ALPHAMAB ONCOLOGY

康寧傑瑞生物製藥

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9966)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

The board (the "**Board**") of directors (the "**Directors**") of Alphamab Oncology (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited condensed consolidated results of our Group for the six months ended June 30, 2024 (the "**Reporting Period**"), together with the comparative figures for the same period of 2023.

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

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	**173,561**	136,465
Cost of sales	**(30,807)**	(33,165)
Gross profit	**142,754**	103,300
Other income	**39,786**	42,979
Other gains and losses	**7,293**	48,751
Research and development ("**R&D**") expenses	**(194,531)**	(194,681)
Administrative expenses	**(34,635)**	(33,244)
Finance costs	**(5,563)**	(6,967)
Loss before taxation	**(44,896)**	(39,862)
Income tax expense	**–**	–
Loss for the period	**(44,896)**	(39,862)
Other comprehensive income (expense) for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of a foreign operation	**282**	(572)
Total comprehensive expense for the period	**(44,614)**	(40,434)

	As of June 30, 2024 *RMB'000* (unaudited)	As of December 31, 2023 *RMB'000* (audited)
Non-current assets	**549,170**	578,583
Current assets	**1,592,832**	1,558,530
Non-current liabilities	**167,875**	198,163
Current liabilities	**345,376**	266,838
Net assets	**1,628,751**	1,672,112

BUSINESS HIGHLIGHTS

During the Reporting Period and up to the date of this announcement, we have been making significant progress with respect to our drug pipeline and business operations, including the following milestones and achievements:

Pipeline Products

- In January 2024, KN035 was registered by the Pharmaceutical Administration Bureau of Macau Special Administrative Region of the People's Republic of China ("**China**" or the "**PRC**") for marketing, applicable for the treatment of adult patients with advanced solid tumors who have unresectable or metastatic advanced microsatellite instability-high (MSI-H) phenotype/mismatch-repair deficiency (dMMR).

- In January 2024, Jiangsu Alphamab Biopharmaceuticals Co., Ltd. (also known as Jiangsu Alphamab Pharmaceuticals Co., Ltd.) (江蘇康寧傑瑞生物製藥有限公司) ("**Jiangsu Alphamab**"), a wholly-owned subsidiary of our Company, entered into a license agreement with 3D Medicines (Beijing) Co., Ltd. (思路迪(北京)醫藥科技有限公司) ("**3D Medicines**") and Glenmark Specialty S.A. ("**Glenmark**"), pursuant to which Jiangsu Alphamab and 3D Medicines agreed to grant Glenmark an exclusive license and the right to sublicence in respect of oncology indications of KN035 to, among others, develop and commercialize KN035 in India, Asia Pacific (except Singapore, Thailand and Malaysia), Middle East and Africa, Russia, Commonwealth of Independent States and Latin America in oncology.

- In February 2024, we achieved encouraging progression-free survival and overall survival ("**OS**") benefit, well tolerance and manageable safety profile in a phase II clinical trial of KN046 in combination with nab-paclitaxel as the first-line treatment of advanced triple-negative breast cancer ("**BC**"). Such results were published in *Nature Communications*, an open access journal that publishes high-quality research from all areas of the natural sciences.

- In March 2024, an implied approval for the clinical trial of JSKN016 in treatment of advanced malignant solid tumors was obtained from the Center for Drug Evaluation of the National Medical Products Administration of China (國家藥品監督管理局藥品審評中心) (the "**NMPA**") for clinical research.

- In March 2024, the results of the phase II clinical trial of KN046 in combination with chemotherapy as first-line treatment for metastatic non-small cell lung cancer ("**NSCLC**") were published on *Cell Reports Medicine*, a premium open-access journal that publishes cutting-edge research in translational and clinical biomedical sciences.

- In March 2024, the first patient was successfully dosed in Australia in the phase I/II clinical trial of JSKN033 for the treatment of human epidermal growth factor receptor 2 ("**HER2**")-expressing advanced or metastatic solid tumors.

- In April 2024, research updates on the results of the phase I clinical trial of JSKN003 for the treatment of HER2-expressing advanced solid tumors, which demonstrated encouraging preliminary anti-tumor activity, favorable tolerability and safety profile of JSKN003 in patients with advanced/metastatic solid tumors who received prior multi-line treatment, were presented at the American Association for Cancer Research annual meeting.

- In May 2024, the first patient was successfully dosed in a phase I clinical trial of JSKN016, a human epidermal growth factor receptor 3 ("**HER3**") and trophoblast cell surface antigen 2 ("**TROP2**") bispecific antibody-drug conjugate ("**ADC**") independently developed by our Company, in the PRC.

- In June 2024, research updates on a phase I/II clinical trial of JSKN003 in patients with advanced solid tumors were presented at the American Society of Clinical Oncology annual meeting. The data of its phase I clinical trial demonstrated encouraging anti-tumor activity, favorable tolerability and safety profile of JSKN003 in heavily pretreated patients.

- In June 2024, Jiangsu Alphamab entered into a research and collaboration agreement with ArriVent BioPharma, Inc. to use Jiangsu Alphamab's proprietary linker-payload (Alphatecan) and glycan-conjugation platforms to discover and develop novel ADC products.

- In July 2024, the supplemental new drug application (the "**NDA**") of KN035 was approved by the NMPA, with its production scale changed from 1,000L to 2,000L.

