Keymed Biosciences Inc.
康諾亞生物醫藥科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2162)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023 AND PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

FINANCIAL HIGHLIGHTS

	2023 ***RMB'000***	2022 *RMB'000*	Changes *RMB'000*	Year-on-year changes *%*
Revenue	**354,095**	100,063	254,032	254%
Cost of sales	**(36,878)**	(2,585)	(34,293)	1,327%
Gross profits	**317,217**	97,478	219,739	225%
Research and development expenses	**(596,282)**	(507,374)	(88,908)	18%
Loss for the year	**(357,785)**	(303,597)	(54,188)	18%
Adjusted loss for the year (as illustrated under "**Non-IFRS Measures**")	**(317,706)**	(255,030)	(62,676)	25%

	December 31, 2023 ***RMB'000***	December 31, 2022 *RMB'000*	Changes *RMB'000*	Year-on-year changes *%*
Cash and cash equivalents, time deposits, and financial assets at FVTPL	**2,719,186**	3,175,326	(456,140)	(14%)

IFRS Measures:

- Revenue amounted to RMB354 million for the year ended December 31, 2023, mainly representing collaboration income from AstraZeneca AB ("**AZ**") in respect of granting the relevant license.

- Cost of sales represented R&D costs incurred under the out-licensing arrangements for the year ended December 31, 2023.

- R&D expenses increased by RMB89 million to RMB596 million for the year ended December 31, 2023, from RMB507 million for the year ended December 31, 2022. The increase was primarily attributable to the increase of staff costs and the depreciation provided for newly purchased machinery equipment.

Non-IFRS Measures:[(1)]

	2023	2022	Changes	Year-on-year changes
	RMB'000	*RMB'000*	*RMB'000*	*%*
Loss for the year	**(357,785)**	(303,597)	(54,188)	18%
Add:				
Share-based payment expenses	**40,079**	48,567	(8,488)	(17%)
Adjusted loss for the year	**(317,706)**	(255,030)	(62,676)	25%

(1) Adjusted loss for the year represents loss for the year excluding the effect of certain non-cash items. The term adjusted loss for the year is not defined under IFRSs. The use of this non-IFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRSs. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRSs measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable.

BUSINESS HIGHLIGHTS

During the Reporting Period, we have rapidly proceeded with the research and development of our products and commercialization preparation, and achieved the following milestones and progress with respect to our clinical pipeline and business operation:

- **Rapid development of our pipeline products**

  The progress of core pipeline products:

  Stapokibart (CM310) (IL-4Rα antibody)

  We advanced and completed a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of Stapokibart (CM310) in adult subjects with moderate-to-severe atopic dermatitis ("**AD**") in 2023, and at the end of 2023, we submitted the new drug application of CM310 for the treatment of moderate-to-severe AD in adults, which was accepted by the NMPA and granted priority review in December 2023.

  We launched a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of CM310 recombinant humanized monoclonal antibody injection in adolescent subjects with moderate-to-severe AD in February 2024, and the patient enrollment is currently in progress.

  We advanced a Phase III clinical study of Stapokibart (CM310) for the treatment of chronic rhinosinusitis with nasal polyps (CRSwNP) and in December 2023 we completed the unblinding of data from the double-blind treatment period and the preliminary statistical analysis. The results of the Phase III clinical trial are positive with co-primary endpoints both achieved: the CM310 group is superior to placebo group with statistically significant differences ($P<0.0001$); CM310 also demonstrates a favorable safety profile.

  In addition, we launched and advanced a randomized, double-blind, placebo-parallel Phase III clinical study to evaluate the efficacy and safety of CM310 recombinant humanized monoclonal antibody injection in patients with seasonal allergic rhinitis under background therapy in 2023, and a multi-center, single-arm Phase II clinical study to evaluate the safety of CM310 recombinant humanized monoclonal antibody injection in patients with seasonal allergic rhinitis.

  JMT-Bio, a wholly-owned subsidiary of CSPC, holds the exclusive license to develop and commercialize CM310 for the treatment of moderate-to-severe asthma, COPD and other respiratory diseases in China (excluding Hong Kong, Macau, or Taiwan). As of the date of this announcement, CSPC has initiated the critical Phase II/III clinical study for the treatment of moderate-to-severe asthma, and the patient enrollment is currently in progress.

  CMG901/AZD0901 (Claudin 18.2 antibody drug conjugate)

  In February 2023, KYM Biosciences Inc. (the "**KYM**", a 70% non-wholly owned subsidiary of the Company) and AstraZeneca AB ("**AZ**") have entered into a global exclusive license agreement, and AZ has been granted an exclusive global license for research, development, registration, manufacturing, and commercialization of CMG901, and shall be responsible for all costs and activities associated with its further development and commercialization in accordance with the License Agreement.

In November 2023, the latest data from a Phase I clinical study of CMG901 in the treatment of advanced gastric/gastroesophageal junction (G/GEJ) cancer has been presented by way of oral presentation at the American Society of Clinical Oncology (ASCO) Plenary Series. Among 89 evaluable patients with Claudin 18.2-positive G/GEJ cancer in three cohorts, confirmed objective response rate (ORR) and confirmed disease control rate (DCR) were 33% and 70%, respectively. Among others, CMG901 showed a 42% confirmed ORR in 2.2 mg/kg dose cohort, with median progression free survival (mPFS) of 4.8 months, and the median overall survival (mOS) was not reached yet.

As of the date of this announcement, AZ has conducted multiple clinical studies regarding CMG901/AZD0901 for the treatment of advanced solid tumors.

CM313 (CD38 antibody)

We continuously proceeded with a multi-center, open-label Phase I clinical trial of CM313 in 2023 to evaluate the safety, tolerability, pharmacokinetics, immunogenicity, and preliminary efficacy of CM313 monotherapy in hematological malignancies including relapsed/refractory multiple myeloma (RRMM) and lymphoma.

In June 2023, we presented, in the form of a poster, the latest data from the Phase I clinical study of CM313 for the treatment of RRMM and relapsed/refractory lymphoma at the 28th Annual Congress of European Hematology Association (EHA). CM313 exhibited a good safety profile in general in this study, and at dose levels of ≥2.0 mg/kg showed preliminary efficacy in the treatment of patients with RRMM.

In addition, we continuously proceeded with a randomized, double-blinded, placebo-controlled, dose-escalation, multiple-dose Phase Ib/IIa clinical study in 2023 to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, immunogenicity and preliminary efficacy of CM313 injection in subjects with systemic lupus erythematosus (SLE). As of the date of this announcement, the product is currently in the dose-escalation of Phase I clinical study.

In December 2023, the latest data from the investigator-initiated single-arm, open-label, exploratory clinical study to evaluate the safety and preliminary efficacy of CM313 for the treatment of primary immune thrombocytopenia in adults, were presented in a poster form at the 65th American Society of Hematology (ASH) Annual Meeting. As of June 30, 2023, a total of 21 patients were enrolled in the study. 7 subjects completed 8 treatments with follow-up period of not less than 8 weeks. Among the 7 patients, 100.0% (7/7) achieved a platelet count $\geq 50 \times 10^9$/L within 8 weeks after administration with the first dose, with a median time to response of 1 week (range from 1 to 3).

CM326 (TSLP antibody)

We continuously proceeded with a randomized, double-blinded, placebo-controlled Phase II clinical study in 2023 to evaluate the efficacy and safety of CM326 in adult patients with moderate-to-severe AD, and the patient enrollment of the Phase II clinical trial was completed in June 2023.

In addition, we continuously proceeded with a multi-center, randomized, double-blinded, placebo-controlled Phase Ib/IIa clinical trial in 2023 to evaluate the safety, tolerability, pharmacokinetics/pharmacodynamics, immunogenicity, and preliminary efficacy of CM326 in subjects with CRSwNP, and the patient enrollment of the Phase Ib/IIa clinical trial was completed in February 2023.

JMT-Bio, a wholly-owned subsidiary of CSPC, holds the exclusive license to develop and commercialize CM326 for the treatment of moderate-to-severe asthma, COPD and other respiratory diseases in China (excluding Hong Kong, Macau, or Taiwan). As of the date of this announcement, CSPC has initiated the Phase II clinical study for the treatment of moderate-to-severe asthma, and the patient enrollment is currently in progress.

Progress of other pipeline products:

CM355/ICP-B02 (CD20xCD3 bispecific antibody)

We continuously proceeded with a Phase I/II clinical study in 2023 to assess the safety, tolerability, PK, and the preliminary anti-tumor activity of CM355 in relapsed or refractory non-Hodgkin's lymphoma (r/r NHL). As of the date of this announcement, dose escalation of the intravenous infusion formulation (IV) was completed and the subcutaneous formulation (SC) is being evaluated. All the 13 patients who were treated CM355 at dose ≥6 mg achieved response with the ORR of 100%. Among 9 patients who were evaluable in SC group, the ORR was 100.0% (9/9) with complete response rate (CRR) of 77.8% (7/9), including 2 diffuse large B-cell lymphoma (DLBCL) patients with complete response (CR). Most of the responders are still under treatment with maintained response.

