邁博藥業

Mabpharm Limited

迈博药业有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2181)

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTION

THE CLINICAL TRIALS AGREEMENT FOR CMAB007

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTION

Reference is made to the prospectus of the Company dated May 20, 2019, in relation to the continuing connected transaction entered into between Taizhou Pharmaceutical and Biomabs under the Existing Clinical Trials Agreement pursuant to which Biomabs shall commence and complete phase III clinical trials of CMAB007 and CMAB008 for Taizhou Pharmaceutical.

As the Existing Clinical Trials Agreement will expire on December 31, 2020 and the phase III clinical trials of CMAB007 are expected to complete in the first half of 2021, Biomabs and Taizhou Pharmaceutical have on December 2, 2020 entered into the Supplemental Clinical Trials Agreement to renew the terms of such continuing connected transaction until December 31, 2021.

LISTING RULES IMPLICATIONS

As Mr. Guo Jianjun, one of the non-executive directors and controlling shareholders of the Company, together with his associates indirectly controls 66.67% of the voting rights of Sinomab as at the date of this announcement, and Biomabs is the direct wholly-owned subsidiary of Sinomab, Biomabs is a connected person of the Company and the transactions contemplated under the Supplemental Clinical Trials Agreement constitute continuing connected transactions between the Company and its connected person.

Since all of the applicable percentage ratios calculated with reference to the annual cap for the Supplemental Clinical Trials Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Supplemental Clinical Trials Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the prospectus of the Company dated May 20, 2019 ("**Prospectus**"), in relation to the continuing connected transaction entered into between Taizhou Pharmaceutical and Biomabs under the Existing Clinical Trials Agreement pursuant to which Biomabs shall commence and complete phase III clinical trials of CMAB007 and CMAB008 for Taizhou Pharmaceutical.

As the Existing Clinical Trials Agreement will expire on December 31, 2020 and the phase III clinical trials of CMAB007 are expected to complete in the first half of 2021, Biomabs and Taizhou Pharmaceutical have on December 2, 2020 entered into the Supplemental Clinical Trials Agreement to renew the terms of such continuing connected transaction until December 31, 2021.

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTION

Supplemental Clinical Trials Agreement

The principal terms of the Supplemental Clinical Trials Agreement are set forth below:

Date:

December 2, 2020

Parties:

i. Taizhou Pharmaceutical, as principal

ii. Biomabs, as agent

Term

From January 1, 2021 to December 31, 2021

Clinical Trials Services

Pursuant to the Supplemental Clinical Trials Agreement, Biomabs shall continue to engage third party service providers, including, but not limited to, Site Management Organization (SMO), hospitals and analysis laboratories, etc. to be responsible for the arrangement of Clinical Research Coordinators (CRC) and the clinical trial sites for making non-medical judgments to ensure the smooth operation of the phase III clinical trials of CMAB007. In addition, Taizhou Pharmaceutical has the right and interests in any data and research achievements generated in the course of phase III clinical trials of CMAB007 conducted by Biomabs.

Pricing Policy

On or before the 10th day of each calendar month, Taizhou Pharmaceutical shall (i) confirm with Biomabs all expenses and reimbursements, incurred in relation to such clinical trial, which have been paid by Biomabs on behalf of Taizhou Pharmaceutical (the "**agreed reimbursements**") for the previous calendar month; and (ii) pay such agreed reimbursements.

Historical Transaction Amounts

The agreed reimbursements paid by Taizhou Pharmaceutical to Biomabs pursuant to the Existing Clinical Trials Agreement for the year ended December 31, 2019 and the period between January 1, 2020 and November 30, 2020 are RMB11,381,000 and RMB1,901,000, respectively.

Annual Caps

Historical annual caps

	For the year ending December 31,	
	2019	**2020**
	(RMB'000)	*(RMB'000)*
Total agreed reimbursements	42,350	19,404

Proposed annual cap

	For the year ending December 31, 2021
	(RMB'000)
Total agreed reimbursements	6,000

In arriving at the above proposed annual cap in respect of the maximum aggregate agreed reimbursements under the Supplemental Clinical Trials Agreement, the Directors have considered the historical transaction amounts and the actual clinical trial expenses of CMAB007 expected to be incurred by the third parties, including, but not limited to, SMOs, hospitals and analysis laboratories. The significant decrease in the annual caps from RMB19.4 million in 2020 to RMB6.0 million in 2021 is mainly due to (i) most of the clinical trial expenses have been incurred in 2020 and 2019; and (ii) CMAB008 has completed phase III clinical trial by the end of 2019 and is in the process of application for new drug marketing. Therefore the Group no longer requires to engage Biomabs for completing clinical trials for CMAB008 under the Supplemental Clinical Trials Agreement.

The Group intends to use the proceeds from the Global Offering allocated for the R&D activities of our Core Products to fund the agreed reimbursements payable under the Supplemental Clinical Trials Agreement.

Reasons for and Benefit of the Supplemental Clinical Trials Agreement

As disclosed in the Prospectus, the phase III clinical trials for CMAB007 and CMAB008 were commenced in the name of Biomabs and, under the relevant PRC laws, the Group would have to re-start the phase III clinical trials for CMAB007 and CMAB008 if the applicant named under these clinical trials were changed from Biomabs to the Group or any other service provider. To avoid incurring additional costs and prolonging the time required for completing the phase III clinical trials for CMAB007 and CMAB008, the Group retained Biomabs to continue the phase III clinical trials for CMAB007 and CMAB008 and entered into the Existing Clinical Trials Agreement with Biomabs.