- Latest research updates on clinical trials of JSKN003 for the treatment of platinum-resistant ovarian cancer and HER2-expressing advanced solid tumors will be presented at the European Society for Medical Oncology Congress in September 2024.

Manufacturing Facilities

- On July 6, 2020, we obtained a drug production license from Jiangsu Medical Products Administration (江蘇省藥品監督管理局) for our manufacturing facilities, with a 4,000L (2x2,000L) production capacity. The construction of our pilot plant and preparation workshop was completed in the first half of 2022, and we obtained another drug production license from Jiangsu Medical Products Administration on December 3, 2022. We have completed the expansion of production facilities with a capacity of 6,000L (3x2,000L) and have officially put them into use since August 2023. The phase II construction is under planning and the facility is designed to house over 40,000L production capacity in total. Meanwhile, we have initiated the construction of the production plant for drug substances and preparations of ADCs.

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

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

PRODUCT PIPELINE

Our highly differentiated in-house pipeline consists of monoclonal antibodies, bispecific antibodies, and ADCs in staggered development status in oncology, including, among others, one approved for marketing by the NMPA and three in late clinical stage. The following chart summarizes our main product pipeline as of the date of this announcement:

Drug Candidate	Indications	Combination Therapies	IND / Proof of Concept / Pivotal / NDA
KN046 (PD-L1/CTLA-4 bispecific antibody)	1L sq NSCLC	+ chemotherapy	Pre-NDA
	1L NSCLC	+ axitinib	
	PD-(L)1 refractory NSCLC	+ axitinib	
KN026 (HER2/HER2 bispecific antibody)	1L BC	+ nab-docetaxel	
	≥ 2L GC/GEJ	+ chemotherapy	
	Neoadjuvant BC	+ docetaxel	
	Late-line colorectal cancer	+ KN046	
KN035 (SubQ PD-L1)	≥ 2L MSI-H/dMMR advanced solid tumors	monotherapy	already launched in China in November 2021
	1L biliary track cancer	+ chemotherapy	
	Neoadjuvant/adjuvant therapy NSCLC	+ chemotherapy	
JSKN003 (HER2 biparatopic ADC)	Solid tumors	monotherapy	China and Australia
JSKN033 (subcutaneous combination of JSKN003 and KN035)	Solid tumors	monotherapy	Australia
JSKN016 (HER3/TROP2 bispecific antibody ADC)	Solid tumors	monotherapy	

The depth and breadth of our in-house R&D and manufacturing capabilities are demonstrated by the following: (i) structure-guided protein engineering capability to develop protein building blocks in various formats, including single domain antibody ("**sdAb**") and engineered proteins; (ii) our in-house developed proprietary platforms including sdAb/monoclonal antibody, CRIB (charge repulsion improved bispecific antibody) platform, CRAM (charge repulsion induced antibody mixture) platform, BADC (bispecific ADC) platform, BADDC (bispecific antibody dual drug conjugation) platform and CIMC (chemokine immune modulator conjugation) platform; and (iii) state-of-the-art manufacturing capability, to be further strengthened by new facilities with an expected capacity of over 40,000L, designed and built to meet the current good manufacturing practice standards of the NMPA, the European Medicines Agency and the United States ("**U.S.**") Food and Drug Administration.

COMMERCIALIZATION

We have commenced the commercialization of KN035 (Envafolimab Injectable) (brand name: ENWEIDA, 恩維達®) since November 2021. The NDA for KN046 is expected to be determined whether to be submitted in 2024, subject to the results of its final OS analysis for first-line treatment of sq NSCLC, and the one for KN026 is expected to be submitted in 2025. The successful launch of our first commercial product has propelled us to the commercial phase of our business operations and has unleashed full power of our fully-integrated multi-function platform for the discovery, development, manufacture and commercialization of innovative drugs. Our commercialization team expects to cover major provinces and municipalities in China in the future, especially the ones with relatively well-developed economies and high level of discretionary income. We intend to continue to leverage our evolving innovative technology platforms to develop our pipeline products and expand our commercialization team in anticipation of increasing product launches and approved indications.

Cautionary Statement required by Rule 18A.05 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"): We cannot guarantee that we will be able to successfully develop, or ultimately market our core products, namely, KN046 and KN026. Shareholders of our Company (the "Shareholders") and potential investors of our Company are advised to exercise caution when dealing in the shares of our Company (the "Shares").

FINANCIAL REVIEW

Overview

We recorded total revenue of RMB173.6 million for the six months ended June 30, 2024 (for the six months ended June 30, 2023: RMB136.5 million) and recorded total cost of sales of RMB30.8 million for the corresponding period (for the six months ended June 30, 2023: RMB33.2 million). For the six months ended June 30, 2024, our Group recorded other income of RMB39.8 million, as compared with RMB43.0 million for the six months ended June 30, 2023. We recorded other gains of RMB7.3 million for the six months ended June 30, 2024, as compared to other gains of RMB48.8 million for the six months ended June 30, 2023. Our total comprehensive expense amounted to RMB44.6 million for the six months ended June 30, 2024, as compared with RMB40.4 million for the six months ended June 30, 2023. The R&D expenses of our Group amounted to RMB194.5 million for the six months ended June 30, 2024, as compared with RMB194.7 million for the six months ended June 30, 2023. The administrative expenses amounted to RMB34.6 million for the six months ended June 30, 2024 as compared with RMB33.2 million for the six months ended June 30, 2023. The finance costs amounted to RMB5.6 million for the six months ended June 30, 2024 as compared with RMB7.0 million for the six months ended June 30, 2023.

