assets	**2,010,582**	2,273,084

BUSINESS HIGHLIGHTS

Since April 20, 2021, being the latest practicable date of the Company's 2020 annual report, we have been making significant progress with respect to our drug pipeline and business operations, including the following milestones and achievements:

KN046

- On April 29, 2021, we entered into a clinical trial collaboration and supply agreement with Pfizer Inc. to evaluate the efficacy and safety of KN046 in combination with Inlyta (axitinib) for the first-line treatment of non-small cell lung cancer ("**NSCLC**").

- We achieved positive results of KN046 with respect to its preliminary efficacy and safety in combination with nab-paclitaxel and gemcitabine as first-line treatment for patients with unresectable locally advanced or metastatic pancreatic ductal adenocarcinoma ("**PDAC**"). Such research progress was presented at the 2021 American Society of Clinical Oncology ("**ASCO**") annual meeting from June 4, 2021 to June 8, 2021.

- We achieved promising preliminary results in a phase II, open-label, multi-center study of KN046 in combination with chemotherapy in patients with advanced NSCLC. Such research progress was presented at the 2021 ASCO annual meeting from June 4, 2021 to June 8, 2021.

- We made progress in obtaining the efficacy and safety results of KN046 plus paclitaxel/cisplatin as first-line treatment for unresectable locally advanced, recurrent or metastatic esophageal squamous cell carcinoma ("**ESCC**"). Such research progress was presented at the 2021 ASCO annual meeting from June 4, 2021 to June 8, 2021.

- The phase III clinical trial of KN046 for the treatment of advanced squamous NSCLC progressed smoothly and the enrollment is currently undergoing.

KN046 has completed phase I clinical trials in Australia and simultaneously has been under a phase II clinical trial in the United States (the "**U.S.**"). Currently, two phase III clinical trials of KN046 in China have been launched. There are approximately 20 clinical trials around the world covering more than 10 types of tumors including NSCLC, triple-negative breast cancer ("**TNBC**"), ESCC and thymic carcinoma. The results of these clinical trials have demonstrated a preliminary profile of good safety and promising efficacy of KN046.

KN026

- We made advancement in evaluating the preliminary efficacy of KN026 for the treatment of human epidermal growth factor receptor 2 ("**HER2**") expression in patients with advanced gastric cancer ("**GC**") or gastroesophageal junction cancer ("**GEJ**"). Such results were presented at the 2021 ASCO annual meeting from June 4, 2021 to June 8, 2021.

KN035 (Envafolimab)

- From June 4, 2021 to June 8, 2021, the study design of the ENVASARC pivotal trial in the U.S. of KN035 was presented in a poster session at the 2021 ASCO annual meeting.

- In June 2021, the Food and Drug Administration ("**FDA**") of the U.S. has granted orphan drug designation ("**ODD**") to KN035 for the treatment of patients with soft tissue sarcoma. This is the second ODD for KN035 after its first ODD in advanced biliary tract cancer and fourth ODD that we have obtained from the U.S. FDA.

KN019

- In 2020, the phase II clinical trial of KN019 for the treatment of rheumatoid arthritis completed the enrollment and progressed smoothly. The interim clinical results are expected to publish in the second half of 2021.

KN052

- In June 2021, the Company completed the pharmaceutical and pre-clinical study of KN052 and target to submit the investigational new drug ("**IND**") application of KN052 in the second half of 2021.

JSKN003

- In June 2021, JSKN003 completed the efficacy validation and process development.

Other Highlights

- On May 26, 2021, Jiangsu Alphamab Biopharmaceuticals Co., Ltd. ("**Jiangsu Alphamab**") established collaboration with Suzhou Alphamab Co., Ltd. ("**Suzhou Alphamab**") for two technology development projects, namely, JSKN003 and the preparation process development project for mGalt1, a key material of conjugation process, and KN062 COVID-19 neutralizing bispecific antibody development project.

For details of any foregoing, please refer to the rest of this announcement and, where applicable, the Company's prior announcements published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a leading clinical-stage biopharmaceutical company in China with a fully integrated proprietary biologics platform in bispecifics and protein engineering. Our mission is to deliver world-class innovative therapeutic biologics to treat patients globally by applying our unique drug discovery and development capabilities. We believe these capabilities are demonstrated by our strong R&D track record and supported by our proprietary technologies, platforms and expertise.

OUR PRODUCT PIPELINE

Our highly differentiated in-house pipeline consists of tumor monoclonal antibodies, bispecific antibodies, and one COVID-19 multifunctional antibody. Among our pipeline products, we have one biologics license application ("**BLA**") submitted, three in late clinical stage, and three in schedule for IND submission. The following chart summarizes our product pipeline as of the date of this announcement:

Stage	Drug Candidate	Target(s)	Platform	Commercial Rights	Key Indications	Pre-clinical	Dose escalation	Proof of concept	Pivotal	NDA
Post-clinical	**KN046**	PD-L1/CTLA-4 bispecific	single domain antibody (**"sdAb"**)/ monoclonal antibody (**"mAb"**)	Global	NSCLC, Thymic, HCC, PDAC, ESCC, TNBC					
	KN026	HER2/HER2 bispecific	CRIB	Global	HER2-positive BC, GC/GEJ					
	KN026 +KN046	Target therapy +IO combo	Biomarker driven	Global	HER2-positive solid tumors					
	KN035	Subcu PD-L1	sdAb/ mAb	Global Co-development	MSI-H, BTC, Sarcoma, TMB-H, MSS endometrial	To be lanuched in the second half of 2021				
	KN019	B7	Fusion protein	Global	RA, lupus, renal transplant, GvHD	Phase II ongoing				
Pre-IND	**KN052**	PD-L1/OX40 bispecific	CRIB	Global	Solid tumors					
	KN062	None RBD conformation bispecific	CRIB	Global	COVID-19					
	JSKN-003	HER2 ADC	BADC	Global	HER2 solid tumors					
Pre-clinical	**JSKN-001**	Undisclosed	CRIB	Global	Solid tumors					
	JSKN-002	Undisclosed	GIMC	Global	Solid tumors					
	JSKN-004	Undisclosed	TIMC	Global	Solid tumors					
	JSKN-005	Undisclosed	CIMC	Global	Solid tumors					
	JSKN-006	Undisclosed	BIMC	Global	Solid tumors					
	KN053	Undisclosed bispecific	sdAb/ mAb	Global	Solid tumors					
	KN055	Undisclosed bispecific	sdAb/mAb fusion protein	Global	Solid tumors					
	KN058	Undisclosed bispecific	sdAb/mAb fusion protein	Global	Solid tumors					
	KN138	None-blocking CTLA-4	sdAb/ mAb	Global	Solid tumors					