CM336 (BCMAxCD3 bispecific antibody)

We continuously proceeded with a Phase I/II clinical study in 2023 to assess the safety, tolerability, pharmacokinetics, and the anti-tumor activity of CM336 in RRMM. As of the date of this announcement, the product is currently in the dose-escalation of Phase I clinical study.

CM350 (GPC3xCD3 bispecific antibody)

We continuously proceeded with a Phase I/II clinical study in 2023 to assess the safety, tolerability, pharmacokinetics, and the preliminary efficacy of CM350 in patients with advanced solid tumors. As of the date of this announcement, the product is currently in the dose-escalation of Phase I clinical study.

CM338 (MASP-2 antibody)

We continuously proceeded with a Phase II clinical study in 2023 to evaluate the efficacy and safety of CM338 injection in subjects with immunoglobulin A nephropathy (IgAN). As of the date of this announcement, the patient enrollment is currently in progress.

CM369/ICP-B05 (CCR8 antibody)

We continuously proceeded with a Phase I clinical study in 2023 to evaluate the safety, tolerability, pharmacokinetic characteristics, and efficacy of CM369 in subjects with advanced solid tumors and relapsed or refractory non-hodgkin's lymphoma (r/r NHL). As of the date of this announcement, the product is currently in the dose escalation of Phase I clinical study, and we will explore the combination of CM369 with other immunotherapies in various cancer indications after collecting the safety data of monotherapy.

CM383 (Aβ protofibrils antibody)

We submitted an IND application for CM383 in February 2024, and we are about to conduct a Phase I clinical study of the safety, tolerability, pharmacokinetics, pharmacodynamics and immunogenicity of single dose-escalation administration in healthy subjects.

- **Rapid expansion of workforce and production facilities**

  As of December 31, 2023, the Company had 897 full-time employees in total, including over 270 employees engaging in clinical development and operations and over 400 employees engaging in manufacturing and quality control. We will continue to recruit talents to meet the growing needs of commercialized sales of products, research and development, clinical, production and operation of the Company.

  As of the end of the Reporting Period, the production capacity of the production base in Chengdu has reached 18,600 litres in total, and all the designs thereof are in compliance with the requirements of cGMP of the NMPA and FDA.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a biotechnology company focused on the in-house discovery and development of innovative biological therapies in the autoimmune and oncology therapeutic areas. We have multiple clinical-stage assets, each of them being a leading contender within its respective competitive landscape.

Based on a solid foundation in biomedical research, we have built in-house drug discovery and development technologies that are complemented by our collaboration with other pharmaceutical and biotechnology companies. These comprise an innovative antibody discovery platform and a proprietary novel T cell engager (nTCE) bispecific antibody platform. As of December 31, 2023, we have nine clinical stage and IND-enabling drug candidates in our internally-developed pipeline. In addition, we filed an IND application for CM383, a new drug candidate, in February 2024.

To accelerate the efficiency of our research and discovery, we have established a fully-integrated platform encompassing all of the key functions in the biologic drug development. These include target validation, lead molecule discovery and optimization, preclinical evaluation, process development, translational research, clinical development and manufacturing. This integrated platform has enabled us to rapidly and cost-effectively identify, build, expand and advance our diversified pipeline of innovative and differentiated antibody-based therapies, including monoclonal antibodies, antibody drug conjugates (ADCs) and bispecific antibodies.

Product Pipeline

Our proprietary product pipeline employs the most recent scientific findings and reflects our market insights. To complement our in-house R&D efforts, we also collaborate with third parties on the development and commercialization of our drug candidates through joint venture or out-licensing arrangements.

The following chart illustrates our pipeline and summarizes the development status of our clinical-stage drug candidates and selected IND-enabling stage candidates as of the end of the Reporting Period and up to the date of this announcement:

Abbreviations: AD = atopic dermatitis; ADC = antibody drug conjugate; AR = allergic rhinitis; CRS = chronic rhinosinusitis; CRSwNP = chronic rhinosinusitis with nasal polyposis; COPD = chronic obstructive pulmonary disease; GEJ = gastroesophageal junction; ITP = primary immune thrombocytopenia; mAb = monoclonal antibody; MM = multiple myeloma; Ph = Phase; RRMM = relapsed or refractory multiple myeloma

BUSINESS REVIEW

- **Stapokibart (CM310) (IL-4Rα antibody)**

  Stapokibart (CM310), our core product as defined under Chapter 18A of the Listing Rules, is a humanized and highly potent antibody against interleukin-4 receptor α-subunit (IL-4Rα). It is the first domestically-developed IL-4Rα antibody that received IND approval from the NMPA. By targeting IL-4Rα, Stapokibart (CM310) can lead to dual-blockade of interleukin-4 (IL-4) and interleukin-13 (IL-13) signaling. IL-4 and IL-13 are two critical cytokines for initiating type II inflammation. CM310 can potentially be effective for treating various type II immunological diseases in adults, adolescents and children, such as moderate-to-severe atopic dermatitis (AD), moderate-to-severe asthma, CRSwNP, AR and potentially COPD. It demonstrated favorable safety profile and encouraging efficacy in various clinical studies.

We continued to advance and completed a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of CM310 in adult subjects with moderate-to-severe AD in 2023, and at the end of 2023, we submitted an application for a marketing approval of Stapokibart for the treatment of moderate-to-severe AD in adults.

In December 2023, the new drug application of Stapokibart injection was accepted by the NMPA and granted priority review. The relevant information is set out below:

- Drug name: Stapokibart injection
- Dosage form: Injection
- Application matter: New drug application for registration and marketing of domestically manufactured drugs
- Registration classification: Therapeutic biologics products, Class 1
- Applicant: Chengdu Kangnuoxing Biopharma, Inc. (成都康諾行生物醫藥科技有限公司), a wholly-owned subsidiary of the Company
- Acceptance No.: CXSS2300090
- Proposed indication: For the treatment of moderate-to-severe atopic dermatitis in adults who are poorly controlled or unsuitable for topical therapy

In October 2023, we presented, in the form of a poster, topline data from the Phase III clinical study of CM310 for the treatment of moderate-to-severe AD at the European Academy of Dermatology and Venereology (EADV) Congress. The clinical study is a multi-center, randomized, double-blinded, placebo-controlled Phase III clinical study mainly to evaluate the efficacy, safety, PK characteristics, PD effects and immunogenicity of CM310 in adult subjects with moderate-to-severe AD. A total of 500 eligible patients were randomized 1:1 to receive CM310 (600mg–300mg) or placebo treatment once every two weeks (Q2W). The co-primary endpoints were met by achieving the rate of standards of at least 75% improvement from baseline in the Eczema Area and Severity Index (EASI-75) and an Investigator Global Assessment (IGA) score of 0 or 1 point with a reduction of ≥ 2 points from baseline at week 16. For this clinical trial, the baseline EASI scores 24.84 and 24.05 in the CM310 and placebo groups, respectively; the baseline IGA scores 3 with the proportions of 52.2% and 52.6% in the CM310 and placebo groups, respectively; and baseline IGA scores 4 with the proportions of subjects of 47.8% and 47.4% in the CM310 and placebo groups, respectively.

Efficacy results showed co-primary endpoints were achieved at week 16 in this trial. At week 16, the proportion of subjects achieving EASI-75 was 66.9%, and the proportion of subjects achieving an IGA score of 0 or 1 point (IGA 0/1, i.e. completely or substantially cleared skin lesions) with a reduction of ≥ 2 points from baseline was 44.2% in the CM310 group, outperforming placebo group (25.8% and 16.1%, respectively), both of which were statistically significant differences (P<0.0001). Significant improvements in both pruritus control and quality of life were observed from baseline to week 16, which means that, in the CM310 group, 35.9% of subjects achieved a ≥4 point improvement from baseline in the Peak Pruritus Numerical Rating Scale (PP-NRS). In addition, the Dermatology Life Quality Index (DLQI) showed an improvement of 8.7 points from baseline at week 16, outperforming the placebo group (11.7% and 4.4 points) and were statistically significant differences (P<0.0001). In terms of safety, this trial demonstrated a favorable safety profile. The incidence of treatment-emergent adverse events (TEAEs) in the CM310 group was comparable to that in the placebo group, with most TEAEs being of mild to moderate in severity.

We launched a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of CM310 recombinant humanized monoclonal antibody injection in adolescent subjects with moderate-to-severe AD in February 2024, and the patient enrollment is currently in progress.