Revenue

We recorded total revenue of RMB173.6 million for the six months ended June 30, 2024. Our Group mainly generated revenue from (i) sales of pharmaceutical products and royalty income; (ii) license fee income; and (iii) provision of goods/consumables for R&D projects. The following table sets forth the components of the revenue from contracts with customers for the periods presented:

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Time of revenue recognition		
A point in time		
Sales of pharmaceutical products and royalty income	**90,643**	117,015
License fee income	**78,197**	7,202
Provision of goods/consumables for R&D projects	**4,305**	11,939
	173,145	136,156
Overtime		
License fee income	**416**	309
	173,561	136,465

For the six months ended June 30, 2024, we recorded sales of pharmaceutical products and royalty income of RMB90.6 million from 3D Medicines (Sichuan) Co., Ltd. (四川思路康瑞藥業有限公司) ("**3D Medicines (Sichuan)**"), as compared with RMB117.0 million for the six months ended June 30, 2023 from 3D Medicines (Sichuan). Our Group and 3D Medicines entered into a licensing agreement in February 2016 for the joint development and commercialization of KN035. For the six months ended June 30, 2024, revenue from the sales of KN035 product to 3D Medicines (Sichuan) amounted to RMB69.8 million, as compared with RMB71.5 million for the six months ended June 30, 2023. Such revenue is recognized by our Group when the goods are delivered and the control of the goods has been transferred. For the six months ended June 30, 2024, our Group recognized revenue of RMB20.8 million (for the six months ended June 30, 2023: RMB45.5 million) for sales-based royalty fees generated from licensing KN035 intellectual property under a supplementary agreement entered into between our Group, 3D Medicines and 3D Medicines (Sichuan) in December 2021.

For the six months ended June 30, 2024, our Group recognized license fee income (recognized overtime) of RMB416,000 on co-development and commercialization of KN035 (for the six months ended June 30, 2023: RMB309,000), primarily representing the recognition of revenue amortization from a non-refundable upfront payment under our collaboration with 3D Medicines upon the commencement of commercialization of KN035 in November 2021.

The Group's license fee income (recognized at a point in time) was RMB78.2 million for the six months ended June 30, 2024 (for the six months ended June 30, 2023: RMB7.2 million). The significant increase was mainly attributable to the collaborative and licensing agreements we entered into in the first half of 2024. Please refer to our Company's announcements dated January 25, 2024 and June 5, 2024 for further details.

In addition, we continue to provide goods and consumables for customers to conduct clinical trials as well. Such revenue is recognized when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. For the six months ended June 30, 2024, we recorded revenue of RMB4.3 million (for the six months ended June 30, 2023: RMB11.9 million) for the provision of goods and consumables for R&D projects.

Cost of Sales

Our cost of sales primarily consisted of cost of direct labor, manufacturing cost and raw material and manufacturing overhead related to the production of the product sold. For the six months ended June 30, 2024, our Group's cost of sales remained relatively stable at RMB30.8 million (for the six months ended June 30, 2023: RMB33.2 million).

Other Income

Our Group's other income primarily consisted of interest income and government grants income.

For the six months ended June 30, 2024, our Group's other income remained relatively stable at RMB39.8 million, as compared to RMB43.0 million for the six months ended June 30, 2023. Our interest income decreased from RMB37.7 million for the six months ended June 30, 2023 to RMB30.3 million for the six months ended June 30, 2024, primarily due to the decreasing interest rate of RMB deposits. Our government grants income increased from RMB5.2 million for the six months ended June 30, 2023 to RMB9.4 million for the six months ended June 30, 2024, primarily because local government completed the inspection of our existing projects in the first half of 2024.

Other Gains

Our Group's other gains primarily consisted of net exchange gains.

For the six months ended June 30, 2024, we recorded RMB7.3 million of other gains, compared to RMB48.8 million for the six months ended June 30, 2023, mainly arising from unrealized net foreign exchange adjustment as a result of the weakening of certain major currency, in particular, the U.S. dollar, against the RMB.

R&D Expenses

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

For the six months ended June 30, 2024, our R&D expenses remained relatively stable at RMB194.5 million, compared to RMB194.7 million for the six months ended June 30, 2023. The following table sets forth the breakdown of our R&D expenses by nature for the periods indicated.

	For the six months ended June 30,			
	2024		2023	
	(RMB in thousands, except percentages)			
	(unaudited)		(unaudited)	
Outsourcing service fees	**54,040**	**27.8%**	64,156	33.0%
Staff costs	**66,861**	**34.3%**	66,961	34.4%
Raw material costs	**28,326**	**14.6%**	23,924	12.3%
Office rental costs, utilities, and depreciation and amortization	**36,566**	**18.8%**	30,905	15.9%
Others	**8,738**	**4.5%**	8,735	4.4%
Total	**194,531**	**100.0%**	194,681	100.0%

Administrative Expenses

Our Group's administrative expenses primarily comprised of staff costs for our administrative staff, including salary, bonus and equity incentives.

Our administrative expenses remained relatively stable at RMB34.6 million for the six months ended June 30, 2024, compared to RMB33.2 million for the six months ended June 30, 2023.

Finance Costs

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

Our finance costs decreased to RMB5.6 million for the six months ended June 30, 2024, as compared to RMB7.0 million for the six months ended June 30, 2023, primarily due to (i) the change of the amount of working capital borrowings and (ii) the decrease in the interest rate of borrowings.