The depth and breadth of our in-house R&D and manufacturing capabilities are demonstrated by the following: (i) structure-guided protein engineering capability to develop protein building blocks in various formats, including sdAb and engineered proteins; (ii) our in-house developed proprietary platforms including sdAb/mAb, CRIB (charge repulsion improved bispecific) platform, CRAM (charge repulsion induced antibody mixture) platform, BADC (bispecific antibody-drug conjugate) platform, BIMC (bispecific immuno modulator conjugation) platform, TIMC (tri-function immuno modulator conjugation) platform, GIMC (glyco-Immuno modulator conjugation) platform and CIMC (chemokine immune modulator conjugation) platform; and (iii) state-of-the-art manufacturing capability, to be further strengthened by new facilities with an expected capacity of over 30,000L, designed and built to meet the current good manufacturing practice standards of the National Medical Products Administration of China (the "**NMPA**"), European Medicines Agency and the U.S. FDA.

COMMERCIALIZATION

To date, we have not commercialized any products. We started to build our own core commercialization team in China with an initial focus on late-stage drug candidates and plan to hire key talents for medical affairs, governmental affairs and other related functions in 2021 to prepare for the upcoming BLA submission of KN046 in 2022 and KN026 in 2024. We expect our team to cover major provinces and municipalities in China, especially the ones with relatively well-developed economies and high levels of discretionary income. We intend to continue to expand our team in anticipation of more product launches and more approved indications.

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 "Listing Rules"): The Company cannot guarantee that it will be able to successfully develop, or ultimately market our core products, namely, KN046 and KN026. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

BUSINESS REVIEW

Events during the Reporting Period

During the Reporting Period, we continuously focused on enhancing our pharmaceutical R&D capabilities and optimizing our existing technological platforms. We also strategically established cooperation with our global partners to accelerate the development process of our drug candidates. Since April 20, 2021, being the latest practicable date of the Company's 2020 annual report, we have been making significant progress with respect to our drug pipeline and business operations.

- On April 29, 2021, we entered into a clinical trial collaboration and supply agreement with Pfizer Inc. to evaluate the efficacy and safety of KN046 in combination with Inlyta (axitinib) for the first-line treatment of NSCLC.

- On May 26, 2021, Jiangsu Alphamab established collaboration with Suzhou Alphamab for two technology development projects, namely, JSKN003 and the preparation process development project for mGalt1, a key material of conjugation process, and KN062 COVID-19 neutralizing bispecific antibody development project. For further details, please refer to the Company's announcement dated May 26, 2021.

- We achieved positive results on KN046 with respect to its preliminary efficacy and safety in combination with nab-paclitaxel and gemcitabine as first-line treatment for patients with unresectable locally advanced or metastatic PDAC, which indicated that the promising activity, safety and tolerability for the combination of KN046 with nab-paclitaxel and gemcitabine. Such research progress was presented at the 2021 ASCO annual meeting from June 4, 2021 to June 8, 2021. For further details, please refer to the Company's announcement dated May 20, 2021.

- We achieved promising preliminary results in a phase II, open-label, multi-center study, which aimed at evaluating the efficacy, safety, and tolerability of KN046 in combination with chemotherapy in subjects with advanced NSCLC. Such research progress was presented at the 2021 ASCO annual meeting from June 4, 2021 to June 8, 2021. For further details, please refer to the Company's announcement dated May 20, 2021.

- We made progress in obtaining the efficacy and safety results of KN046 plus paclitaxel/cisplatin as first-line treatment for unresectable locally advanced, recurrent or metastatic ESCC, which indicated that KN046 plus paclitaxel/cisplatin was active and well tolerated. Such research progress was presented at the 2021 ASCO annual meeting from June 4, 2021 to June 8, 2021. For further details, please refer to the Company's announcement dated May 20, 2021.

- We made advancement in evaluating the preliminary efficacy of KN026 in advanced GC/GEJ patients with HER2 expression, which indicated that KN026 demonstrated favorable safety and promising efficacy in Chinese HER2 over expressing GC/GEJ patients pretreated with or without anti-HER2 treatments. Such results were presented at the 2021 ASCO annual meeting from June 4, 2021 to June 8, 2021. For further details, please refer to the Company's announcement dated May 20, 2021.

- From June 4 to June 8, 2021, the study design of the ENVASARC pivotal trial in the U.S. of KN035 was presented in a poster session at the 2021 ASCO annual meeting.

- In June 2021, the U.S. FDA granted ODD to KN035 for the treatment of patients with soft tissue sarcoma. This is the second ODD for KN035 after its first ODD in advanced biliary tract cancer.

- In June 2021, the Company completed the pharmaceutical and pre-clinical study of KN052 and target to submit the IND application of KN052 in the second half of 2021.

- In June 2021, JSKN003 completed the efficacy validation and process development.