We advanced a Phase III clinical study of CM310 for the treatment of CRSwNP, and in December 2023, we completed the data unblinding and preliminary statistical analyses during the double-blinded treatment period of the clinical study, with the clinical data meeting the primary endpoints. The clinical study is a multi-center, randomized, double-blinded, placebo-controlled Phase III clinical study mainly to confirm the efficacy and safety of CM310 recombinant humanized monoclonal antibody injection in patients with CRSwNP. A total of 180 subjects were enrolled in this study and were randomized 1:1 to receive CM310 300mg or placebo Q2W for a total of 12 treatments in a double-blinded period, with the co-primary endpoints being the changes in nasal polyp score (NPS) and nasal congestion score (NCS) at 24 week from baseline. The results of the Phase III clinical trial are positive with co-primary endpoints both achieved: the CM310 group is superior to placebo group with statistically significant differences (P<0.0001); CM310 also demonstrates a favorable safety profile.

We intend to submit an application for marketing approval for Stapokibart injection for the treatment of CRSwNP to the CDE in 2024.

In July 2023, the results of the CROWNS-1 study were officially published in eClinicalMedicine (IF: 15.1), a sub-journal of The Lancet. The CROWNS-1 study is a multi-center, randomized, double-blinded, placebo-controlled Phase II clinical trial of CM310 for the treatment of eosinophilic CRSwNP (eCRSwNP). The results showed that after 16 weeks of treatment with CM310, there was a significant reduction in the size of the nasal polyps, a significant relief of nasal congestion, a significant decrease in the Lund-Mackay CT score of sinus CT, and a reduction in the size of the sinus lesions, compared with placebo. At the same time, CM310 remarkably improved the life quality of eCRSwNP patients. This study is the world's first multi-center RCT study of biologics for the treatment of CRSwNP using pathologic eosinophil count (nasal polyp tissue eosinophil count≥55/high power field or eosinophil percentage≥27%) as the enrollment criteria. It has demonstrated for the first time that CM310 can significantly reduce the number of eosinophils in nasal polyp tissue of eCRSwNP patients after the treatment internationally, downregulate the level of type II inflammation, and thus reveal the internal mechanism of its therapeutic effect.

In addition, we launched and advanced a randomized, double-blind, placebo-parallel Phase III clinical study to evaluate the efficacy and safety of CM310 recombinant humanized monoclonal antibody injection in patients with seasonal allergic rhinitis under background therapy in 2023, and a multi-center, single-arm Phase II clinical study to evaluate the safety of CM310 recombinant humanized monoclonal antibody injection in patients with seasonal allergic rhinitis.

JMT-Bio, a wholly-owned subsidiary of CSPC, holds the exclusive license to develop and commercialize Stapokibart (CM310) for the treatment of moderate-to-severe asthma, COPD and other respiratory diseases in China (excluding Hong Kong, Macau, or Taiwan). As of the date of this announcement, CSPC has initiated the critical Phase II/III clinical study for the treatment of moderate-to-severe asthma, and the patient enrollment is currently in progress.

- **CMG901/AZD0901 (Claudin 18.2 antibody drug conjugate)**

CMG901 is a Claudin 18.2-targeting ADC comprising of a Claudin 18.2-specific antibody, a cleavable linker and a toxic payload, monomethyl auristatin E (MMAE). It is the first Claudin 18.2 ADC to have received IND approval in China and the U.S.. Claudin 18.2 is selectively and widely expressed in gastric cancer, pancreatic cancer and other solid tumors, which makes it an ideal tumor target for therapeutic development. Previously, CMG901 was granted the Fast Track Designation and the Orphan Drug Designation by the FDA for the treatment of relapsed/refractory gastric cancer and GEJ adenocarcinoma, and was granted breakthrough therapy designation by the CDE for the treatment of Claudin 18.2-positive advanced gastric cancer that has failed or cannot be tolerated by first-line treatment or above.

In 2023, we continuously proceeded with the Phase I clinical study of CMG901 for the treatment of advanced solid tumors. In November 2023, the latest data from a Phase I clinical study of CMG901 in the treatment of advanced G/GEJ cancer has been presented by way of oral presentation at the American Society of Clinical Oncology (ASCO) Plenary Series. The clinical study was designed to evaluate the safety and tolerability, pharmacokinetics, immunogenicity, and preliminary efficacy of CMG901 in subjects with advanced solid tumors. As of July 24, 2023, totally 113 patients with G/GEJ cancer received CMG901 at doses of 2.2, 2.6, and 3.0 mg/kg (n=44, 50, and 19, respectively). All subjects previously received ≥1 line of prior therapy. The median line of prior therapy was two. 74% of subjects previously received PD-1/PD-L1 therapy. In terms of safety, drug-related grade ≥3 treatment-emergent adverse events (TEAEs) occurred in 54% of patients, and drug-related serious AEs were reported in 31% of patients. 8% of patients had discontinued CMG901 treatment due to TEAEs. Among 89 evaluable patients with Claudin 18.2-positive G/GEJ cancer in three cohorts, confirmed objective response rate (ORR) and confirmed disease control rate (DCR) were 33% and 70%, respectively. Among others, CMG901 showed a 42% confirmed ORR in 2.2 mg/kg dose cohort, with median progression free survival (mPFS) of 4.8 months, and the median overall survival (mOS) was not reached yet. In this trial, CMG901 had a manageable safety and tolerability profile, and most patients were well-managed by standard treatment management while continuing CMG901 treatment. CMG901 demonstrated promising efficacy in patients with advanced Claudin 18.2-positive G/GEJ cancer.

In February 2023, KYM (a 70% non-wholly owned subsidiary of the Company) and AZ (a global pharmaceutical company and, to the best knowledge and belief of the Company, an independent third party) have entered into a global exclusive license agreement (the "**License Agreement**"), and AZ has been granted a global exclusive license for research, development, registration, manufacturing, and commercialization of CMG901, and shall be responsible for all costs and activities associated with its further development and commercialization in accordance with the License Agreement. Pursuant to the License Agreement and subject to the terms and conditions thereof, KYM shall receive an upfront payment of US$63 million with the potential for additional payments up to US$1,125 million subject to achievement of certain development, regulatory and commercial milestones. In particular, the upfront payment of US$63 million was received on March 31, 2023. KYM is also entitled to receive tiered royalties on net sales from AZ. KYM is obliged to provide assistance and staff to facilitate technology and know-how transfer. Except as otherwise agreed, AZ will be responsible for bearing all costs for activities associated with the development and regulatory affairs on ongoing trial in relation to CMG901.

As of the date of this announcement, AZ has conducted multiple clinical studies regarding CMG901/AZD0901 for the treatment of advanced solid tumors.

- **CM313 (CD38 antibody)**

  CM313 is a humanized monoclonal antibody that targets CD38. CM313 is the first domestically-developed CD38 antibody with IND approval by the NMPA in China. Given the encouraging efficacy in preclinical studies, we believe that CM313 has the potential to become an innovative treatment option for relapsed or refractory multiple myeloma, lymphoma and other hematological malignancies.

  We continuously proceeded with a multi-center, open-label Phase I clinical trial of CM313 in 2023 to evaluate the safety, tolerability, pharmacokinetics, immunogenicity, and preliminary efficacy of CM313 monotherapy in hematological malignancies including RRMM and lymphoma. In June 2023, we presented, in the form of a poster, the latest data from the Phase I clinical study of CM313 for the treatment of RRMM and relapsed/refractory lymphoma at the 28th Annual Congress of European Hematology Association (EHA). This Phase I study (NCT04818372) aimed to evaluate the safety and preliminary efficacy of CM313 in patients with RRMM and relapsed/refractory lymphoma (currently refer to Waldenström's macroglobulinemia and marginal zone lymphoma (MZL)). The safety assessments demonstrated that CM313 was well-tolerated. The dose was successfully escalated up to 16.0 mg/kg, but maximum tolerated dose was not reached. No dose-limiting toxicity was occurred. The most common drug-related adverse events (defined as occurring in ≥20% of patients) were infusion-related reactions and decreased cell counts in lymphocytes, white blood cells and neutrophils. A vast majority of the infusion-related reactions were grade 1 or 2 and most occurred during the first drugs. Among the 29 RRMM patients who had at least one post-baseline efficacy evaluation, the overall objective response rate (ORR) was 34.5%. The median progression free survival (mPFS) was 4.3 months, but the median overall survival (OS) was not reached. CM313 exhibited a good safety profile in general in this study for it at dose levels of ≥2.0 mg/kg and yielded preliminary efficacy in patients with RRMM.

  In addition, given the observed outstanding clearance effect of CM313 on plasma cells in MM and lymphoma indications, we believe that CM313 has the potential to become an innovative treatment option for systemic lupus erythematosus (SLE). We continuously proceeded with a randomized, double-blinded, placebo-controlled, dose-escalation, multiple-dose Phase Ib/IIa clinical study in 2023 to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, immunogenicity and preliminary efficacy of CM313 injection in subjects with SLE. As of the date of this announcement, the product is currently in the dose-escalation of Phase I clinical study.