Income Tax Expense

We had unused tax losses of RMB3,547.5 million available for set off against future profits as of June 30, 2024, as compared to unused tax losses of RMB2,990.4 million for the six months ended June 30, 2023. No deferred tax asset has been recognized in respect of the unused tax losses due to the unpredictability of future profit streams.

For the six months ended June 30, 2024 and 2023, we did not incur any income tax expenses.

Loss for the Reporting Period

As a result of the above factors, the loss of our Group increased by RMB5.0 million to RMB44.9 million for the six months ended June 30, 2024 from RMB39.9 million for the six months ended June 30, 2023.

Property, Plant and Equipment

Property, plant and equipment primarily consisted of our manufacturing facilities, R&D center and office premises.

Our property, plant and equipment decreased by RMB30.1 million to RMB520.0 million as of June 30, 2024, compared to RMB550.1 million as of December 31, 2023, primarily due to the normal depreciation of property, plant and equipment.

Right-of-use Assets

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

Our right-of-use assets remained relatively stable at RMB27.1 million as of June 30, 2024, compared to RMB26.9 million as of December 31, 2023.

Inventories

Our Group's inventories consisted of raw materials and other consumables used in the R&D of our drug candidates, work in progress and finished goods.

Our inventories decreased by RMB13.5 million to RMB65.2 million as of June 30, 2024, compared to RMB78.7 million as of December 31, 2023, primarily attributable to our improved inventory management.

Trade Receivables

Our Group's trade receivables primarily consisted of our trade receivables with contracts with customers.

Our trade receivables as of June 30, 2024 amounted to RMB13.2 million as compared to RMB7.1 million as of December 31, 2023, primarily due to the increase in the royalty income during the second quarter of 2024.

Other Receivables, Deposits and Prepayments

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

Our other receivables, deposits and prepayments decreased by RMB6.5 million to RMB60.0 million as of June 30, 2024, compared to RMB66.5 million as of December 31, 2023, primarily due to the receipt of certain interest payments and decrease in receivables for the interest income.

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

Our cash and cash equivalents mainly consisted of (i) cash at banks and on hand and (ii) time deposits with original maturity less than three months.

Our cash and cash equivalents increased from RMB1,086.0 million as of December 31, 2023 to RMB1,140.2 million as of June 30, 2024, while our time deposits with original maturity over three months decreased from RMB321.2 million as of December 31, 2023 to RMB316.4 million as of June 30, 2024.

Trade and Other Payables

Our Group's trade and other payables primarily consisted of accrued R&D expenses and staff costs, which largely relate to our clinical studies. Our trade and other payables also consisted of payables for the construction of new facilities and the procurement of equipment and machinery for these new facilities.

Our trade and other payables decreased from RMB175.1 million as of December 31, 2023 to RMB161.8 million as of June 30, 2024, primarily due to the decrease in (i) payables for purchasing raw materials used in manufacturing and R&D activities and (ii) payables for the procurement of assets.

Amount Due to a Related Company

Our amount due to a related company, Suzhou Alphamab Co., Ltd. (蘇州康寧傑瑞生物科技有限公司) ("**Suzhou Alphamab**"), decreased from RMB4.4 million as of December 31, 2023 to RMB0.9 million as of June 30, 2024, primarily due to our payment for the process development service fees to Suzhou Alphamab.

Lease Liabilities

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

Our lease liabilities decreased from RMB7.1 million as of December 31, 2023 to RMB6.6 million as of June 30, 2024, primarily due to our timely payment of rents.

Contract Liabilities

We recorded contract liabilities of RMB25.5 million and RMB24.0 million as of December 31, 2023 and June 30, 2024, respectively. Our contract liabilities mainly represented the upfront payment of RMB12.5 million from 3D Medicines that we recognized for co-development and commercialization of KN035 and the upfront payment of RMB10.7 million from JMT-Bio in relation to our performance obligation of providing goods and consumables for R&D projects in relation to KN026. Such amounts are subject to adjustment for the effects of the time value of money at a discount rate of 4.35% per annum and 3.70% per annum, respectively, taking into consideration of the credit characteristics of our Group. We own the right to manufacture and supply KN035 to 3D Medicines (Sichuan) and KN026 to JMT-Bio, respectively. As this accrual increases the amount of the contract liabilities during the period of development of KN035, it increases the amount of revenue to be recognized as our Group commences the manufacturing of the product and the transfer of control of goods to our customers for commercialization of KN035. As this accrual increases the amount of the contract liabilities during the period of development of KN026, it increases the amount of revenue to be recognized as our Group satisfies the performance obligation of providing goods and consumables for R&D projects to JMT-Bio.

Liquidity and Source of Funding

Our primary uses of cash were to fund our clinical trials, manufacturing, purchase of equipment and raw materials and other expenses. During the Reporting Period, we primarily funded our working capital requirements through proceeds from the Global Offering (as defined in the prospectus dated December 2, 2019 (the "**Prospectus**")), the Top-up Placing (as defined below), sales of our commercialized product, pre-IPO financing and bank borrowings at reasonable market rates. Currently, we follow a set of funding and treasury policies to manage our capital resources and prevent risks involved. In order to better control and minimize the cost of funds, our Group's treasury activities are centralized, and all cash transactions are dealt through reputable commercial banks. We closely monitor the uses of cash and cash balances and strive to maintain a healthy liquidity for our operations.