Events after the Reporting Period

- In August 2021, the Company completed the first drug administration in a phase II clinical study of KN026 for the neoadjuvant treatment of HER2 positive early or locally advanced breast cancer. The phase II multicenter clinical study aims to evaluate the efficacy, safety and tolerability of KN026 combination therapy as a neoadjuvant treatment for HER2 positive early or locally advanced breast cancer. Patients with treatment naïve HER2 positive early or locally advanced breast cancer will receive KN026 in combination with docetaxel for 4 cycles of neoadjuvant therapy. After the neoadjuvant therapy, patients who meet the surgical conditions will undergo surgery and pathological remission assessment. The study plans to recruit about 30 patients, with pathological complete response rate (pCR) as primary study endpoint.

- In August 2021, the Company received a notice of approval for supplementary application for drug clinical trials from the NMPA, which approved the supplementary application for the pharmaceutical change of KN026 to use a liquid formulation for clinical research. This is the first HER2 bispecific antibody approved in China for clinical research in liquid formulation.

- In August 2021, Jiangsu Alphamab entered into an exclusive licensing agreement with Shanghai JMT-bio Technology Co., Ltd. (上海津曼特生物科技有限公司), a wholly owned subsidiary of CPSC Pharmaceutical Group Limited (石藥控股集團有限公司), the shares of which are listed on the Stock Exchange (stock code: 1093), to develop and commercialize KN026 for the treatment of breast cancer and gastric cancer in mainland China (excluding Hong Kong, Macau or Taiwan).

The continuing global outbreak of COVID-19 and the subsequent quarantine measures imposed by governments in the first half of 2021 have created challenges to the Group's business operations, including but not limited to the advancement of clinical trials, approval of regulatory registration and procurement of raw materials. The pandemic had a limited impact on our business operations as of the date of this announcement. However, the uncertainty in the development of global pandemic of COVID-19 may have potential negative impact on the Group's business. The Group has implemented comprehensive measures to minimize delays and disruptions to the business operations, including but not limited to implementing risk management measures, updating the standard operating procedures according to guidance issued by regulatory bodies, adjusting our

research plans and status of clinical trials, providing alternative methods for safety and efficacy assessment and engaging in online meetings with our principal investigators for the clinical trials to track progress and identify any issues that may arise. The Group will continue to monitor the pandemic situation and react actively to such impact. In addition, the Group, through collaboration with academic institute, initiated R&D projects to address COVID-19 variants with bispecific and antibody engineering platforms. The Group will continue to explore potential opportunities to develop our core and related business, further develop our drug candidates, and to allocate substantial resources to make further progress in our R&D, product pipeline and regulatory approvals.

FINANCIAL REVIEW

Overview

For the six months ended June 30, 2021, the Group recorded other income of RMB22.5 million, as compared with RMB44.3 million for the six months ended June 30, 2020, and the total comprehensive expense of RMB266.9 million, as compared with RMB103.1 million for the six months ended June 30, 2020. The R&D expenses of the Group amounted to RMB231.9 million for the six months ended June 30, 2021, as compared with RMB133.7 million for the six months ended June 30, 2020. The administrative expenses amounted to RMB38.1 million for the six months ended June 30, 2021 as compared with RMB40.6 million for the six months ended June 30, 2020. The finance costs amounted to RMB6.2 million for the six months ended June 30, 2021 as compared with RMB6.8 million for the six months ended June 30, 2020.

Revenue

We currently have no product for commercial sale. For the six months ended June 30, 2021 and 2020, we did not generate any revenue from product sales.

Other Income

The Group's other income primarily consists of interest income, government grants income and other miscellaneous income.

For the six months ended June 30, 2021, the Group's other income decreased by RMB21.8 million to RMB22.5 million, compared to RMB44.3 million for the six months ended June 30, 2020 primarily due to the decrease in interest income and government grants income. Our interest income of RMB13.5 million during the Reporting Period refers to the interest we generated from bank balances, which primarily consisted of bank deposits of proceeds from our pre-IPO financing and global offering. In 2021, we recorded government grants income of RMB6.7 million during the Reporting Period, among which RMB5.0 million were the interest subsidy for loans and RMB1.0 million were special funds for science and technology development.

Other Gains and Losses

The Group's other gains and losses primarily consists of net exchange losses in relation to the impact of foreign currency translation and gain on derivative financial instruments.

For the six months ended June 30, 2021, we recorded RMB13.6 million of other losses, compared to RMB33.7 million of other gains for the six months ended June 30, 2020, mainly due to the impact of foreign currency fluctuation, in particular, the exchange rates amongst the RMB and the U.S. dollar.

R&D Expenses

The Group's R&D expenses were primarily comprised of (i) third-party contracting costs related to services provided by contract research organizations, contract manufacturing organizations, clinical trial sites, consultants and other service providers during the R&D of our pipeline products; (ii) staff costs for our R&D staff, including salary, bonus and share option incentives; (iii) raw materials costs in relation to the R&D of our drug candidates; (iv) office rental costs, utilities and depreciation and amortization; and (v) other miscellaneous expenses, which primarily include expenses for patent application registration services and logistics expenses of drug samples for clinical trials.

For the six months ended June 30, 2021, our R&D expenses increased by RMB98.2 million to RMB231.9 million, compared to RMB133.7 million for the six months ended June 30, 2020, primarily due to (i) the increase in the number of ongoing clinical trials; (ii) the expansion of the scale of our clinical studies; (iii) the advancement of clinical trials of our drug candidates; and (iv) the increase in staff cost due to the increase in our R&D staff and the increase in the compensation mainly due to options rewarded to the staff. The following table sets forth the breakdown of our R&D expenses by nature for the periods indicated.