In December 2023, the latest data from the investigator-initiated single-arm, open-label, exploratory clinical study of CM313 for the treatment of primary immune thrombocytopenia in adults were presented in a poster form at the 65th American Society of Hematology (ASH) Annual Meeting. This study aimed to evaluate the safety and preliminary efficacy of CM313 in adult patients with primary immune thrombocytopenia. As of June 30, 2023, a total of 21 patients were enrolled in the study. 7 subjects completed 8 treatments with follow-up period of more than 8 weeks. 7 subjects included 2 males and 5 females, with a median age of 40 years old (range from 18 to 56 years old), median weight of 62 kg (range from 52 to 93 kg), median duration of ITP of 30 months (range from 12-200 months) and median baseline platelet count of 8×10^9/L (range from 2-24). Among the 7 patients, 100.0% (7/7) achieved a platelet count $\geq 50 \times 10^9$/L within 8 weeks after administration with the first dose, with a median time to response of 1 week (range from 1 to 3). In addition, 4/7 patients (57.1%) maintained a platelet count $\geq 50 \times 10^9$/L until week 16, with 2 patients relapsed at week 6 and 1 patient relapsed at week 13. From baseline to week 23, the median platelet count among 7 patients was higher than 50×10^9/L during other follow-up visits except for week 17, which was lower than 50×10^9/L. Among all 21 patients, 6 (6/21, 28.6%) had an infusion-related reaction (IRR) at the time of administration with first dose, after which no IRR was triggered. According to Common Terminology Criteria for Adverse Events (CTCAE) (version 5.0), IRR severity was level 1 or 2.

- **CM326 (TSLP antibody)**

CM326 is a humanized and highly potent monoclonal antibody targeting thymic stromal lymphopoietin (TSLP). It is the first domestically-developed TSLP-targeting antibody in China to have received IND approval. TSLP plays a critical role as an upstream cytokine mediating multiple inflammatory pathways, which provides a strong scientific rationale for the development of TSLP antibody to treat COPD and various allergic diseases, including moderate-to-severe asthma and CRSwNP. CM326 may also have synergistic effects with CM310.

We continuously proceeded with a randomized, double-blinded, placebo-controlled Phase II clinical study in 2023 to evaluate the efficacy and safety of CM326 in adult patients with moderate-to-severe AD, and the patient enrollment of the Phase II clinical trial was completed in June 2023. In addition, we continuously proceeded with a multi-center, randomized, double-blinded, placebo-controlled Phase Ib/IIa clinical trial in 2023 to evaluate the safety, tolerability, pharmacokinetics/pharmacodynamics, immunogenicity, and preliminary efficacy of CM326 in subjects with CRSwNP, and the patient enrollment of the Phase Ib/IIa clinical trial was completed in February 2023.

JMT-Bio, a wholly-owned subsidiary of CSPC, holds the exclusive license to develop and commercialize CM326 for the treatment of moderate-to-severe asthma, COPD and other respiratory diseases in China (excluding Hong Kong, Macau, or Taiwan). As of the date of this announcement, CSPC has initiated the Phase II clinical study for the treatment of moderate-to-severe asthma, and the patient enrollment is currently in progress.

- **CM355/ICP-B02 (CD20xCD3 bispecific antibody)**

  CM355 is a CD20xCD3 bispecific antibody co-developed by us and InnoCare for the treatment of B-cell non-Hodgkin's lymphoma (NHL), and can be administrated through monotherapy or in combination with other therapies. In preclinical studies, it demonstrated stronger T-cell directed cellular cytotoxicity (TDCC) activities with less cytokine release as compared to its leading competitive products.

  As of the date of this announcement, dose escalation of the intravenous infusion formulation (IV) was completed, and the subcutaneous formulation (SC) is being evaluated. Encouragingly, our preliminary data of both IV and SC formulations have shown good efficacy of CM355 in patients with follicular lymphoma (FL) and diffuse large B-cell lymphoma (DLBCL). The objective response rate (ORR) of all the 13 patients who were treated CM355 at dose ≥6mg was 100%. Among 9 patients who were evaluable in SC group, the ORR was 100.0% (9/9), with complete response rate (CRR) of 77.8% (7/9), including 2 DLBCL patients with CR. Most of the responders are still under treatment with maintained response. Based on the encouraging results of CM355 single agent, we are planning to conduct dose expansion study in CM355 in combination with other immunochemotherapies in earlier lines of treatment for NHL patients. IND for the combination therapies was submitted to CDE in March 2024. CM355 (SC and IV) induced a profound and sustained depletion of peripheral B cells after first infusion in our Phase I/II clinical trial in r/r NHL patients.

  Given the critical role of B cells in a variety of severe autoimmune diseases, CM355 may have wider applications in severe autoimmune diseases, which is more feasible and tolerable.

- **CM336 (BCMAxCD3 bispecific antibody)**

  CM336 is a BCMAxCD3 bispecific antibody for treatment of MM. BCMA is an attractive target for MM immunotherapy due to its high expression on malignant plasma cells in MM patients and normal expression restricted to plasma cells in healthy individuals. CM336 is designed to target BCMA on BCMA-positive tumor cells and the CD3 receptor on the surface of T cells, bridging them together and activating T cells to kill the cancer cells.

  We internally discovered and developed CM336. We continuously proceeded with a Phase I/II clinical study in 2023 to assess the safety, tolerability, pharmacokinetics, and the anti-tumor activity of CM336 in RRMM. As of the date of this announcement, the product is currently in the dose-escalation phase of Phase I clinical study.

- **CM350 (GPC3xCD3 bispecific antibody)**

  CM350 is a GPC3xCD3 bispecific antibody for the treatment of solid tumors, especially for hepatocellular carcinoma (HCC). CM350 is designed to target GPC3 on GPC3-positive tumor cells and the CD3 receptor on the surface of T cells, bridging them together and activating T cells to kill the cancer cells. GPC3 and CD3 activate and redirect T cells to engage and eliminate target tumor cells with their dual targeting.

  We internally discovered and developed CM350. We continuously proceeded with a Phase I/II clinical study in 2023 to assess the safety, tolerability, pharmacokinetics, and the preliminary efficacy of CM350 in patients with advanced solid tumors. As of the date of this announcement, the product is currently in the dose-escalation of Phase I clinical study.

- **CM338 (MASP-2 antibody)**

  CM338 is a humanized, highly potent antagonist antibody against mannose-binding lectin-associated serine protease-2 (MASP-2). According to pre-clinical efficacy data, CM338 can efficiently block the activation of the lectin pathway, and is expected to be an innovative treatment option for IgA nephropathy with excessive activation of the complement pathway including the bypass and lectin pathway.

  We continuously proceeded with a Phase II clinical study in 2023 to evaluate the efficacy and safety of CM338 injection in subjects with immunoglobulin A nephropathy (IgAN). As of the date of this announcement, the patient enrollment is currently in progress.

- **CM369/ICP-B05 (CCR8 antibody)**

  CM369 is an anti-C-C motif chemokine receptor 8 (CCR8) monoclonal antibody, a potential first-in-class drug co-developed by our Company and InnoCare as a monotherapy or in combination with other therapies for the treatment of various cancers. Research has found that CM369, as a chemokine receptor highly expressed specifically on tumor-infiltrating regulatory T cells (Treg), binds to CCR8 positive Tregs and eradicates immunosuppressive Tregs through antibody-dependent cell-mediated cytotoxicity (ADCC) to augment the anti-tumor immunity in tumor microenvironment (TME) while preserving peripheral homeostasis. CM369 has the potential to deliver optimal tumor-targeted Treg depletion and be more specific in anti-tumor activity than other immunotherapies and enhance our strength in the field of solid tumors by synergizing with our existing pipelines.

  Currently, we are conducting a Phase I trial to evaluate the safety, tolerability, pharmacokinetic characteristics, and efficacy of CM369 in subjects with advanced solid tumors and relapsed/refractory NHL. For solid tumors, dosage of CM369 has been escalated up to 150 mg, which is also the initial dose for NHL indication. CM369 was well tolerated with no grade 3 or above treatment-related adverse events (TRAEs) observed. The preliminary results demonstrated a favorable PK profile with sufficient exposure for target coverage, and regulatory T-cell depletion. For NHL, preliminary efficacy was observed in one patient, who achieved PR at the first tumor assessment. Dose escalation study is still going on. We will explore the combination of CM369 with other immunotherapies in various cancer indications after collecting the safety data of monotherapy.

- **CM383 (Aβ protofibrils antibody)**

  CM383 is a humanized monoclonal antibody for the treatment of early alzheimer's disease (Alzheimer's Disease). The amyloid cascade hypothesis postulates that excessive β-amyloid protein (Aβ) in the brain is a trigger of Alzheimer's Disease. In addition, Aβ protofibrils are considered to be more toxic which are associated with the Alzheimer's Disease progression in the patients. CM383 selectively binds to soluble Aβ protofibrils and plaque. On one hand, CM383 reduces the deposition of Aβ. On the other hand, CM383 promotes the clearance of Aβ plaque.