Due to the outbreak of COVID-19, there has been a delay in the clinical trials of CMAB007. As of the date of this announcement, CMAB007 is still under phase III clinical trials for allergic asthma (which was originally planned to complete by the end of 2020), and the Company expects to file the drug marketing application with the NMPA in the second quarter of 2021. On the other hand, given CMAB008 has completed its clinical trials and is in the process of new drug marketing application, the Group no longer requires to engage Biomabs for completing phase III clinical trials for CMAB008 under the Supplemental Clinical Trials Agreement. Accordingly, the Directors consider that the entering into of the Supplemental Clinical Trials Agreement is necessary and appropriate for the Group to complete the phase III clinical trials and obtain marketing approvals for CMAB007.

Taking into account all of the above factors, the Directors (including the independent non-executive Directors) considered that the terms of the Supplemental Clinical Trials Agreement, including the basis of consideration, are fair and reasonable, on normal commercial terms or better and conducted in the ordinary and usual course of business of the Group; and the transactions contemplated therein are in the interests of the Company and the Shareholders as a whole.

As Mr. Guo Jianjun, one of the Non-executive Directors and controlling shareholders of the Company, together with his associates, indirectly controls 66.67% of the voting rights of Sinomab, Mr. Guo Jianjun is considered to have material interests in the transactions contemplated under the Supplemental Clinical Trials Agreement by virtue of his interests, and he had abstained from voting on the board resolution approving this matter.

LISTING RULES IMPLICATIONS

As Mr. Guo Jianjun, one of the Non-executive Directors and controlling shareholders of the Company, together with his associates, indirectly controls 66.67% of the voting rights of Sinomab as at the date of this submission, and Biomabs is the direct wholly-owned subsidiary of Sinomab, Biomabs is a connected person of the Company and the transactions contemplated under the Supplemental Clinical Trials Agreement constitute continuing connected transactions between the Company and its connected person.

Since all of the applicable percentage ratios calculated with reference to the annual cap for the Supplemental Clinical Trials Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Supplemental Clinical Trials Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ABOUT THE COMPANY, TAIZHOU PHARMACEUTICAL AND BIOMABS

The Company is a leading biopharmaceutical company in China, focusing on the research, development and production of new drugs and biosimilar for cancers and autoimmune diseases. Mr. Guo Jianjun, one of the Non-executive Directors of the Company, is the ultimate controlling shareholder of the Company.

Taizhou Pharmaceutical is an indirect wholly-owned subsidiary of the Company and one of the Company's major operating subsidiaries. Taizhou Pharmaceutical is principally engaged in preparing clinical trial samples and designing and constructing R&D equipment and production lines required for phase III clinical trials for the Company's Core Products.

Biomabs is principally engaged in CRO business in the PRC. Biomabs is a wholly-owned subsidiary of Sinomab. Mr. Guo Jianjun, one of the non-executive Directors and controlling shareholders of the Company, together with his associates, indirectly controls 66.67% of the voting rights in Sinomab.

DEFINITIONS

"Biomabs"	Shanghai Biomabs Pharmaceuticals Co., Ltd. (上海百邁博製藥有限公司), a limited liability company incorporated in the PRC on October 16, 2009 and a direct wholly-owned subsidiary of Sinomab as at the date of this announcement
"Board"	the board of Directors of the Company
"Company"	Mabpharm Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this announcement, our Core Products include CMAB007, CMAB008 and CMAB009
"CRO"	a contract research organization, which provides support to the pharmaceutical, biotechnology and medical device industries in the form of research and development services outsourced on a contract basis
"Director(s)"	the director(s) of the Company
"Existing Clinical Trials Agreement"	the clinical trials agreement dated August 13, 2018 entered into between Taizhou Pharmaceutical as principal and Biomabs as agent pursuant to which Taizhou Pharmaceutical has entrusted Biomabs to commence and complete the phase III clinical trials of CMAB007 and CMAB008 in the PRC for a term ending on December 31, 2020
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"NMPA"	National Medical Products Administration (國家藥品監督管理局) of China, formerly known as China's Food and Drug Administration ("**CFDA**") (國家食品藥品監督管理局) or China's Drug Administration ("**CDA**") (國家藥品監督管理局); references to NMPA include CFDA and CDA
"PRC" or "China"	the People's Republic of China

"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research and development
"Shareholder(s)"	holder(s) of the shares of the Company
"Sinomab"	Sinomab Limited (formerly known as Mabtech Limited), a limited liability company incorporated in the Cayman Islands on September 4, 2014, and a company which an associate of the controlling shareholder of the Company indirectly controls 66.67% voting rights as of the date of this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Clinical Trials Agreement"	the supplemental clinical trials agreement dated December 2, 2020 entered into between Taizhou Pharmaceutical as principal and Biomabs as agent pursuant to which Taizhou Pharmaceutical has entrusted Biomabs to commence and complete the phase III clinical trials of CMAB007 in the PRC for a term ending on December 31, 2021
"Taizhou Pharmaceutical"	Taizhou Mabtech Pharmaceutical Limited* (泰州邁博太科藥業有限公司), a limited liability company incorporated in the PRC on February 4, 2015 and an indirect wholly-owned subsidiary of the Company
"%"	per cent

By Order of the Board
Mabpharm Limited
Jiao Shuge
Chairman

Hong Kong, December 2, 2020

As at the date of this announcement, the Board of Directors of the Company comprises Dr. Wang Hao, Mr. Tao Jing, Mr. Li Yunfeng and Dr. Li Jing as executive Directors; Mr. Guo Jianjun and Mr. Jiao Shuge as non-executive Directors; and Mr. Guo Liangzhong, Dr. Zhang Yanyun and Dr. Liu Linqing as independent non-executive Directors.