	For the six months ended June 30,			
	2021		2020	
	(RMB in thousands, except percentages)			
Third-party contracting costs	**128,041**	**55.2%**	57,299	42.8%
Staff costs	**40,745**	**17.6%**	30,053	22.5%
Raw material costs	**29,847**	**12.9%**	27,252	20.4%
Office rental costs, utilities, and depreciation and amortization	**20,469**	**8.8%**	14,757	11.0%
Others	**12,845**	**5.5%**	4,363	3.3%
Total	**231,947**	**100.00%**	133,724	100.00%

Administrative Expenses

The Group's administrative expenses primarily comprise staff costs for our administrative staff, including salary, bonus and share option incentives.

Our administrative expenses decreased by RMB2.5 million to RMB38.1 million for the six months ended June 30, 2021, from RMB40.6 million for the six months ended June 30, 2020, primarily due to the decrease in the share-based payment expenses.

Finance Costs

The Group's finance costs primarily comprise of interest expenses on (i) bank borrowings; (ii) contract liabilities; and (iii) lease liabilities related to our leases of office premises and R&D facilities.

Our finance costs amounted to RMB6.2 million for the six months ended June 30, 2021, as compared to RMB6.8 million for the six months ended June 30, 2020, primarily because we capitalized part of our finance costs, which refers to the loan interest of the construction under progress.

Income Taxation

For the six months ended June 30, 2021 and 2020, the Group did not incur any income tax expenses.

Loss for the Reporting Period

As a result of the above factors, the loss of the Group increased by RMB164.3 million to RMB267.4 million for the six months ended June 30, 2021 from RMB103.1 million for the six months ended June 30, 2020.

Property, Plant and Equipment

Property, plant and equipment primarily consists of our new manufacturing, R&D plant and equipment and office premises.

Our property, plant and equipment increased by RMB20.5 million to RMB381.5 million as of June 30, 2021, compared to RMB361.0 million as of December 31, 2020, primarily because we acquired property, plant and equipment of approximately RMB34.1 million which mainly consists of R&D plant and equipment for the initiation of the second stage construction of our phase I production lines.

Right-of-use Assets

Under IFRS 16, we recognize right-of-use assets with respect to our property leases. Our right-of-use assets are depreciated over the lease term or the useful life of the underlying asset, whichever is shorter.

Our right-of-use assets increased by RMB3.3 million to RMB35.3 million as of June 30, 2021, compared to RMB32.0 million as of December 31, 2020, primarily due to increase in right-of-use assets for the lease of our office premises in Shanghai and Beijing in the first half of 2021.

Inventories

The Group's inventories primarily consist of raw materials and other consumables used in the R&D of our drug candidates.

Our inventories increased by RMB6.7 million to RMB51.0 million as of June 30, 2021, compared to RMB44.3 million as of December 31, 2020, primarily due to the increase in raw materials and other consumables for our R&D activities and the preparation for launching the commercialization of KN035.

Other Receivables, Deposits and Prepayments

The Group's other receivables, deposits and prepayments primarily consist of (i) other receivables, deposits and prepayments mainly related to prepayments made in connection with our purchase of raw materials and payments to contract research organizations and other third parties for services relating to our clinical trials; (ii) deposits and interest receivables mainly related to our time deposits; and (iii) value-added tax ("**VAT**") recoverable in connection with the procurement of raw materials, third-party services for our R&D activities, machinery and equipment for our new facilities, which can offset the VAT to be incurred upon commercialization.

Our other receivables, deposits and prepayments decreased by RMB32.2 million to RMB87.0 million as of June 30, 2021, compared to RMB119.3 million as of December 31, 2020, primarily due to the lower interest rate and exchange rate of the U.S. dollars and the relatively short terms of bank deposits.

Derivative Financial Instruments

We recorded RMB3.7 million of derivative financial instruments for the six months ended June 30, 2021, as compared to RMB5.9 million as of December 31, 2020, primarily because the Group entered into several foreign exchange forward contracts with banks in order to manage the Group's foreign currency exposure in relation to USD against RMB and did not elect to adopt hedge accounting for those contracts.

Cash and Cash Equivalents and Time Deposits with Original Maturity Over Three Months

Our cash and cash equivalents mainly comprise of (i) cash at banks and on hand and (ii) time deposits within original maturity less than three months. Our cash and cash equivalents increased significantly from RMB185.3 million as of December 31, 2020 to RMB702.0 million as of June 30, 2021, while our time deposits with original maturity over three months significantly decreased from RMB1,835.4 million as of December 31, 2020 to RMB1,159.8 million as of June 30, 2021, primarily because a majority of our time deposits with original maturity over three months turned into deposits with original maturity less than three months as matured over time.

Financial Assets Measured at Fair Value Through Profit or Loss ("FVTPL")

The Group's financial assets measured at FVTPL mainly represent RMB-denominated wealth management products we purchased from commercial banks in the People's Republic of China ("**PRC**").

Our financial assets measured at FVTPL increased from RMB43.5 million as of December 31, 2020 to RMB55.0 million as of June 30, 2021, primarily due to the purchase of non-principal-guaranteed wealth management products as our financial investments.

We believe that we can make better use of our cash by utilizing wealth management products, such as structured deposits, to enhance our income without interfering with our business operations or capital expenditures. We make investment decisions based on our estimated capital requirements for the next three months and our annual budget, taking into account the duration, expected returns and risks of the wealth management product. We generally limit purchases to low-risk, short-term products from reputable commercial banks. Our finance department is responsible for the purchase of wealth management products, which is reviewed by our senior management team. In the future, we intend to continue taking a disciplined approach regarding purchasing low-risk wealth management products with a short maturity period based on our operational needs.

Trade and Other Payables

The Group's trade and other payables primarily consist of payables for the construction of our new facilities and the procurement of equipment and machinery for our new facilities. Our trade and other payables also include accrued R&D expenses and staff costs, which largely relate to staff costs payable to R&D personnel. We also recorded (i) trade payables to suppliers of raw materials and third-party services; and (ii) interest payables.