  We have developed and evaluated CM383 comprehensively. In pre-clinical evaluation, CM383 demonstrated a favorable safety profile. As of the date of this announcement, we submitted an IND application for CM383, and are about to conduct a Phase I clinical study of the safety, tolerability, pharmacokinetics, pharmacodynamics and immunogenicity of single dose-escalation administration in healthy subjects.

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: The Company may not be able to ultimately develop and market CM310, CMG901, CM313, CM326, CM355, CM336, CM350, CM338, CM369 and CM383 successfully. As at the date of this announcement, no material adverse changes had occurred with respect to the regulatory approvals we had received in relation to our drug candidates.

Our R&D and Manufacturing

Leveraging the expertise of our clinical development team, we are able to efficiently design and execute our clinical trials and demonstrate the advantages of our innovative drugs through outstanding clinical results. Our clinical development team achieves this goal through well-designed trial protocols and excellent trial execution. The team coordinates clinical development strategies and trial protocols for our drug candidates, and manages the trial implementation with the assistance of reputable CROs in a cost-effective manner. Our medical and translational research staff identify and validate biomarkers, direct patient selection, and analyze clinical data to guide clinical studies and preclinical evaluations. As our clinical-stage drug candidates are each among the first three domestically-developed for its target or in its class to have obtained IND approval in China and/or the U.S., we have attracted first-tier hospitals and leading principal investigators (PIs) to join our clinical trials. We believe the long-term relationships with these medical collaborators will bring us tremendous benefits.

To ensure production and supply of high-quality and affordable antibody drugs, we have always been committed to enhancing our in-house manufacturing capabilities. We have internally developed high-expressing cell lines to ensure high yield and low costs for our antibody manufacturing. As of the end of the Reporting Period, the production capacity of the production base in Chengdu has reached 18,600 litres in total, and all the designs thereof are in compliance with the requirements of cGMP of the NMPA and FDA.

R&D Platforms

We have built fully-integrated platforms to enable our in-depth R&D in the areas of immunology and oncology. Our platforms are integrated seamlessly to support key drug development functionalities, including antibody screening, functional evaluation, in vivo preclinical studies and biomarker identification. We have the expertise and capability to independently complete the entire drug development process from drug discovery to pre-clinical research to clinical development and to NDA/BLA application. Our core platforms are as follows:

- **Novel T Cell Engager (nTCE) Platform**

  Our nTCE platform enables us to develop bispecific T cell engagers that are potent and highly tumor specific. In recent years, T cell engaging bispecific antibodies have attracted particular interest as a promising class of immunotherapies for the treatment of non-immunogenic tumors. Our technology is designed to overcome these limitations by maximizing T cell-mediated cell killing effects with minimal cytokine release syndrome, and high stability and productivity.

  Leveraging the nTCE platform, we are developing multiple T-cell engaging bispecific antibodies, including CM355, CM336 and CM350 which have entered the clinical stage as of the date of this announcement. In preclinical studies, the above drug candidates have demonstrated encouraging T cell-mediated cell killing effects with low possibility of cytokine release syndrome.

- **Innovative Antibody Discovery Platform**

  Our innovative antibody discovery platform is a versatile platform for the discovery and evaluation of antibody drugs. This platform includes the following main functionalities: antibody screening, engineering and optimization. With these functions and technologies, we are able to develop antibody-based therapies with new modalities and new mechanisms of action, which potentially increase the efficacy and specificity of the therapies. Based on this platform, we have developed multiple drug candidates with different modalities in our pipeline, including bispecific antibodies, ADCs and fragment crystallizable region (Fc) engineered antibodies. This platform is also empowered by enhanced automatic antibody screening and discovery techniques, leading to cost-efficient discovery of drug candidates with high affinity, cross-species activity and improved developability.

- **Bio-evaluation Platform**

  Our bio-evaluation platform is responsible for effective assessment of antibody drug candidates. We have developed multiple cell-based assays using primary and engineered reporter cells, which enable us to quickly screen and select highly potent antibodies with desired biological activities. Building on our experience and expertise, we are also able to establish a variety of immunoassays to facilitate our immunology and oncology pipeline development. To further evaluate the efficacies of antibody drugs in vivo, we have developed a number of animal models in different species in collaboration with our CROs to support our target validation and lead molecule selection.

- **High-throughput Screening Platform for High Yield Antibody-expressing Cells**

  Leveraging the experience and know-how of our chemistry, manufacturing and controls (CMC) and manufacturing team, we have developed our high-throughput screening platform to identify high-yielding cell lines that have desirable characteristics for further cost-efficient development. With this platform, we have successfully identified the cell lines to produce drug candidates in three months. This allows us to rapidly advance our assets to the preclinical and clinical evaluation stage and accelerate the drug development process.

- **Novel Antibody Drug Conjugate (ADC) Platform**

  Our ADC platform has the comprehensive capabilities to develop novel ADCs with diverse combinations of novel payloads with different mechanisms of action, new types of hydrophilic linkers, and various novel antibodies by multi-conjugation techniques, which generates ADCs with full independent intellectual property rights, strong in vivo stability, excellent efficacy, and good safety.

  Based on this platform, in addition to the MMAE payload and its MC-vc-PAB linker used in CMG901 (also known as AZD0901), we have successfully developed several new types of payloads of new topoisomerase inhibitors and novel linkers. A series of new ADCs with the above payloads and linkers showed good in vivo stability, strong efficacy and good safety, and are currently in the research or the pre-clinical development stage. In addition, we have also developed novel synthetic methods, which could effectively reduce the manufacturing cost of ADCs and potentially benefit more patients.

Future Development

We will continue to rapidly advance both ongoing and planned clinical programs for our pipeline products both in China and globally, including in the U.S., and prepare for the commercialization of our late-stage pipeline products. In the meantime, to expedite the commercialization of our drug candidates and maximize the commercial value, we will actively explore value-accretive strategic partnerships such as co-development, collaboration, and licensing both in China and globally.

In anticipation of increased production demands for our drug candidates, we plan to further expand our cGMP-compliant manufacturing capacity to improve the cost-effectiveness of our production. We are very pleased to see the rapid progress we achieved so far and the detailed development plan ahead of us. In line with our Company's vision, we are committed to developing, manufacturing and commercializing innovative biological therapies for patients worldwide.

Financial Review

	2023	2022
	RMB'000	*RMB'000*
Revenue	**354,095**	100,063
Cost of sales	**(36,878)**	(2,585)
GROSS PROFIT	**317,217**	97,478
Other income and gains	**123,249**	259,002
Research and development expenses	**(596,282)**	(507,374)
Administrative expenses	**(177,006)**	(133,912)
Other expenses	**(1,359)**	(683)
Finance costs	**(17,259)**	(8,397)
Share of loss of a joint venture	**(4,748)**	(9,711)
LOSS BEFORE TAX	**(356,188)**	(303,597)
Income tax expense	**(1,597)**	–
LOSS FOR THE YEAR	**(357,785)**	(303,597)
Attributable to:		
Owners of the parent	**(359,357)**	(308,115)
Non-controlling interests	**1,572**	4,518
	(357,785)	(303,597)

1. Revenue and Cost of Sales

During the Reporting Period, the Group's revenue primarily consisted of collaboration income from AZ in respect of granting the relevant license. Cost of sales mainly represented R&D costs incurred under the out-licensing arrangements during the Reporting Period.

2. Other Income and Gains

During the Reporting Period, the Group's other income and gains primarily consisted of government grants income and interest income. During the Reporting Period, the decrease in other income and gains of the Group was primarily attributable to the decrease in gain on exchange difference by RMB128 million and government grants income by RMB44 million, netted off increase in interest income by RMB32 million.

3. R&D Expenses

During the Reporting Period, the Group's R&D expenses primarily consisted of (i) expenses incurred in connection with pre-clinical and clinical studies, including third-party contracting costs with respect to the engagement of CROs, clinical trial sites and other service providers in connection with our R&D activities; (ii) staff costs for our R&D employees; (iii) expenses for procuring raw materials and consumables used in the R&D of our drug candidates; and (iv) depreciation and amortization of property, plant and equipment and other intangible assets related to R&D activities. During the Reporting Period, the increase in R&D expenses of the Group was primarily attributable to the increase of (i) staff costs by RMB67 million; (ii) depreciation and amortization costs by RMB26 million; and (iii) raw materials by RMB14 million, netted off decrease in outsourced pre-clinical and clinical study costs by RMB31 million.

