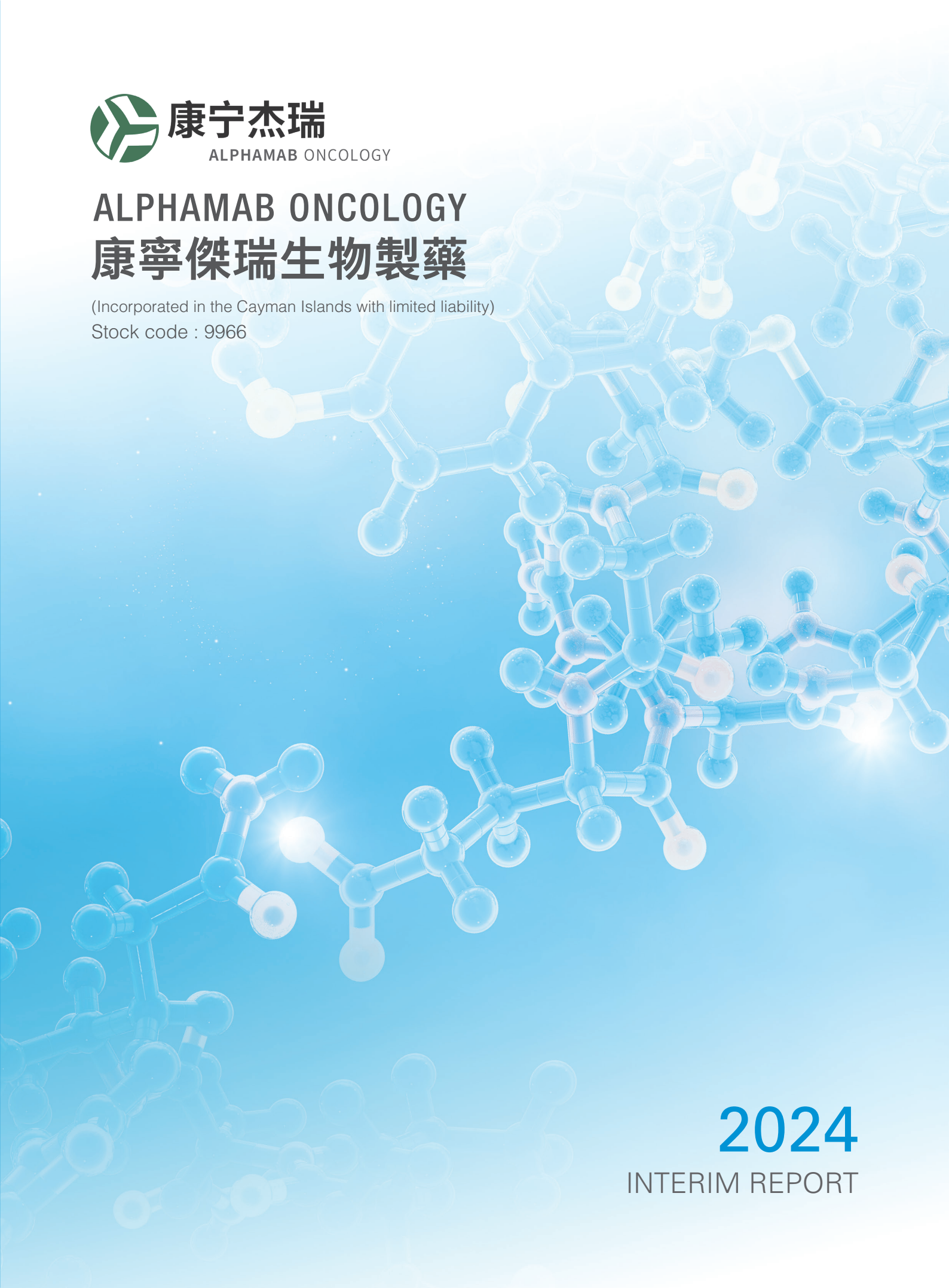
康宁杰瑞
ALPHAMAB ONCOLOGY

ALPHAMAB ONCOLOGY
康寧傑瑞生物製藥

(Incorporated in the Cayman Islands with limited liability)
Stock code : 9966



2024
INTERIM REPORT

Contents

Definitions and Glossary of Technical Terms

"AACR"	American Association for Cancer Research, one of the first and largest cancer research organizations dedicated to accelerating the conquest of cancer
"ADC(s)"	antibody-drug conjugate(s)
"ASCO"	American Society of Clinical Oncology
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Company
"BC"	breast cancer
"bispecific"	in reference to antibodies, antibodies that combine two antigen-recognizing elements into a single construct, able to recognize and bind to two different antigens (or epitopes)
"Board"	the board of directors of our Company
"BsAb"	bispecific monoclonal antibody
"CDE"	the Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for the review and approval of IND and NDA
"China" or "PRC"	the People's Republic of China, and for the purpose of this interim report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company", "our Company" or "the Company"	Alphamab Oncology (康寧傑瑞生物製藥), an exempted company with limited liability incorporated under the laws of the Cayman Islands on March 28, 2018
"connected person"	has the meaning ascribed thereto under the Listing Rules
"Core Products"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purposes of this interim report, our Core Products refer to KN046 and KN026

"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CTLA-4"	cytotoxic T-lymphocyte-associated protein 4, a protein expressed on all T-cells but which is expressed at the highest level on regulatory T-cells (Treg) and contributes to the suppressor function of Treg and acts as an off-switch to T-cell immune response to cancer cells
"Director(s)" or "our Director(s)"	the directors of our Company, including all executive and independent non-executive directors
"dMMR"	deficient mismatch repair, inability of a cell in correcting mistakes made when DNA is copied in a cell. Mismatch repair deficient cells usually have many DNA mutations, which may lead to cancer
"docetaxel"	a medication used to treat cancer (such as breast, lung, prostate, stomach, and head/neck cancer)
"Dr. Xu"	Dr. XU Ting (徐霆), the founder, chairman, executive Director and chief executive officer of our Company
"FDA"	the U.S. Food and Drug Administration, a federal agency of the U.S. Department of Health and Human Services responsible for regulating food and drugs