As of June 30, 2024, there was a balance of unutilized net proceeds from the Global Offering, Top-up Placing, pre-IPO financing and bank borrowings. For details on the net proceeds from the Global Offering and the Top-up Placing, please refer to the section headed "Use of Net Proceeds from the Global Offering" and "Use of Net Proceeds from the Top-Up Placing" respectively in this announcement.

We believe that we have sufficient funds to satisfy our working capital and capital expenditure requirements for the second half of 2024.

Bank Borrowings

As of June 30, 2024, our bank borrowings of RMB320.0 million (as of December 31, 2023: RMB250.0 million) had effective interest rates of 2.50% to 2.87%. As of June 30, 2024, our secured bank borrowings were secured by property and plant of RMB243.1 million and land use rights in our right-of-use assets of RMB20.4 million.

Key Financial Ratios

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

	As of June 30, 2024	As of December 31, 2023
Current ratio[(1)]	**4.61**	5.84
Quick ratio[(2)]	**4.42**	5.55
Gearing ratio[(3)]	**(0.50)**	(0.50)

Notes:

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

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

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

Material Investments

We did not make any material investments during the six months ended June 30, 2024. In addition, there is no plan of our Group for material investments or additions of material capital assets as of the date of this announcement.

Material Acquisitions and Disposals

We did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures in the six months ended June 30, 2024.

Pledge of Assets

As of June 30, 2024, our Group had a total RMB243.1 million of property and plant and RMB20.4 million of land use rights pledged to secure its loans and banking facilities.

Contingent Liabilities

As of June 30, 2024, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

Foreign Exchange Exposure

During the six months ended June 30, 2024, we mainly operated in China and a majority of our transactions were settled in RMB, the functional currency of our Company's primary subsidiaries. As of June 30, 2024, a significant amount of our Group's bank balances and cash was denominated in U.S. dollars. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Except for certain bank balances and cash, other receivables, trade and other payables, and other financial liabilities denominated in foreign currencies, our Group did not have significant foreign currency exposure from its operations as of June 30, 2024.

Employees and Remuneration

As of June 30, 2024, our Group had 429 employees (as of June 30, 2023: 437 employees). The total remuneration cost incurred by our Group for the six months ended June 30, 2024 was RMB86.8 million, as compared to RMB85.3 million for the six months ended June 30, 2023.

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

Our Company has also adopted the Pre-IPO Share Option Plans, the Post-IPO Share Option Scheme and the Post-IPO Restricted Share Award Scheme to provide incentives for our employees. Please refer to the section headed "Statutory and General Information – D. Pre-IPO Share Option Plans" in Appendix V to the Prospectus and our Company's circular dated May 21, 2024 for further details.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	For the six months ended June 30, 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	3	**173,561**	136,465
Cost of Sales		**(30,807)**	(33,165)
Gross profit		**142,754**	103,300
Other income	4	**39,786**	42,979
Other gains and losses	5	**7,293**	48,751
R&D expenses	7	**(194,531)**	(194,681)
Administrative expenses		**(34,635)**	(33,244)
Finance costs	6	**(5,563)**	(6,967)
Loss before taxation		**(44,896)**	(39,862)
Income tax expense	8	**–**	–
Loss for the period	9	**(44,896)**	(39,862)
Other comprehensive income (expense) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of a foreign operation		**282**	(572)
Total comprehensive expense for the period		**(44,614)**	(40,434)
Loss per share in RMB			
– Basic	11	**(0.05)**	(0.04)
– Diluted		**(0.05)**	(0.04)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**June 30, 2024** ***RMB'000*** **(unaudited)**	December 31, 2023 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment	*12*	**519,964**	550,052
Right-of-use assets		**27,070**	26,901
Deposits paid for acquisition of property, plant and equipment		**96**	579
Other receivables, deposits and prepayments	*14*	**2,040**	1,051
		549,170	578,583
Current assets			
Inventories		**65,163**	78,747
Trade receivables	*13*	**13,166**	7,131
Other receivables, deposits and prepayments	*14*	**57,917**	65,416
Time deposits with original maturity over three months		**316,392**	321,248
Cash and cash equivalents		**1,140,194**	1,085,988
		1,592,832	1,558,530
Current liabilities			
Trade and other payables	*15*	**161,791**	175,098
Amount due to a related company		**857**	4,379
Lease liabilities – current portion		**4,070**	5,498
Contract liabilities – current portion		**8,658**	3,879
Bank borrowings – current portion	*16*	**170,000**	75,000
Deferred income		**–**	2,984
		345,376	266,838
Net current assets		**1,247,456**	1,291,692
Total assets less current liabilities		**1,796,626**	1,870,275

	NOTES	**June 30, 2024** ***RMB'000*** **(unaudited)**	December 31, 2023 *RMB'000* (audited)
Non-current liabilities			
Lease liabilities – non-current portion		**2,546**	1,582
Contract liabilities – non-current portion		**15,329**	21,581
Bank borrowings – non-current portion	*16*	**150,000**	175,000
		167,875	198,163
Net assets		**1,628,751**	1,672,112
Capital and reserves			
Share capital		**13**	13
Reserves		**1,628,738**	1,672,099
Total equity		**1,628,751**	1,672,112

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

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

The Company is an investment holding company. The Group is principally engaged in R&D, manufacturing and commercialization of biologics of oncology.