4. Administrative Expenses

During the Reporting Period, the Group's administrative expenses primarily consisted of (i) staff costs for our administrative employees; (ii) depreciation and amortization of property, plant and equipment and other intangible assets related to administrative activities; and (iii) professional services fees paid to legal counsel, agents, auditor, and other professional service providers. During the Reporting Period, the increase in administrative expenses of the Group was primarily attributable to the increase in staff costs by RMB28 million and depreciation and amortization costs by RMB7 million.

5. Finance Costs

During the Reporting Period, the Group's finance costs primarily consisted of implicit interest on other financial liabilities and interest on lease liabilities and bank borrowings. During the Reporting Period, the increase in finance costs of the Group was primarily attributable to the increase of the interest expense on bank borrowings by RMB9 million.

6. Share of Loss of a Joint Venture

During the Reporting Period, our shared loss from the 50%-owned joint venture, Beijing Tiannuo Pharma Tech Co., Ltd., amounted to RMB5 million. The decrease was primarily attributable to the decrease of clinical trial expenses incurred by the joint venture during the Reporting Period.

7. Selected Data from Consolidated Statement of Financial Position

	As at December 31, 2023	As at December 31, 2022
	RMB'000	*RMB'000*
Total current assets	**2,939,531**	3,309,974
Total non-current assets	**943,391**	622,342
Total assets	**3,882,922**	3,932,316
Total current liabilities	**314,180**	379,699
Total non-current liabilities	**581,929**	213,399
Total liabilities	**896,109**	593,098
Net current assets	**2,625,351**	2,930,275

8. Liquidity and Capital Resources

As at December 31, 2023, our time deposits, cash and cash equivalents and bank wealth management products decreased by RMB456 million to RMB2,719 million from RMB3,175 million as at December 31, 2022. The decrease was primarily attributable to cash used in our daily business operation, which offset the cash received from the out-licensing arrangement with AZ.

As at December 31, 2023, the current assets of the Group were RMB2,939 million, including cash and cash equivalents of RMB851 million, time deposits of RMB1,694 million, bank wealth management products of RMB174 million and other current assets of RMB220 million. As at December 31, 2023, the current liabilities of the Group were RMB314 million, including trade payables of RMB29 million, other payables and accruals of RMB220 million, interest-bearing bank borrowings of RMB46 million and lease liabilities of RMB19 million. As at December 31, 2023, the Group had available unutilized bank loan facilities of RMB17 million.

For the year ended December 31, 2023, our net cash flows used in operating activities decreased by RMB98 million to RMB304 million from RMB402 million for the year ended December 31, 2022. The decrease was primarily attributable to the receipt of an upfront payment from AZ under the out-licensing arrangement.

For the year ended December 31, 2023, our net cash flows from investing activities amounted to RMB468 million, while net cash flows used in investing activities amounted to RMB646 million for the year ended December 31, 2022. The increase was primarily attributable to the decrease in time deposits.

For the year ended December 31, 2023, our net cash flows from financing activities amounted to RMB72 million, while net cash flows used in financing activities amounted to RMB8 million for the year ended December 31, 2022. The increase was primarily attributable to new bank loans borrowed, netted off acquisition of non-controlling interests in a non-wholly owned subsidiary.

As part of our treasury management, we invest in certain wealth management products to better utilize excess cash when our cash sufficiently covers our ordinary course of business. We have implemented a series of internal control policies and rules setting forth overall principles as well as detailed approval process of our investment activities. Under our investment policy, we generally limit our purchases to low-risk, short-term products from reputable commercial banks which must not interfere with our daily operation and business prospects.

9. Gearing Ratio

The gearing ratio (calculated by total liabilities divided by total assets) of the Group as of December 31, 2023 was 23%, representing an increase of 8 percentage points from the gearing ratio of 15% as at December 31, 2022.

10. Indebtedness

As at December 31, 2023, our bank borrowings amounted to RMB378 million, of which RMB13 million are borrowed at fixed interest rates. The unutilized credit facilities amounted to RMB17 million. The repayment terms of bank borrowings range from one to five years.

As at December 31, 2023, the lease liabilities increased by RMB9 million to RMB41 million as the result of the increase of right-of-use assets.

As at December 31, 2023, the other financial liabilities decreased by RMB146 million to nil as the result of the acquisition of non-controlling interest in a non-wholly owned subsidiary.

11. Significant Investments, Material Acquisitions and Disposals

In January 2023, Chengdu Kangnuoxing entered into an asset transfer agreement with Chengdu Bio-Town Construction Co., Ltd.* (成都生物城建設有限公司) for the acquisition of a parcel of land located in Songbai Community No. 1 in Chengdu, consisting of three near-completed buildings situated on the parcel of land, which the Company proposes to use as its new headquarters and a manufacturing plant for its pipeline drug products, at a consideration of RMB253,543,600.

In June 2023, Keymed Bioscience (Chengdu) Co., Ltd.* (康諾亞生物醫藥科技(成都)有限公司), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Chengdu High-tech New Economy Venture Capital Co., Ltd.* (成都高新新經濟創業投資有限公司) and Chengdu Bio-Town Equity Investment Co., Ltd.* (成都生物城股權投資有限公司) for the acquisition of 18.6992% equity interest in Chengdu Kangnuoxing, a non-wholly owned subsidiary of the Company, at a consideration of RMB150,598,904, upon completion of which Chengdu Kangnuoxing became a wholly-owned subsidiary of the Company. This acquisition enabled the Group to take full control of Chengdu Kangnuoxing, which would continue to engage in the development and manufacturing of the Group's drug candidates, and benefit from its future developments.

Save as disclosed above, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2023, and the Group also did not hold any significant investments for the year ended December 31, 2023.

The Group did not have plans for significant investments or capital assets as at the date of the announcement.

12. Contingent Liabilities

As of December 31, 2023, the Group did not have any contingent liabilities.

13. Capital Commitments

As of December 31, 2023, the Group had capital commitments contracted, but not yet provided, of RMB228 million, which were related to the purchase or construction of property, plant and equipment for the manufacture plant.

14. Pledge of Assets

As of December 31, 2023, the Group pledged machinery equipment of RMB441 million and committed to pledge the buildings and land-use right with a total net carrying values of RMB237 million to secure its bank borrowings.

15. Foreign Exchange Exposure

During the Reporting Period, the Group mainly operated in China and a majority of its transactions were settled in Renminbi, the functional currency of the Company's primary subsidiaries. The Group's borrowings are made in Renminbi, while cash and cash equivalents are primarily held in Renminbi, Hong Kong dollars and U.S. dollars. The Group is exposed to foreign currency risk as a result of certain cash and bank balances, time deposits, and financial assets at FVTPL denominated in non-functional currency. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect the Group's results of operations. 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.

HUMAN RESOURCES

As of December 31, 2023, we had 897 full-time employees in total, including 9 employees who were employed overseas and the remaining in China. In strict compliance with the relevant labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations and grounds for termination.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries and opportunity to participate in share incentive schemes to our employees. We believe our benefits, working environment and development opportunities for our employees have contributed to good employee relations and employee retention.

Our Company has adopted the 2021 RSU Scheme on April 5, 2021 (further details of which are set forth in our Prospectus) and the 2022 RSU Scheme on January 21, 2022 (further details of which are set forth in the Company's announcement dated January 21, 2022 and January 28, 2022). During the Reporting Period, restricted share units underlying 1,419,768 Shares and 0 Share have been awarded under the 2021 RSU Scheme and 2022 RSU Scheme, respectively.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There is no significant subsequent event undertaken by the Company or by the Group after the Reporting Period and up to the date of this announcement.

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended December 31, 2023.

ANNUAL GENERAL MEETING

The AGM will be held on June 25, 2024. Notice of the AGM and all other relevant documents will be published and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from June 20, 2024 to June 25, 2024, both days inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the register of shares of the Company on June 25, 2024 will be entitled to attend and vote at the AGM. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on June 19, 2024.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

Under code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Chen is the chairman of the Board and the chief executive officer of the Company. With extensive experience in the pharmaceutical industry and having served in the Company since its establishment, Dr. Chen is in charge of overall strategic planning, business direction and operational management of the Group. The Board considers that vesting the roles of the chairman of the Board and the chief executive officer of the Company in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the Board and our senior management, which comprises experienced and diverse individuals. The Board currently comprises three executive Directors (including Dr. Chen), three non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition.

Save as disclosed above, in the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period.

Code provision F.2.2 of Part 2 of the CG Code provides that the chairman of the Board should attend the annual general meeting and that the chairmen of the audit, remuneration, nomination and any other committees should be invited to attend the annual general meeting. In their absence, the chairman of the board should invite other members of the committee or other duly appointed delegate to attend. Dr. Chen (being the chairman of the Board and the chairperson of the nomination committee), Mr. Qi CHEN (being a member of the Audit Committee), Dr. Changyu WANG (being a member of the remuneration committee) and Dr. Gang XU attended the annual general meeting of the Company held on June 27, 2023.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Board has established the Audit Committee which comprises two independent non-executive Directors and one non-executive Director, namely Mr. Cheuk Kin Stephen LAW (Chairperson), Prof. Yang KE and Mr. Qi CHEN. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls.