Our trade and other payables increased from RMB121.9 million as of December 31, 2020 to RMB148.7 million as of June 30, 2021, primarily due to the significant increase in the clinical trial fees paid to the clinical trial sites.

Amount Due to a Related Company

Our amount due to a related company, Suzhou Alphamab, increased from RMB3.8 million as of December 31, 2020 to RMB10.0 million as of June 30, 2021. Our amounts due to Suzhou Alphamab as of June 30, 2020 and 2021 were primarily due to the technology development service fees payable to Suzhou Alphamab.

Lease Liabilities

The Group's lease liabilities are in relation to properties we leased for our manufacturing and R&D activities and our office premises. We recognize lease liabilities with respect to all lease agreements in which we are the lessee, except for short term leases and leases of low value assets. For these leases, we generally recognize the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at present value that are not paid at the commencement date of the lease and subsequently adjusted by interest accretion and lease payments.

Our lease liabilities increased from RMB13.5 million as of December 31, 2020 to RMB16.7 million as of June 30, 2021, primarily because we rented new offices in Beijing and Shanghai.

Contract Liabilities

We recorded contract liabilities of RMB12.7 million and RMB12.5 million as of December 31, 2020 and June 30, 2021, respectively. Our contract liabilities represented the RMB10.0 million upfront payment we received from 3D Medicines (Beijing) Co., Ltd. ("**3D Medicines**"), our business partner, and such amount is adjusted for the effects of the time value of money at a discount rate of 4.35% taking into consideration of the credit characteristics of the Group and any collateral or security provided. We own the right to manufacture and supply KN035 to 3D Medicines. After the approval and commercialization of KN035, we will recognize revenue on the upfront payment received.

Liquidity and Source of Funding

Our primary uses of cash are to fund our clinical trials, manufacturing, purchase of equipment and raw materials and other expenses. During the Reporting Period, we primarily funded our working capital requirements through proceeds from the global offering, pre-IPO financing and bank borrowings at reasonable market rates. Currently, the Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved. In order to better control and minimize the cost of funds, the Group's treasury activities are centralized and all cash transactions are dealt with the qualified banks and international banks with good reputation. We closely monitor uses of cash and cash balances and strive to maintain a healthy liquidity for our operations.

As of June 30, 2021, there was a balance of unutilized net proceeds from the global offering, pre-IPO financing and bank borrowings. For details on the net proceeds from the global offering, please refer to the section headed "Use of Net Proceeds from Global Offering" in this announcement. The Company believes that it has sufficient funds to satisfy our working capital and capital expenditure requirements for the second half of 2021.

Borrowings

As of June 30, 2021, we had bank borrowings of RMB296.5 million, which were secured by property, plant and equipment of RMB263.4 million and land use rights in our right-of-use assets of RMB21.9 million.

Key Financial Ratios

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

	As of June 30, 2021	As of December 31, 2020
Current ratio[(1)]	**5.29**	6.67
Quick ratio[(2)]	**5.15**	6.54
Gearing ratio[(3)]	**(0.20)**	0.01

Notes:

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

(2) Quick ratio represents current assets less inventories and divided by current liabilities as of the same date.

(3) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by total equity and multiplied by 100%. For the avoidance of doubt, ratio in brackets represent negative numbers.

Material Investments

The Group did not make any material investments during the six months ended June 30, 2021. In addition, other than the R&D investment plan as disclosed in sections headed "Use of Net Proceeds from Global Offering" in this announcement, there is no current plan of the Group for material investments or additions of material capital assets as of June 30, 2021.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures for the six months ended June 30, 2021.

Pledge of Assets

As of June 30, 2021, the Group had a total RMB35.9 million of plant and machinery, RMB8.0 million of construction-in-process assets, RMB219.6 million of buildings and RMB21.9 million of land use rights pledged to secure its loans and banking facilities.

Contingent Liabilities

As of June 30, 2021, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

Foreign Exchange Exposure

During the six months ended June 30, 2021, the Group mainly operated in China and a majority of its transactions were settled in RMB, the functional currency of the Company's primary subsidiaries. As of June 30, 2021, a significant amount of the Group's bank balances and cash was denominated in U.S. dollars and Hong Kong dollars. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Except for certain bank balances and cash, other receivables, trade and other payables, and other financial liabilities denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations as of June 30, 2021.

Employees and Remuneration

As of June 30, 2021, the Group had 366 employees. The total remuneration cost incurred by the Group for the six months ended June 30, 2021 was RMB62.7 million, as compared to RMB56.5 million for the six months ended June 30, 2020.

The remuneration package of our employees includes salary, bonus and share option incentives, which are generally determined by their qualifications, industry experience, position and performance. We make contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