"FVTPL"	fair value through profit or loss
"GC"	gastric cancer
"GEJ"	gastroesophageal junction cancer
"Glenmark"	Glenmark Specialty S.A., a corporation organized and existing under the laws of Neuchâtel, Switzerland, wholly owned by Glenmark Pharmaceuticals Ltd.
"Global Offering"	the offer for subscription of an aggregate of 206,313,000 Shares (including Shares issued and allotted pursuant to the over-allotment option) at offer price of HK$10.2 under the Hong Kong public offering and the international offering

"GMP"	good manufacturing practice
"Group" or "our Group"	our Company and all of our subsidiaries or, where the context so requires, any companies that became our subsidiaries as part of the reorganization and the oncology businesses operated by such subsidiaries or their predecessors, Suzhou Alphamab (as the case may be)
"HER2"	human epidermal growth factor receptor 2
"HER3"	human epidermal growth factor receptor 3
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"immune checkpoint inhibitor(s)"	molecules that release the natural brakes of immune response
"IFRS(s)"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China and clinical trial notification in Australia
"Independent Third Party(ies)"	party or parties that is or are not a connected party within the meaning of the Listing Rules
"Jiangsu Alphamab"	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), a limited liability company established in the PRC on July 14, 2015 and our wholly-owned subsidiary
"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 Pharmaceutical Group Limited, the shares of which are listed on the Stock Exchange (stock code: 1093)

"KN035" or "KN035 (Envafolimab Injectable)"	an anti-PD-L1 recombinant humanized sdAb invented by our Group
"Latest Practicable Date"	September 13, 2024, being the latest practicable date prior to the printing for the purpose of ascertaining the information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM
"metastatic"	in reference to any disease, including cancer, disease producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Ms. Liu"	Ms. LIU Yang (劉陽), the executive Director of our Company
"MSI-H"	microsatellite instability-high, a feature of cancer's genetic coding with a high amount of instability in a tumor
"nab-paclitaxel"	an albumin-bound, solvent-free, formulation of paclitaxel that does not require steroid premedication