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

In addition, the condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after January 1, 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

The Group derives its revenue from contracts with customers in relation to the transfer of goods and services over time and at a point in time, as follows:

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Time of revenue recognition		
A point in time		
Sales of pharmaceutical products and Royalty income	**90,643**	117,015
License fee income	**78,197**	7,202
Provision of goods/consumables for R&D projects	**4,305**	11,939
	173,145	136,156
Overtime		
License fee income	**416**	309
	173,561	136,465

Segment information

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

Geographical information

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

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Customer A	**90,643**	117,015
Customer B	**42,563**	–
Customer C	**35,634**	–

(ii) Performance obligations for contracts with customers and revenue recognition policies

(a) License fee income:

A point in time

The Group provides license of its patented intellectual property ("**IP**") to customers. License fee income is recognized at a point in time when the Group has transferred the license to the customers and the customers have the practical ability to use the license.

Over time

The Group entered into collaboration agreements and was entitled an exclusive right to manufacture and supply product to customer for their further commercialization to ultimate customers. Upfront fee received are recorded under contract liabilities. The Group transfers the contract liabilities to Co-development and commercialization income over time on a systematic basis that is consistent with the customer receives and consumes the benefits.

For contracts that contain variable consideration in relation to milestone payment and sales-based royalty from license agreement, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognize revenue for a sales-based royalty promised in exchange for a license of IP only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

(b) Sales of pharmaceutical products and Royalty income:

For the sale of pharmaceutical products, revenue is recognized when control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following the delivery, the customer bears the risks of obsolescence and loss in relation to the goods. Under the Group's standard contract terms, the customer can request return or refund of the goods only if the goods delivered do not meet required quality standards. Full prepayments are normally required before any goods delivery.

For sales-based royalty promised in exchange of license of IP, the fees are agreed in the contract based on a specified formula and invoiced on quarterly basis with a normal credit term of 30 days.

(c) Provision of goods/consumables for research and development projects:

For the provision of goods/consumables for research and development project, revenue is recognized when control of the goods has transferred, being when the goods have been delivered and acknowledged by the customer.

As at June 30, 2024, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the Reporting Period. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. OTHER INCOME

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest income	**30,340**	37,730
Government grants income *(Note)*	**9,446**	5,249
	39,786	42,979

Note: Government grants income mainly includes subsidies from the PRC local government in support of oncology drug development. Out of which RMB2,984,000 (the six months ended June 30, 2023: RMB1,232,000) is released from deferred income upon compliance with the attached conditions and RMB6,462,000 (the six months ended June 30, 2023: RMB4,017,000) is received unconditionally from the PRC local government.

5. OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Exchange gains, net	**7,290**	48,846
Others	**3**	(95)
	7,293	48,751

6. FINANCE COSTS

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses on:		
Bank borrowings	**4,634**	6,080
Contract liabilities	**478**	545
Lease liabilities	**451**	342
	5,563	6,967

7. R&D EXPENSES

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Outsourcing service fees	**54,040**	64,156
Staff cost	**66,861**	66,961
Raw material costs	**28,326**	23,924
Office rental costs, utilities, and depreciation and amortization	**36,566**	30,905
Others	**8,738**	8,735
	194,531	194,681

8. INCOME TAX EXPENSE

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

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC entities is 25% (2023: 25%). Jiangsu Alphamab has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Jiangsu Province and relevant authorities on October 18, 2022 for a term of three years from 2022 to 2024, and has been registered with the local tax authorities for enjoying the reduced 15% EIT rate. The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authorities in the PRC for every three years.

Under the Treasury Law Amendment (Enterprise Tax Plan Base Rate Entities) Bill 2017 of Australia, corporate entities who qualify as a small business entity are eligible for a lower corporate tax rate at 26% (2023: 26%). Alphamab (Australia) Co. Pty. Ltd. is qualified as a small business entity and is subject to a corporate tax rate of 26% (2023: 26%).

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

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

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

9. LOSS FOR THE PERIOD

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging:		
Staff cost (including Directors' emoluments):		
Salaries and other allowances	**71,151**	68,016
Retirement benefits scheme contributions	**14,531**	13,229
Share-based payment expenses	**1,114**	4,046
Total staff costs	**86,796**	85,291
Auditor's remuneration	**1,056**	1,111
Cost of inventories included in R&D expenses	**28,326**	23,924
Outsourcing service fees included in R&D expenses	**54,040**	64,156
Short-term lease expenses	**86**	187
Depreciation of property, plant and equipment	**30,785**	25,604
Depreciation of right-of-use assets	**6,507**	6,749

10. DIVIDENDS

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

11. LOSS PER SHARE

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

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss:		
Loss for the period for the purposes of calculating basic and diluted loss per Share	**(44,896)**	(39,862)
Number of Shares ('000):		
Weighted average number of Shares for the purposes of calculating basic and diluted loss per Share	**962,809**	957,141

The calculation of basic and diluted loss per share for the six months ended June 30, 2024 and 2023, has not been considered, where appropriate, the share options awarded under the pre-IPO share option scheme, the share options awarded under the post-IPO share option scheme, and the restricted shares that have not yet been vested as their inclusion would be anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2024, the Group had additions to construction in progress of approximately RMB768,000 (the six months ended June 30, 2023: RMB17,762,000), which mainly consists of research and development as well as production plant and equipment.

13. TRADE RECEIVABLES

	As of June 30, 2024 ***RMB'000*** **(unaudited)**	As of December 31, 2023 *RMB'000* (audited)
Trade receivables with contracts with customers	**13,166**	7,131

The Group allows an average credit period of 30 days to its trade customers.