The Company also has adopted pre-IPO share option plans, post-IPO share option scheme and post-IPO restricted share award scheme to provide incentives for the Group's employees. Please refer to the section headed "Statutory and General Information – D. Pre-IPO Share Option Plans" in Appendix V to the prospectus of the Company dated December 2, 2019 (the "**Prospectus**"), the Company's circular dated April 22, 2020, the Company's announcement dated March 23, 2021 and the Company's 2020 annual report for further details.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Six months ended June 30, 2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Other income	4	**22,503**	44,341
Other gains and losses	5	**(13,552)**	33,666
R&D expenses		**(231,947)**	(133,724)
Administrative expenses		**(38,131)**	(40,579)
Finance costs	6	**(6,237)**	(6,804)
Loss before taxation		**(267,364)**	(103,100)
Income taxation	7	**–**	–
Loss for the period	8	**(267,364)**	(103,100)
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of a foreign operation		**454**	8
Total comprehensive expense for the period		**(266,910)**	(103,092)
Loss per share in RMB	10		
– Basic		**(0.29)**	(0.11)
– Diluted		**(0.29)**	(0.11)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**June 30, 2021** ***RMB'000*** **(unaudited)**	December 31, 2020 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment	*11*	**381,544**	361,030
Right-of-use assets	*11*	**35,252**	31,991
Deposits paid for acquisition of property, plant and equipment		**24,736**	12,797
Other receivables, deposits and prepayments	*12*	**33,914**	34,476
		475,446	440,294
Current assets			
Inventories		**51,002**	44,321
Other receivables, deposits and prepayments	*12*	**53,126**	84,795
Financial assets at FVTPL		**55,010**	43,530
Derivative financial instruments		**3,717**	5,863
Time deposits with original maturity over three months		**1,159,836**	1,835,398
Cash and cash equivalents		**702,018**	185,321
		2,024,709	2,199,228
Current liabilities			
Trade and other payables	*13*	**148,661**	121,939
Amount due to a related company		**9,994**	3,765
Lease liabilities		**11,354**	10,146
Bank borrowings		**209,800**	188,000
Contract liabilities		**–**	469
Deferred income		**3,216**	5,216
		383,025	329,535
Net current assets		**1,641,684**	1,869,693
Total assets less current liabilities		**2,117,130**	2,309,987

	NOTES	**June 30, 2021** ***RMB'000*** **(unaudited)**	December 31, 2020 *RMB'000* (audited)
Non-current liabilities			
Lease liabilities		**5,326**	3,309
Bank borrowings		**86,712**	21,350
Contract liabilities		**12,510**	12,244
Deferred income		**2,000**	–
		106,548	36,903
Net assets		**2,010,582**	2,273,084
Capital and reserves			
Share capital		**13**	13
Reserves		**2,010,569**	2,273,071
Total equity		**2,010,582**	2,273,084

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on March 28, 2018 under the Companies Law of the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange since December 12, 2019.

The Group is principally engaged in R&D, manufacturing and commercialization of biologics of oncology.

The condensed consolidated financial statements are presented in RMB, which is the same as the functional currency of the Company.

In addition, the condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2021 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2020.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after January 1, 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior year and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Co-development agreement with 3D Medicines in relation to KN035 drug candidate

In February 2016, the Group entered into an agreement with 3D Medicines and pursuant to which, the Group will jointly develop and commercialize KN035 drug candidate with 3D Medicines. Under the agreement, the Group received a non-refundable upfront payment of RMB10 million from 3D Medicines and has an exclusive right to manufacture and supply KN035 to 3D Medicines for further commercialization to ultimate customers. Upon the Group manufacturing the product and transferring the control of goods to 3D Medicines for commercialization, the Group will recognize revenue in respect of the upfront payment received.

In addition, the Group considers the non-refundable upfront payment of RMB10 million from 3D Medicines contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money at a discount rate of 4.35% per annum taking into consideration the credit characteristics of the party receiving financing in the contract, as well as any collateral or security provide by the customer or the entity, including assets transferred in the contract. As this accrual increases the amount of the contract liabilities during the period of development of KN035 drug candidate, it increases the amount of revenue to be recognized when the Group commences the manufacturing of the product and the transfer of control of goods to 3D Medicines for commercialization.

Unsatisfied performance obligations

The following table shows the aggregate amount of the contract liabilities allocated to performance obligations that are unsatisfied at the end of the Reporting Period.

	June 30, 2021 ***RMB'000*** **(unaudited)**	December 31, 2020 *RMB'000* (audited)
Co-development and commercialization of KN035 *(Note)*	**12,510**	12,244
Others	**–**	469
	12,510	12,713

Note: Deferred revenue included in contract liabilities will be recognized over the period of KN035 product life cycle with reference to the budgeted manufacture order from 3D Medicines (i.e. when 3D Medicines receives and consumes the benefits during the commercialization stage).

Segment information

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results and financial position when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

Geographical information

Substantially all of the Group's non-current assets are located in the PRC, accordingly, no analysis of geographical segment is presented.

4. OTHER INCOME

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest income	**13,546**	35,162
Government grants income *(Note)*	**6,722**	9,179
Others	**2,235**	–
	22,503	44,341

Note: Government grants income mainly includes subsidies from the PRC local government in support of oncology drug development.

5. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Exchange (losses) gains, net	**(21,316)**	34,665
Gain on derivative financial instruments	**7,765**	–
Others	**(1)**	(999)
	(13,552)	33,666

6. FINANCE COSTS

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses on:		
Bank borrowings	**6,509**	5,785
Contract liabilities	**266**	510
Lease liabilities	**321**	509
	7,096	6,804
Less: Interest capitalized in construction in progress	**(859)**	–
	6,237	6,804

Borrowing costs capitalized during the six months ended June 30, 2021 arose on the specific bank borrowings for the construction of new facilities.

7. INCOME TAXATION

The Company is exempted from taxation under the laws of the Cayman Islands.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC entities is 25% (2020: 25%). On July 11, 2020, Jiangsu Alphamab was accredited as a "high-tech enterprise" in Suzhou Free Trade Zone and is entitled to obtain a refund from the local government of Suzhou Free Trade Zone for a three-year period since 2020.

Under the Treasury Law Amendment (Enterprise Tax Plan Base Rate Entities) Bill 2017 of Australia, corporate entities who qualify as a small business entity are eligible for a lower corporate tax rate at 26% (2020: 27.5%). Alphamab (Australia) Co. Pty. Ltd. is qualified as a small business entity and is subject to a corporate tax rate of 26% (2020: 27.5%).

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the U.S. Tax Cuts and Jobs Act, the corporate income tax in the U.S. is charged at a rate of 21%.

No provision for income taxation has been made as the Company and its subsidiaries either had no assessable profit or incurred tax losses in all relevant places of operation for the Reporting Period.