"New Xu's Family Trust"	a discretionary trust established by Ms. Liu on April 10, 2023 with South Dakota Trust acting as the trustee, Ms. Liu acting as the settlor and protector, and Dr. Xu acting as the investment advisor for the benefit of Ms. Liu's family members, including among others, Dr. Xu
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"NSCLC"	non-small cell lung cancer
"OS"	overall survival
"PD-1"	programmed cell death protein 1, an immune checkpoint receptor expressed on some T-cells, B-cells and macrophages that turns off the T-cell mediated immune response as part of the process that discourages a healthy immune system from attacking other cells in the body
"PD-L1"	programmed death ligand 1, a protein on the surface of a normal cell or a cancer cell that can attach to PD-1 on the surface of the T-cell that causes the T-cell to turn off its ability to kill the cancer cell
"Pearlmed"	Pearlmed Ltd., a company incorporated in the British Virgin Islands on March 22, 2018 and wholly owned by Mr. XUE Chuanxiao as of the Latest Practicable Date
"PFS"	progression-free survival

"Post-IPO Restricted Share Award Scheme"	the post-IPO restricted share award scheme adopted by our Company on March 23, 2021, amended on June 12, 2024 and as amended from time to time
"Post-IPO Share Option Scheme"	the post-IPO share option scheme adopted by our Company in accordance with the scheme rules adopted by the Board on April 10, 2020, approved by the Shareholders on May 25, 2020, amended on June 12, 2024 and as amended from time to time
"Pre-IPO Share Option Plans"	the Pre-IPO Share Option Plan I and the Pre-IPO Share Option Plan II
"Pre-IPO Share Option Plan I"	the pre-IPO share option plan I adopted by our Company on October 16, 2018, which was further amended on March 29, 2019
"Pre-IPO Share Option Plan II"	the pre-IPO share option plan II adopted by our Company on March 29, 2019 and as amended from time to time
"Prospectus"	the prospectus of our Company dated December 2, 2019
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Rubymab"	Rubymab Ltd., a company incorporated in the British Virgin Islands on March 22, 2018 and wholly owned by New Xu's Family Trust as of the Latest Practicable Date
"sdAb"	single domain antibody
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	common stock of our Company, par value US$0.000002 per share

"Shareholder(s)"	holder(s) of our Share(s)
"Simcere"	Simcere Pharmaceutical Group Limited, a company engaged in the R&D, production and commercialization of pharmaceuticals with the national key laboratory of translational medicine and innovative pharmaceuticals, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2096)
"Sky Diamond"	Sky Diamond Co., Ltd., a company incorporated in the British Virgin Islands on June 1, 2018 and wholly owned by Mr. ZHANG Xitian (張喜田)
"South Dakota Trust"	South Dakota Trust Company LLC, the trustee of New Xu's Family Trust
"sq NSCLC"	squamous NSCLC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Suzhou Alphamab"	Suzhou Alphamab Co., Ltd. (蘇州康寧傑瑞生物科技有限公司), a limited liability company established in the PRC on November 6, 2008 and our connected person as of the Latest Practicable Date
"Top-up Placing"	the placing of 25,000,000 Shares at a price of HK$15.22 per placing Share pursuant to the placing and subscription agreement dated February 3, 2023 by and among our Company, Rubymab and Jefferies Hong Kong Limited
"TROP2"	trophoblast cell surface antigen 2
"trastuzumab"	a monoclonal antibody used to treat BC and GC

"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollar(s)" or "US$"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax; all amounts are exclusive of VAT in this interim report except where indicated otherwise
"we", "us" or "our"	our Company or our Group, as the context requires
"%"	percent
"3D Medicines"	3D Medicines (Beijing) Co., Ltd. (思路迪(北京)醫藥科技有限公司), a company incorporated under the laws of the PRC on December 22, 2014, an Independent Third Party collaborating with us in the development of KN035 (Envafolimab Injectable)
"3D Medicines (Sichuan)"	3D Medicines (Sichuan) Co., Ltd. (四川思路康瑞藥業有限公司), a company incorporated under the laws of the PRC on March 16, 2016 and owned by 3D Medicines and Jiangsu Alphamab of 51% and 49%, respectively

Company Profile

OVERVIEW

We are a leading biopharmaceutical company in China with a fully integrated proprietary technology platform in bispecific antibodies, multifunctional protein engineering and ADCs. 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.