The following is an aging analysis of trade receivables, representing the royalty fee income, presented based on the date when the Group obtains the unconditional rights for payment at the end of the Reporting Period.

	As of June 30, 2024 ***RMB'000*** **(unaudited)**	As of December 31, 2023 *RMB'000* (audited)
0 to 60 days	**13,166**	7,131

As at June 30, 2024, none of the Group's trade receivables are past due as at the reporting date.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As of June 30, 2024 ***RMB'000*** **(unaudited)**	As of December 31, 2023 *RMB'000* (audited)
Deposits	**1,047**	1,047
Interest receivables	**16,309**	23,694
Prepayments	**35,276**	33,871
Other receivables	**845**	416
VAT recoverable	**6,480**	7,439
	59,957	66,467
Presented as non-current assets	**2,040**	1,051
Presented as current assets	**57,917**	65,416
	59,957	66,467

15. TRADE AND OTHER PAYABLES

	As of June 30, 2024 ***RMB'000*** **(unaudited)**	As of December 31, 2023 *RMB'000* (audited)
Trade payables	**22,801**	27,163
Accrued expenses		
– Outsourcing service fees	**93,007**	85,601
– Staff costs	**17,396**	26,157
– Interest payable	**232**	187
– Others	**8,032**	7,943
	118,667	119,888
Payables for acquisition of property, plant and equipment	**9,321**	13,704
Other payables	**11,002**	14,343
	161,791	175,098

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

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

	As of June 30, 2024 ***RMB'000*** **(unaudited)**	As of December 31, 2023 *RMB'000* (audited)
0 to 90 days	**22,801**	27,163

16. BANK BORROWINGS

	As of June 30, 2024 ***RMB'000*** **(unaudited)**	As of December 31, 2023 *RMB'000* (audited)
Secured bank borrowings – variable-rate	**200,000**	200,000
Unsecured bank borrowings – variable-rate	**120,000**	50,000
	320,000	250,000

FUTURE DEVELOPMENT

We will continue to strive for delivering world-class innovative therapeutic biologics to treat patients globally by applying our unique drug discovery and development capabilities. Leveraging our strong in-house R&D capabilities and technology platforms, we will discover, validate and select lead candidates to enrich our early-stage pipeline with a focus on immuno-oncology based bispecific antibody drugs and bispecific ADCs. We will also continue to optimize our manufacturing process and technologies to enhance product quality and reduce the costs. To maximize the commercial value of our assets with global rights, we will also continue to actively seek for more strategic collaboration opportunities for our core products, such as co-development, collaboration in combination development, and out-licensing.

INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended June 30, 2024 to the Shareholders (for the six months ended June 30, 2023: nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Compliance with the Corporate Governance Code

Our Company strives to achieve high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for our Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Our Company has adopted the principles and code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Listing Rules as the basis of our Company's corporate governance practices.

During the six months ended June 30, 2024, we complied with all applicable code provisions set out in the Corporate Governance Code except for the deviations from code provision C.2.1 of the Corporate Governance Code. Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. Xu Ting currently serves as the chairman of the Board and the chief executive officer of our Company. He is the founder of our Group and has been operating and managing our Group since its establishment. The Directors believe that it is beneficial to the business operations and management of our Group that Dr. Xu Ting continues to serve as both the chairman of the Board and the chief executive officer of our Company.

We regularly review its compliance with Corporate Governance Code and the Board believes that save as disclosed above, our Company was in compliance with the applicable code provisions of the Corporate Governance Code for the six months ended June 30, 2024.

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

Full details of our Company's corporate governance practices will be set out in the forthcoming Company's annual report for the year ending December 31, 2024.

Compliance with the Model Code

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

Our Company's relevant employees, who are likely to be in possession of unpublished sensitive information of our Company ("**Inside Information**"), have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the relevant employees was noted by our Company during the Reporting Period.

We have also established a policy on Inside Information to comply with its obligations under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Listing Rules. In case when our Company is aware of any restricted period for dealings in our Company's securities, we will notify Directors and relevant employees in advance.

Purchase, Sale or Redemption of Listed Securities

Neither our Company nor any of our subsidiaries purchased, sold or redeemed any listed securities of our Company during the six months ended June 30, 2024. As at June 30, 2024, we did not hold any treasury Shares.

Audit Committee

The unaudited condensed consolidated financial statements of our Group for the six months ended June 30, 2024 have been reviewed by our Company's external auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants and by the audit committee of our Company (the "**Audit Committee**"). The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by our Company and internal control with senior management members of our Company.

Use of Net Proceeds from the Global Offering

Our Company's Shares were listed on the Stock Exchange on December 12, 2019. The net proceeds from the Global Offering amounted to approximately HK$2,042.5 million. As of June 30, 2024, approximately HK$1,888.4 million of the net proceeds of the Global Offering had been utilized as follows:

	Allocation of net proceeds from the Global Offering in the proportion disclosed in the Prospectus		Proceeds from the Global Offering utilized as of December 31, 2023		Proceeds from the Global Offering utilized during the Reporting Period		Proceeds from the Global Offering utilized as of June 30, 2024		Amounts not yet utilized as of June 30, 2024	
	HK$ million	*Percentage*	*HK$ million*	*Percentage*	*HK$ million*	*Percentage*	*HK$ million*	*Percentage*	*HK$ million*	*Percentage*
Key drug development programs										
the R&D and commercialization of KN046										
• the ongoing and planned clinical trials of, and preparation of registration filings for, KN046	817.0	40.0%	676.3	39.4%	81.8	47.9%	758.1	40.1%	58.9	38.2%
• the launch and, subject to regulatory approval, commercialization of KN046	204.3	10.0%	169.1	9.8%	20.5	12.0%	189.6	10.0%	14.7	9.6%
Subtotal	***1,021.3***	***50.0%***	***845.4***	***49.2%***	***102.3***	***59.9%***	***947.7***	***50.1%***	***73.6***	***47.8%***
the R&D and commercialization of KN026										
• the ongoing and planned clinical trials of, and preparation of registration filings for, KN026	326.8	16.0%	207.4	12.1%	54.9	32.1%	262.4	13.9%	64.4	41.8%
• the launch and, subject to regulatory approval, commercialization of KN026	81.7	4.0%	51.9	3.0%	13.7	8.0%	65.6	3.5%	16.1	10.4%
Subtotal	***408.5***	***20.0%***	***259.3***	***15.1%***	***68.6***	***40.1%***	***328.0***	***17.4%***	***80.5***	***52.2%***
the R&D of KN019	102.1	5.0%	102.1	5.9%	–	–	102.1	5.4%	–	–
Subtotal	***1,531.9***	***75.0%***	***1,206.8***	***70.2%***	***170.9***	***100.0%***	***1,377.7***	***73.0%***	***154.1***	***100.0%***
The construction of our new manufacturing and R&D facilities in Suzhou	**306.4**	**15.0%**	**306.4**	**17.9%**	**–**	**–**	**306.4**	**16.2%**	**–**	**–**
The early-stage pipeline and our working capital and general corporate purposes	**204.3**	**10.0%**	**204.3**	**11.9%**	**–**	**–**	**204.3**	**10.8%**	**–**	**–**
Total	**2,042.5**	**100.0%**	**1,717.5**	**100.0%**	**170.9**	**100.0%**	**1,888.4**	**100.0%**	**154.1**	**100.0%**

We plan to utilize the balance of net proceeds of the Global Offering by the end of 2024. The expected timeline for utilizing the net proceeds from the Global Offering is based on the best estimation of future progress of regulatory approvals and market conditions made by our Company and subject to changes in accordance with our actual business operations and markets conditions. Going forward, the net proceeds will be applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus and there is no change in the intended use of net proceeds as previously disclosed in the Prospectus.

Use of Net Proceeds from the Top-Up Placing

In February 2023, our Company entered into a placing and subscription agreement with Rubymab Ltd., the top-up vendor, and Jefferies Hong Kong Limited, the placing agent, for the placing of 25,000,000 Shares at a price of HK$15.22 per placing Share (the "**Top-Up Placing**") and upon completion of the Top-up Placing, we received total net proceeds of approximately HK$376.2 million, net of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses. For details, please refer to our Company's announcements dated February 3, 2023 and February 9, 2023 (the "**Placing Announcements**"). As of June 30, 2024, approximately HK$39.4 million of the net proceeds of the Top-up Placing had been utilized as follows:

	Allocation of net proceeds from the Top-up Placing in the proportion disclosed in the Placing Announcements		**Proceeds from the Top-up Placing utilized as of June 30, 2024**		**Proceeds from the Top-up Placing utilized during the Reporting Period**		**Amounts not yet utilized as of June 30, 2024**	
	HK$ million	***Percentage***	***HK$ million***	***Percentage***	***HK$ million***	***Percentage***	***HK$ million***	***Percentage***
the R&D and commercialization								
• the launch several registered clinical trials of JSKN003	301.0	80.0%	30.4	77.2%	–	–	270.6	80.3%
• the clinical development of JSKN016	37.6	10.0%	8.4	21.3%	–	–	29.2	8.7%
Subtotal	***338.6***	***90.0%***	***38.8***	***98.5%***	**–**	**–**	***299.8***	***89.0%***
Company's general corporate purposes	**37.6**	**10.0%**	**0.6**	**1.5%**	**–**	**–**	**37.0**	**11.0%**
Total	**376.2**	**100.0%**	**39.4**	**100.0%**	**–**	**–**	**336.8**	**100.0%**

Our Company expects that approximately HK$50.0 million to HK$100.0 million, accounting for approximately 13.3% to 26.6% of the net proceeds of the Top-up Placing, will be utilized for the year ending December 31, 2024 and plans to utilize the balance of net proceeds of the Top-up Placing by end of 2025. The expected timeline for utilizing the net proceeds from the Top-up Placing is based on the best estimation of future progress of regulatory approvals and market conditions made by our Company and subject to changes in accordance with relevant clinical development, our actual business operations and markets conditions.

Events After the end of Reporting Period

On August 15, 2024, the Board resolved to repurchase the Shares of the Company in the open market from time to time up to HK$50 million in value, pursuant to the general mandate granted to the Directors, approved by the Shareholders at the annual general meeting held on June 12, 2024. Please refer to our Company's announcement dated August 15, 2024 for further details.

Save as disclosed above and in the section headed "Business Highlights" in this announcement, the Directors are not aware of any other significant event requiring disclosure that has taken place subsequent to June 30, 2024 and up to the date of this announcement.

Principal Risks and Uncertainties

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

The interim report for the six months ended June 30, 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders (if requested) and published on the websites of the Stock Exchange and our Company in September 2024.

APPRECIATION

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

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

Hong Kong, August 15, 2024

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