8. LOSS FOR THE PERIOD

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging:		
Staff cost (including directors' emoluments):		
Salaries and other allowances	**50,432**	33,863
Retirement benefits scheme contributions	**8,217**	2,512
Share-based payment expenses	**4,065**	20,086
Total staff costs	**62,714**	56,461
Auditor's remuneration	**1,457**	1,549
Cost of inventories included in R&D expenses	**29,847**	27,252
Outsourcing service fees included in R&D expenses	**128,041**	57,299
Short-term lease expenses	**335**	20
Depreciation of property, plant and equipment	**13,585**	8,547
Depreciation of right-of-use assets	**5,793**	5,568

9. DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company during the Reporting Period, nor has any dividend been proposed since the end of the Reporting Period.

10. LOSS PER SHARE

The calculations of the basic and diluted loss per share are based on the following data:

	Six months ended June 30,	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss:		
Loss for the period for the purposes of calculating basic and diluted loss per share	**(267,364)**	(103,100)
Number of shares ('000):		
Weighted average number of shares for the purposes of calculating basic and diluted loss per share	**935,123**	925,576

The calculation of diluted loss per share for the six months ended June 30, 2021 and 2020, has not considered shares options awarded under the share option schemes as their inclusion would be anti-dilutive. The calculation of diluted loss per share for the six months ended June 30, 2020 has also not considered over-allotment options as their inclusion would be anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended June 30, 2021, the Group had additions to construction in progress of approximately RMB33,867,000 (the six months ended June 30, 2020: RMB17,561,000 (unaudited)) and property, plant and equipment of approximately RMB232,000 (the six months ended June 30, 2020: RMB1,747,000 (unaudited)), respectively, which mainly consists of R&D plant and equipment. The Group also entered into two new lease agreements for its office premises for 3 years. The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognized RMB9,054,000 of right-of-use assets and lease liabilities (the six months ended June 30, 2020: RMB860,000 (unaudited)), respectively.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	June 30,	December 31,
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Deposits	**1,135**	1,302
Interest receivables	**8,833**	41,853
Prepayments	**43,196**	41,290
Other receivables	**969**	1,097
Value-added tax recoverable	**32,907**	33,729
	87,040	119,271
Presented as non-current assets	**33,914**	34,476
Presented as current assets	**53,126**	84,795
	87,040	119,271

13. TRADE AND OTHER PAYABLES

	June 30, 2021 ***RMB'000*** **(unaudited)**	December 31, 2020 *RMB'000* (audited)
Trade payables	**6,273**	1,512
Accrued expenses		
– Outsourcing service fees	**80,178**	51,150
– Other R&D expenses	**3,534**	4,711
– Staff costs	**13,633**	15,858
– Interest payable	**299**	238
– Others	**10,227**	5,650
	107,871	77,607
Payables for acquisition of property, plant and equipment	**26,547**	38,831
Other payables	**7,970**	3,989
	148,661	121,939

The average credit period of trade payables ranged from 30 to 60 days.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of Reporting Period:

	June 30, 2021 ***RMB'000*** **(unaudited)**	December 31, 2020 *RMB'000* (audited)
0 – 90 days	**6,209**	1,512
Over 90 days	**64**	–
	6,273	1,512

FUTURE DEVELOPMENT

In the first half of 2021, we have made steady progress in our R&D of our drug candidates, have explored strategic collaboration with our business partners, and have witnessed numerous milestones despite the impact of COVID-19 pandemic. We, together with the global pharmaceutical industry, have sought to implement and adhere to emergency management plans, social distancing guidelines and adjusted regulatory processes, while have continued to strive to develop and produce treatments and drug candidates that benefit patients.

In recent years, China has issued or amended a series of rules and policies with respect to, among others, priority review and patent compensation, quality control, sales, data protection of drug trials to support the R&D of pharmaceutical products. In 2020, the amended Measures for Administration of Drug Registration (《藥品註冊管理辦法》), the Measures for the Supervision and Administration of Drug Production (《藥品生產監督管理辦法》), the Good Clinical Practice of Pharmaceutical Products (《藥物臨床試驗質量管理規範》) the administrative Measures for Communication on the Research Development and Technical Evaluation of Drugs (《藥物研發與技術審評溝通交流管理辦法》) and the Registration Category of Biological Products and the Information Requirements for Declaration (《生物製品註冊分類及申報資料要求》) came into effect to streamline the R&D and production process of new drugs and the application process under the drug marketing authorization holder mechanism, as well as to provide a clear classification for therapeutic biological products. These policies removed political barriers and sped up the R&D process for innovative new drugs, which along with innovative technologies has become a hotspot for industrial capital. The newly revised Patent Law of the People's Republic of China (《中華人民共和國專利法》), which came into effect on June 1, 2021, launches a protection term compensation system for new drugs, where a patent may be granted an extended patent term up to five years as compensation for the time taken up due to regulatory review and approval. As a result, pharmaceutical companies with strong R&D capabilities for innovative therapeutic biologics will stand out and they will have unprecedented opportunities for development. After the pandemic, the Company believes that there will be a stronger focus on R&D of innovative therapeutic biologics and heavier investments in new biotechnology. It is believed that in the next decade, the R&D of innovative therapeutic biologics in the PRC will drive the growth of the entire pharmaceutical industry.