The Audit Committee has reviewed this announcement and the Group's audited consolidated financial statements for the year ended December 31, 2023 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

USE OF PROCEEDS FROM GLOBAL OFFERING

In connection with the Global Offering, 67,004,000 Shares were issued at a price of HK$53.3 per Share for a total cash consideration, after deduction of the underwriting fees and expenses, of approximately RMB2,841 million. Dealings in the Shares on the Stock Exchange commenced on July 8, 2021. The Group will apply such proceeds in a manner consistent with the intended use of proceeds as set out in the Prospectus.

The table below sets forth the utilisation of the net proceeds from the Global Offering and the unused amount as at December 31, 2023:

Business objective as stated in the Prospectus	**Planned applications** *RMB million*	**Balance as at December 31, 2022** *RMB million*	**Actual utilisation during the Reporting Period** *RMB million*	**Balance as at December 31, 2023** *RMB million*	**Expected timeline for unutilized amount**
R&D and commercialization of the Company's Core Product and key drug candidates	1,705	1,276	342	934	By the end of 2025
Preclinical evaluation and clinical development of the Company's other pipeline products	426	242	207	35	By the end of 2024
Payment of lease for the Company's new manufacturing and R&D facilities and procurement of machinery and equipment	426	24	24	–	By the end of 2023
General corporate and working capital purposes	284	147	81	66	By the end of 2024
Total	2,841	1,689	654	1,035	

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.keymedbio.com). The annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Board proposes to seek approval from the Shareholders at the AGM for amendments to the existing fifth amended and restated memorandum and articles of association of the Company (the "**Articles**") for the purpose of updating and bringing the Articles in line with the amendments to the Listing Rules which mandate the electronic dissemination of corporate communications by listed issuers to their securities holders from December 31, 2023 onwards, as well as other housekeeping changes (the "**Proposed Amendments**"). The Company will seek approval from the Shareholders at the AGM for the adoption of the sixth amended and restated memorandum and articles of association of the Company incorporating the Proposed Amendments.

The Proposed Amendments and the adoption of the sixth amended and restated memorandum and articles of association of the Company are subject to the approval of the Shareholders by way of special resolution at the AGM. A circular containing, among other things, particulars relating to Proposed Amendments together with a notice convening the AGM will be despatched to the Shareholders according to the applicable law, the Articles and the Listing Rules.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2023

	Notes	**2023**	2022
		RMB'000	*RMB'000*
Revenue	*5*	**354,095**	100,063
Cost of sales		**(36,878)**	(2,585)
GROSS PROFIT		**317,217**	97,478
Other income and gains	*6*	**123,249**	259,002
Research and development expenses		**(596,282)**	(507,374)
Administrative expenses		**(177,006)**	(133,912)
Other expenses		**(1,359)**	(683)
Finance costs	*8*	**(17,259)**	(8,397)
Share of loss of a joint venture		**(4,748)**	(9,711)
LOSS BEFORE TAX	*7*	**(356,188)**	(303,597)
Income tax expense	*9*	**(1,597)**	–
LOSS FOR THE YEAR		**(357,785)**	(303,597)
Attributable to:			
Owners of the parent		**(359,357)**	(308,115)
Non-controlling interests		**1,572**	4,518
		(357,785)	(303,597)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	*11*	**(RMB1.37)**	(RMB1.18)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2023

	2023	2022
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(357,785)**	(303,597)
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(836)**	–
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(962)**	1
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(1,798)**	1
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(359,583)**	(303,596)
Attributable to:		
Owners of the parent	**(361,155)**	(308,114)
Non-controlling interests	**1,572**	4,518
	(359,583)	(303,596)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2023

	Notes	**2023**	2022
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**803,347**	553,556
Right-of-use assets		**90,390**	30,878
Other intangible assets		**1,110**	1,496
Prepayments, other receivables and other assets		**26,914**	15,841
Investment in a joint venture		**5,822**	10,570
Equity investments designated at fair value through other comprehensive income ("**FVTOCI**")		**15,808**	10,001
Total non-current assets		**943,391**	622,342
CURRENT ASSETS			
Inventories		**56,354**	44,495
Trade receivables	*12*	**16,091**	–
Contract assets		**11,000**	–
Prepayments, other receivables and other assets		**135,125**	90,153
Financial assets at fair value through profit or loss ("**FVTPL**")		**174,374**	232,188
Restricted cash		**1,775**	–
Time deposits		**1,693,783**	2,339,068
Cash and cash equivalents		**851,029**	604,070
Total current assets		**2,939,531**	3,309,974
CURRENT LIABILITIES			
Trade payables	*13*	**29,488**	14,913
Other payables and accruals		**219,440**	146,208
Amounts due to related parties		**–**	225
Other financial liabilities		**–**	146,112
Interest-bearing bank borrowings		**45,825**	61,163
Lease liabilities		**19,427**	11,078
Total current liabilities		**314,180**	379,699
NET CURRENT ASSETS		**2,625,351**	2,930,275
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,568,742**	3,552,617

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
December 31, 2023

	2023	2022
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**331,834**	28,800
Deferred income	**228,194**	163,671
Lease liabilities	**21,623**	20,928
Deferred tax liabilities	**278**	–
Total non-current liabilities	**581,929**	213,399
NET ASSETS	**2,986,813**	3,339,218
EQUITY		
Equity attributable to owners of the parent		
Share capital	**169**	170
Treasury shares	**2**	1
Reserves	**2,986,140**	3,340,117
	2,986,311	3,340,288
Non-controlling interests	**502**	(1,070)
TOTAL EQUITY	**2,986,813**	3,339,218

1. CORPORATE AND GROUP INFORMATION

Keymed Biosciences Inc. (the "**Company**") was incorporated in the Cayman Islands ("**Cayman**") on 23 April 2018 as a limited liability company. The registered office of the Company is located at the offices of 4th Floor, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 8 July 2021. During the year ended 31 December 2023, the Group was involved in the research and development of pharmaceutical products.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. All IFRSs effective for the accounting period commencing from 1 January 2023, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the financial statements throughout the year ended 31 December 2023.

These financial statements have been prepared under the historical cost convention, except for certain financial instruments, wealth management products and equity investments which have been measured at fair value at the end of the reporting period. They are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets at 1 January 2022. There was no influence to the financial statements of 2022. The adoption of amendments to IAS 12 did not have any material impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the consolidated statement of cash flows for the years ended 31 December 2023 and 2022.

4. OPERATING SEGMENT INFORMATION

Operating segment information

The Group is engaged in biopharmaceutical research and development, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

a) Revenue from external customers

	2023	2022
	RMB'000	*RMB'000*
Overseas	**353,192**	–
Mainland China	**903**	100,063
	354,095	100,063

The revenue information above is based on the location of the customers.

b) Non-current assets

Majority of the Group's non-current assets were located in Mainland China as at 31 December 2023, geographical segment information in accordance with IFRS 8 Operation Segments is presented.

	2023	2022
	RMB'000	*RMB'000*
Hong Kong	**787**	141
United States of America	**2,061**	–
Mainland China	**940,543**	622,201
	943,391	622,342

Information about major customers

Revenue of approximately RMB353,192,000 (2022: RMB100,000,000) was derived from collaborations with a pharmaceutical company.

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	2023	2022
	RMB'000	*RMB'000*
Type of services		
Collaboration revenue	**354,095**	100,063
Timing of revenue recognition		
Transferred at a point in time	**343,698**	100,063
Transferred overtime	**10,397**	–

(b) Performance obligations

Information about the Group's performance obligations for the year ended 31 December 2023 is summarised below:

Licensing out of CMG901

In February 2023, KYM Biosciences Inc. ("**KYM**"), a 70% non-wholly owned subsidiary of the Group (the remaining 30% ownership is held by affiliates of Lepu Biopharma Co., Ltd. ("**Lepu**")), entered into a global exclusive license agreement (the "**AZ Agreement**") with AstraZeneca AB ("**AZ**"), for research, development, registration, manufacturing, and commercialization of Claudin 18.2-targeting anti-body drug conjugate ("**CMG901**"). Pursuant to the AZ Agreement and subject to its terms and conditions, KYM was entitled to receive a one-time and non-refundable upfront payment of USD63,000,000 from AZ, of which USD44,100,000 was attributable to the Group and USD18,900,000 was attributable to Lepu. KYM was also entitled to receive milestone and royalty payments for the licensing and payments for clinical support. In March 2023, AZ paid KYM the one-time and non-refundable upfront payment of USD63,000,000.

The Group recognised collaboration revenue related to CMG901 of RMB353,192,000 during the year ended 31 December 2023.