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.

- ***KN046*** – a BsAb immune checkpoint inhibitor simultaneously targeting two clinically-validated immune checkpoints, PD-L1 and CTLA-4, with a clear structural differentiation to improve localization with the tumor microenvironment and to reduce off-target toxicity. Multiple clinical trials at different stages of KN046 covering various indications, including, among others, NSCLC, have been conducted in China, the United States and Australia. The results of the phase II clinical trial for first-line treatment for triple-negative BC were published in *Nature Communications* in February 2024, and the results of the phase II clinical trial for first-line treatment for NSCLC were published in *Cell Reports Medicine* in March 2024. In September 2024, we completed final OS analysis for a phase III clinical trial of KN046 for the treatment of advanced sq NSCLC. After calibration of the effect of the late-line immunotherapy through reasonable model, KN046 in combination with platinum-based chemotherapy demonstrated statistically significant OS improvement versus placebo in combination with platinum-based chemotherapy in patients with sq NSCLC. Additionally, the group received KN046 in combination with chemotherapy demonstrated significant improvement in the PFS in the final PFS analysis.

- ***KN026*** – a next-generation anti-HER2 BsAb that can simultaneously bind two distinct epitopes of HER2, demonstrating promising efficacy. Our phase I and phase II clinical trials of KN026 in China and the U.S. have shown promising early efficacy and safety profile of KN026 in the treatment of heavily pre-treated HER2 expressing cancers. Currently, several clinical trials of KN026 are being conducted in China. We are also conducting phase III clinical trials of KN026 in combination with docetaxel (albumin-bound) in the first-line treatment for HER2-positive BC and KN026 in combination with chemotherapy as second-line or above treatment of HER2-positive GC/GEJ. KN026 in combination with chemotherapy for the treatment of patients with HER2-positive GC (including GEJ) who have failed first-line standard treatment (trastuzumab in combination with chemotherapy) has been granted breakthrough therapy designation by the CDE of the NMPA.

- ***KN035 (Envafolimab Injectable) (brand name: ENWEIDA, 恩維達®)*** – an innovative anti-tumor immunotherapy drug co-developed by us, 3D Medicines and Simcere, is the first subcutaneously injectable PD-L1 inhibitor worldwide and the first PD-L1 inhibitor produced domestically, offering advantages in safety, convenience, compliance, access to patients not suitable for intravenous infusion, and lower medical cost. In January 2024, KN035 was registered by the Pharmaceutical Administration Bureau of Macau Special Administrative Region of the PRC for marketing, applicable for the treatment of adult patients with unresectable or metastatic MSI-H phenotype/dMMR advanced solid tumors. And we entered into a license agreement with 3D Medicines and Glenmark, pursuant to which 3D Medicines and we 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 all fields of use in oncology.

- ***KN019*** – a CTLA-4-based immunosuppressant fusion protein with potential broad applications in both autoimmune diseases and oncology treatment-induced immune disorders. The IND approval for the subcutaneous injection of KN019 was granted by the NMPA for clinical development in November 2023.