The Group will continue to strive for delivering world-class innovative therapeutic biologics to treat patients globally by applying our unique drug discovery and development capabilities. To accomplish this mission, we will commit to advancing clinical development of our product pipeline, including developing KN046 for various major cancer indications in addition to selected indications using a fast/first-to-market approach. We will also strategically focus on cancers with HER2 expression in our KN026 clinical development plan. In the meantime, leveraging our strong in-house R&D capabilities, we will further advance our pre-clinical programs of over 10 multi-specific immune-oncology drug candidates and will leverage our technology platforms to discover, validate and select targets and lead candidates to enrich our early-stage pipeline with a focus on immuno-oncology based bispecific and multi-specific drugs. We will also continue to optimize our manufacturing process and technologies to enhance product quality and reduce the costs. To maximize the commercial value of our assets with global rights, we will also continue to actively seek strategic collaboration opportunities for our core products, such as co-development, collaboration in combination development, and out-licensing.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividends for the six months ended June 30, 2021 to the Shareholders (June 30, 2020: nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on March 28, 2018 as an exempted company with limited liability, and the shares of the Company were listed on the Main Board of the Stock Exchange on December 12, 2019.

Compliance with the Corporate Governance Code and Corporate Governance Report in the Appendix 14 of the Listing Rules (the "Corporate Governance Code")

The Company strives to achieve 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.

The Company had adopted and applied the principles and code provisions as set out in the Corporate Governance Code as the basis of the Company's corporate governance practices. During the six months ended June 30, 2021, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code, except for the deviation from code provision A.2.1 of the Corporate Governance Code:

Pursuant to code provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. XU currently serves as the chairman of the Board and the chief executive officer of the Company. He is the founder of the Group and has been operating and managing the Group since its establishment. Our Directors believe that it is beneficial to the business operations and management of the Group that Dr. XU continues to serve as both the chairman of the Board and the chief executive officer of the Company.

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

Full details of the Company's corporate governance practices will be set out in the forthcoming Company's annual report for the year ending December 31, 2021.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers in the Appendix 10 of the Listing Rules (the " Model Code")

The Company has adopted the Model Code as its securities code to regulate the dealing by the Directors in securities of the Company. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the six months ended June 30, 2021.

The Company's relevant employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's relevant employees was noted by the Company during the six months ended June 30, 2021.

The Company has also established a policy on inside information to comply with its obligations under the Securities and Futures Ordinance and the Listing Rules. In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any subsidiaries of the Group purchased, redeemed or sold any of the Company's listed securities for the six months ended June 30, 2021.

Audit Committee

The unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2021 have been reviewed by the Company's external auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants and by the audit committee. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

Use of Net Proceeds from the Global Offering

The Company's shares were listed on the Stock Exchange on December 12, 2019. The net proceeds from the global offering amounted to approximately HK$2,042.5 million. As of June 30, 2021, approximately HK$327.3 million of the net proceeds of the global offering had been utilized as follows:

	Allocation of net proceeds from the global offering in the proportion disclosed in the Prospectus		**Proceeds from the global offering utilized as of June 30, 2021**		**Amounts not yet utilized as of June 30, 2021**	
	HK$ million	***Percentage***	***HK$ million***	***Percentage***	***HK$ million***	***Percentage***
Key drug development programs						
the R&D and commercialization of KN046						
• the ongoing and planned clinical trials of, and preparation of registration filings for, KN046	817.0	40.0%	91.3	28.0%	725.7	42.0%
• the launch and, subject to regulatory approval, commercialization of KN046	204.3	10.0%	4.0	1.0%	200.3	12.0%
Subtotal	**1,021.3**	**50.0%**	**95.3**	**29.0%**	**926.0**	**54.0%**

	Allocation of net proceeds from the global offering in the proportion disclosed in the Prospectus		Proceeds from the global offering utilized as of June 30, 2021		Amounts not yet utilized as of June 30, 2021	
	HK$ million	*Percentage*	*HK$ million*	*Percentage*	*HK$ million*	*Percentage*
the R&D and commercialization of KN026						
• the ongoing and planned clinical trials of, and preparation of registration filings for, KN026	326.8	16.0%	60.4	18.0%	266.4	16.0%
• the launch and, subject to regulatory approval, commercialization of KN026	81.7	4.0%	1.6	0.0%	80.1	5.0%
Subtotal	**408.5**	**20.0%**	**62.0**	**19.0%**	**346.5**	**20.0%**
the R&D of KN019	102.1	5.0%	6.0	2.0%	96.1	6.0%
Subtotal	**1,531.9**	**75.0%**	**163.3**	**50.0%**	**1,368.6**	**80.0%**
The construction of our new manufacturing and R&D facilities in Suzhou	**306.4**	**15.0%**	**138.3**	**42.0%**	**168.1**	**10.0%**
The early-stage pipeline and our working capital and general corporate purposes	**204.3**	**10.0%**	**25.6**	**8.0%**	**178.6**	**10.0%**
Total	**2,042.5**	**100.0%**	**327.3**	**100.0%**	**1,715.2**	**100.0%**

The Company expects that approximately HK$700.0 million to HK$1,000.0 million, accounting for approximately 37.0% to 55.0% of the net proceeds of the global offering, will be utilized by end of 2021 and plans to utilize the balance of net proceeds of the global offering by the end of 2022. The expected timeline for utilizing the net proceeds from the global offering is based on the best estimation of future market conditions made by the Company and subject to changes in accordance with our actual business operation. Going forward, the net proceeds will be applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus and there is no change in the intended use of net proceeds as previously disclosed in the Prospectus.

Subsequent Events

Save as disclosed in the section headed "Management Discussion and Analysis – Business Review – Events after the Reporting Period", no important events affecting the Company occurred since the Reporting Period and up to the date of this announcement.

Principal Risks and Uncertainties

Our business, financial condition and results of operations could be materially and adversely affected by certain risks and uncertainties. For details, please see the section headed "Risk Factors" of the Prospectus.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.alphamabonc.com**).

The interim report for the six months ended June 30, 2021 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contribution to the Group.

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

Hong Kong, August 27, 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. GUO Zijian, Mr. WEI Kevin Cheng and Mr. WU Dong as Independent Non-executive Directors.