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2023	2022
	RMB'000	*RMB'000*
Other income		
Government grants income	**21,271**	65,544
Interest income on other investments classified as financial assets at FVTPL	**4,130**	2,277
Interest income	**84,216**	52,039
Others	**2,551**	112
	112,168	119,972
Gains		
Gain on exchange differences, net	**11,081**	139,030
	123,249	259,002

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	2023 RMB'000	2022 RMB'000
Depreciation of property, plant and equipment		**51,629**	22,274
Depreciation of right-of-use assets		**17,146**	13,513
Amortisation of other intangible assets		**386**	336
Lease payments not included in the measurement of lease liabilities		**1,056**	1,887
Government grants income	*6*	**(21,271)**	(65,544)
Auditors' remuneration		**2,883**	2,830
Interest income from financial assets at FVTPL	*6*	**(4,130)**	(2,277)
Interest income	*6*	**(84,216)**	(52,039)
Finance costs	*8*	**17,259**	8,397
Foreign exchange gains, net	*6*	**(11,081)**	(139,030)
Employee benefit expenses (excluding directors' and chief executive's remuneration)			
– Wages and salaries		**215,157**	136,415
– Pension scheme contributions		**44,970**	25,351
– Staff welfare expenses		**1,890**	4,454
– Share-based payments expense		**40,079**	48,567
		302,096	214,787

8. FINANCE COSTS

	2023 RMB'000	2022 RMB'000
Implicit interest on other financial liabilities	**4,487**	4,818
Interest on lease liabilities	**1,944**	1,535
Interest expense on bank borrowings	**10,828**	1,866
Others	**–**	178
	17,259	8,397

9. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax.

British Virgin Islands

Pursuant to the rules and regulations of the British Virgin Islands ("**BVI**"), the subsidiaries incorporated in the BVI are not subject to any income tax.

United States of America

Subsidiaries incorporated in Delaware, the USA, are subject to the statutory federal corporate income tax at a rate of 21% during the year ended 31 December 2023.

Hong Kong

The subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the year ended 31 December 2023. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year ended 31 December 2023.

Mainland China

Four subsidiaries incorporated in Mainland China, including Keymed Biosciences (Chengdu) Co., Ltd., Chengdu Kangnuoxing, Beijing Lingyue Biomedical Technology Co., Ltd ("**Beijing Lingyue**") and Shanghai Lingyue Biomedical Technology Co., Ltd ("**Shanghai Lingyue**"), obtained the Certificate of High-tech Enterprise and are subject to the statutory rate of 15% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008.

Keymed Biosciences (Chengdu) Co., Ltd., Beijing Lingyue and Shanghai Lingyue obtained the Certificate of High-tech Enterprise in 2023 while Chengdu Kangnuoxing obtained the Certificate of High-tech Enterprise in 2022.

The rest of the subsidiaries incorporated in Mainland China are still subject to the statutory rate of 25% in accordance with the PRC Corporate Income Tax Law.

	2023	2022
	RMB'000	*RMB'000*
Current – Mainland China	**807**	–
Charge for the year	**–**	–
Underprovision in prior years	***807***	–
Current – Others	**512**	–
Deferred	**278**	–
Total	**1,597**	–

10. DIVIDENDS

No dividends have been declared and paid by the Company during the year ended 31 December 2023.

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue (excluding treasury shares reserved under the restricted share units scheme) during each reporting period.

The computation of diluted loss per share for the year ended 31 December 2023 and 31 December 2022 was made without the assumption of the exercise of restricted share units in 2023 and 2022 since their assumed exercise or conversion of such shares would result in a decrease in loss per share.

The calculation of the basic and diluted loss per share attributable to ordinary equity holders of the parent is based on the following data:

	2023	2022
Loss for the year		
Loss for the year attributable to ordinary equity holders of the parent (RMB'000)	**(359,357)**	(308,115)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**261,367,569**	261,126,555
Loss per share (basic and diluted)		
RMB per share	**(1.37)**	(1.18)

12. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net loss allowance, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**16,091**	–

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**13,913**	4,995
3 to 6 months	**2,365**	4,358
6 months to 1 year	**10,342**	5,495
Over 1 year	**2,868**	65
	29,488	14,913

Trade payables are non-interest-bearing and unsecured.

DEFINITIONS

In this annual results announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

"AGM"	the annual general meeting of the Company to be held on June 25, 2024
"Audit Committee"	the audit committee of the Board
"BLA"	biologics license application
"Board of Directors" or "Board"	the board of Directors
"CDE"	Center for Drug Evaluation of the NMPA
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"cGMP" or "Current Good Manufacturing Practice"	cGMP refers to the Current Good Manufacturing Practice regulations enforced by the FDA. cGMPs provide for systems that assure proper design, monitoring, and control of manufacturing processes and facilities. Adherence to the cGMP regulations assures the identity, strength, quality, and purity of drug products by requiring that manufacturers of medications adequately control manufacturing operations. This includes establishing strong quality management systems, obtaining appropriate quality raw materials, establishing robust operating procedures, detecting and investigating product quality deviations, and maintaining reliable testing laboratories
"Chengdu Kangnuoxing"	Chengdu Kangnuoxing Biopharma, Inc.* (成都康諾行生物醫藥科技有限公司), a subsidiary of the Company
"China" or "PRC"	the People's Republic of China, which, for the purpose of this annual results announcement and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Company", "the Company" or "our Company"	Keymed Biosciences Inc. (formerly known as 2Health Biosciences, Inc.), an exempted company with limited liability incorporated in the Cayman Islands on April 23, 2018
"Core Product"	Stapokibart (CM310), the designated "core product" as defined under Chapter 18A of the Listing Rules
"CRO(s)"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis

"CSPC"	CSPC Pharmaceutical Group Limited, a company listed on the Stock Exchange (stock code: 1093), and its affiliates
"Director(s)"	the director(s) of the Company or any one of them
"Dr. Chen"	Dr. Bo CHEN, the chairman of our Board, an executive Director and the chief executive officer of our Company
"EASI"	the Eczema Area and Severity Index is a validated scoring system that grades the physical signs of AD. An area score of 0-6 is assigned for each body region (total of four), depending on the percentage of AD-affected skin in that area: 0 (none), 1 (1% to 9%), 2 (10% to 29%), 3 (30% to 49%), 4 (50% to 69%), 5 (70% to 89%), or 6 (90% to 100%). The composite score, on a scale from 0 to 72, determines the severity of the signs of AD and the extent to which a patient is affected. EASI-75 indicates ≥75% improvement from baseline
"FDA"	the Food and Drug Administration of the United States
"FVTPL"	fair value through profit or loss
"Global Offering"	the global offering of the Shares, details of which are set forth in the Prospectus
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"IFRSs"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IGA"	Investigator's Global Assessment scale, a five-point scale that provides a global clinical assessment of AD severity ranging from 0 to 4, where 0 indicates clear, 2 is mild, 3 is moderate and 4 indicates severe AD
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or the U.S.
"Independent Third Party" or "Independent Third Parties"	a person or entity who is not a connected person of the Company under the Listing Rules

"InnoCare"	Beijing InnoCare Pharma Tech Co., Ltd. (北京諾誠健華醫藥科技有限公司), a limited liability company incorporated under the laws of the PRC on December 13, 2013, a subsidiary of InnoCare Pharma Limited (Stock Code: 9969), and an Independent Third Party
"JMT-Bio"	Shanghai JMT-Bio Technology Co., Ltd. (上海津曼特生物科技有限公司), a wholly-owned subsidiary of CSPC
"KYM"	KYM Biosciences Inc., a 70% non-wholly owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NMPA"	the National Medical Product Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"Prospectus"	the prospectus of the Company dated June 25, 2021
"R&D"	research and development
"Reporting Period"	the year ended December 31, 2023
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share unit(s), being a conditional right when an award under the 2021 RSU Scheme or 2022 RSU Scheme vests whereby the grantee shall be entitled to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting
"Share(s)"	ordinary share(s) with nominal value of US$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars" or "USD" or "US$"	United States dollars, the lawful currency of the U.S.

"2021 RSU Scheme"	the restricted share unit scheme adopted by the Board on April 5, 2021
"2022 RSU Scheme"	the restricted share unit scheme adopted by the Board on January 21, 2022
"%"	per cent

By order of the Board
Keymed Biosciences Inc.
Dr. Bo CHEN
Chairman

Hong Kong, March 26, 2024

As at the date of this announcement, the Board of Directors of the Company comprises Dr. Bo CHEN, Dr. Changyu WANG and Dr. Gang XU as executive Directors; Mr. Qi CHEN, Dr. Min Chuan WANG and Mr. Yilun LIU as non-executive Directors; Prof. Xiao-Fan WANG, Prof. Yang KE and Mr. Cheuk Kin Stephen LAW as independent non-executive Directors.