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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)**

## **CONTINUING CONNECTED TRANSACTION ANNOUNCEMENT**

### **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 prospectus of the Company dated December 2, 2019 in relation to, among others, 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 June 6, 2019 to December 31, 2021. As the previous master technical service agreement has expired, the board (the “**Board**”) of the Directors (the “**Directors**”) of the Company hereby announces that Suzhou Alphamab and Jiangsu Alphamab has renewed the Master Technical Service Agreement (the “**Renewed Master Technical Service Agreement**”) on January 14, 2022, 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.

#### **THE RENEWED MASTER TECHNICAL SERVICE AGREEMENT**

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

Date of Agreement	January 14, 2022
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 January 14, 2022 till March 31, 2024.
Service Fee	<ul style="list-style-type: none"> <li>(i) RMB2,500,000 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;</li> <li>(ii) RMB90,000 per batch for fill-finish. Each batch of substances to be filled shall not exceed 20,000 items; and</li> <li>(iii) RMB30,000 per batch for packaging. Each batch of drug products to be packaged shall not exceed 20,000 items.</li> </ul> <p>The above service fees do not include the cost of raw and auxiliary materials, reagents, consumables and transportation.</p>
Other Fee	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 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.

The terms of the Renewed Master Technical Service Agreement are substantially the same as that of the Master Technical Service Agreement.

## 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. It is complementary and beneficial for Suzhou Alphamab and Jiangsu Alphamab to enter into both the Renewed Master Technical Service Agreement to avoid any relocation of manufacturing facility or change of current arrangements that may cause disruption to the manufacturing operations of Jiangsu Alphamab and Suzhou Alphamab. 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.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Renewed Master Technical Service Agreement was 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

The service fees attributable to Jiangsu Alphamab in relation to the Master Technical Service Agreement for three years ended December 31, 2019, 2020 and 2021 was RMB90,000, nil and RMB791,159.

## ANNUAL CAPS

The following table sets forth proposed annual caps for the service fees under the Renewed Master Technical Service Agreement:

	<b>Year ending December 31</b>	
<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
26,260	18,340	7,860

The proposed annual caps 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, 2022 to March 31, 2024. In arriving at the above proposed annual caps, the Directors have considered the historical and expected transaction amount for the same type of transactions as set out in the table above. As Suzhou Alphamab expects a significant increase in demand for biological products and the Company has largely enhanced its production capacity, it is expected that there is a significant increase on the proposed annual caps as compared to the historical amount.

## 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 constitute a connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios calculated 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 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.

## 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 fifteen oncology drug candidates with one approved for marketing by National Medical Products Administration (國家藥品監督管理局), three in late clinical stage, and three in schedule for or that have submitted investigation new drug submission, and a COVID-19 multifunctional 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.

\* *For identification purpose only.*

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

Hong Kong, January 14, 2022

*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.*