- ***JSKN003*** – a biparatopic HER2-targeting ADC, of which a topoisomerase I inhibitor is linked to the N glycosylation site of the antibody KN026 (a recombinant humanized anti-HER2 bispecific antibody) via the glycosite-specific conjugation. The click reaction-based conjugation confers better serum stability than maleimide-Michael reaction-based conjugation. The biparatopic HER2 targeting enables JSKN003 to have stronger internalization induction and bystander killing effect leading to potent anti-tumor activity in HER2 expression tumors. Currently, a phase I clinical trial in Australia and phase I/II and phase III clinical trials of JSKN003 in China are undergoing. The research results of the dose-escalation stage of the phase I clinical trial of JSKN003 conducted in Australia were presented at the AACR annual meeting in April 2024, which demonstrated favorable tolerability, safety profile and encouraging preliminary anti-tumor activity of JSKN003 in patients with advanced/metastatic solid tumors who received prior multi-line treatment. The research results of the phase I study of the phase I/II clinical trial of JSKN003 conducted in China were presented at the ASCO annual meeting in June 2024, which demonstrated that JSKN003 was well tolerated at doses ranging from 2.1mg/kg to 8.4mg/kg and the encouraging anti-tumor activity of JSKN003 in heavily pretreated patients. Latest research updates on clinical trials of JSKN003 for the treatment of platinum-resistant ovarian cancer and HER2-positive advanced solid tumors (excluding BC) were presented at the European Society for Medical Oncology Congress in September 2024.

- ***JSKN033*** – the global first subcutaneous ADC co-formulation independently developed by our Group, consisting of JSKN003 and KN035. It has received the approval from the Australian Bellberry Human Research Ethics Committee to conduct clinical studies for the treatment of HER2-expressing advanced or metastatic solid tumors, and the first patient was successfully dosed in March 2024.

- ***JSKN016*** – an in-house developed bispecific ADC, which can simultaneously target HER3 and TROP2 on tumor cells. JSKN016 was designed based on our Company's proprietary glycan-specific conjugation platform. After binding to TROP2 or HER3 on the surface of tumor cells, JSKN016 enters the lysosome through target-mediated endocytosis, releases the cytotoxic topoisomerase I inhibitor (TOP1i), and then induces tumor cell death. In addition, the inhibitor can penetrate the cell membrane and enter the antigen-negative tumor cells to exert bystander effect. These effects can effectively inhibit the growth of tumor cells. The IND approval of the phase I clinical trial of JSKN016 for the treatment of advanced malignant solid tumors was obtained from the NMPA in March 2024 and the first patient was successfully dosed in May 2024.

Corporate Information

Board of Directors	**Executive Directors:** Dr. XU Ting *(Chairman of the Board and Chief Executive Officer)* Ms. LIU Yang **Independent Non-executive Directors:** Dr. GUO Zijian Mr. WEI Kevin Cheng Mr. WU Dong
Audit Committee	Mr. WEI Kevin Cheng *(Chairman)* Dr. GUO Zijian Mr. WU Dong
Remuneration Committee	Mr. WU Dong *(Chairman)* Ms. LIU Yang Mr. WEI Kevin Cheng
Nomination Committee	Dr. XU Ting *(Chairman)* Dr. GUO Zijian Mr. WU Dong
Strategy Committee	Ms. LIU Yang *(Chairwoman)* Dr. XU Ting Dr. GUO Zijian
Joint Company Secretaries	Ms. CHAN Lok Yee Ms. WANG Jin'nan
Authorized Representatives	Ms. LIU Yang Ms. WANG Jin'nan
Registered Office	Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands

Corporate Information

Head Office and Principal Place of Business in China	No. 175 Fangzhou Road Suzhou Industrial Park Suzhou Jiangsu Province, PRC
Principal Place of Business in Hong Kong	Room 1901, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Legal Advisor as to Hong Kong Laws	**Kirkland & Ellis** 26/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong
Auditor	**Deloitte Touche Tohmatsu** *Registered Public Interest Entity Auditors* 35/F, One Pacific Place 88 Queensway Admiralty Hong Kong
Principal Share Registrar	**Conyers Trust Company (Cayman) Limited** Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Hong Kong Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716 17/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Stock Code	9966
Company Website	http://www.alphamabonc.com

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	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
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)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of June 30, 2024	As of December 31, 2023
	RMB'000	*RMB'000*
	(unaudited)	(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 Latest Practicable Date, 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 PRC for marketing, applicable for the treatment of adult patients with unresectable or metastatic MSI-H phenotype/dMMR advanced solid tumors.

- In January 2024, Jiangsu Alphamab, a wholly-owned subsidiary of our Company, entered into a license agreement with 3D Medicines and 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 PFS and 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 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 CDE of 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 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 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 AACR annual meeting.

- In May 2024, the first patient was successfully dosed in China in a phase I clinical trial of JSKN016, a HER3 and TROP2 bispecific ADC independently developed by our Company.

- In June 2024, research updates on a phase I/II clinical trial of JSKN003 in patients with advanced solid tumors were presented at the ASCO 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 NDA of KN035 was approved by the NMPA, with its production scale increased from 1,000L to 2,000L.

- In September 2024, we completed final OS analysis for a phase III clinical trial of KN046 for the treatment of advanced sq NSCLC. After calibration of the effect of the late-line immunotherapy through reasonable model, KN046 in combination with platinum-based chemotherapy demonstrated statistically significant OS improvement versus placebo in combination with platinum-based chemotherapy in patients with sq NSCLC. Additionally, the group received KN046 in combination with chemotherapy demonstrated significant improvement in the PFS in the final PFS analysis.

- In September 2024, latest research updates on clinical trials of JSKN003 for the treatment of platinum-resistant ovarian cancer and HER2-positive advanced solid tumors (excluding BC) were presented at the European Society for Medical Oncology Congress.

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 operation 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 of the foregoing, please refer to the rest of this interim report and, where applicable, our Company's prior announcements published on the websites of the Stock Exchange and our Company and prior press releases published on our Company's website.

OVERVIEW

We are a leading biopharmaceutical company in China with a fully integrated proprietary technology platform in bispecific antibodies, multifunctional protein engineering and ADCs. 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 Latest Practicable Date:

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 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 GMP standards of the NMPA, the European Medicines Agency and the FDA.

COMMERCIALIZATION

We have commenced the commercialization of KN035 (Envafolimab Injectable) (brand name: ENWEIDA, 恩維達®) since November 2021. The NDAs for KN046 and KN026 are planned 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.08(3) of 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 and potential investors of our Company are advised to exercise caution when dealing in the Shares of our Company.

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.

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), 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 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) 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, 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, the Top-up Placing, 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 interim report.

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 Latest Practicable Date.

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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ANY OF OUR ASSOCIATED CORPORATIONS

As of the June 30, 2024, the interests and short positions of the Directors or chief executives of our Company and their associates in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code were as follows:

Long Positions in the Shares of our Company

Name of Directors/ Chief Executive	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding interest[3]
Dr. Xu	Beneficiary of a trust	314,000,000[1](L)	32.54%
(Executive Director and Chief Executive Officer)	Beneficial owner	4,552,950 (L)	0.47%
Ms. Liu	Founder of a discretionary trust	314,000,000[1](L)	32.54%
(Executive Director)	Interest in a controlled corporation		
	Interest of spouse	4,552,950[2](L)	0.47%

Notes:

(1) These Shares are directly held by Rubymab, which is wholly owned by South Dakota Trust as the trustee of New Xu's Family Trust, of which Ms. Liu acts as the settlor and protector, and Dr. Xu acts as the investment advisor for the benefit of Ms. Liu's family members, including among others, Dr. Xu.

(2) Ms. Liu is the spouse of Dr. Xu, and therefore is deemed to be interested in the Shares held by Dr. Xu under the SFO.

(3) The calculation is based on the total number of 964,923,807 Shares in issue as of June 30, 2024.

(L) Long position.

Long Positions in the Underlying Shares of our Company

Name of Directors/ Chief Executive	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding interest[2]
Dr. Xu *(Executive Director and Chief Executive Officer)*	Beneficial owner Interest of spouse	16,743,500 (L) 2,240,000[1] (L)	1.73% 0.23%
Ms. Liu *(Executive Director)*	Beneficial owner Interest of spouse	2,240,000 (L) 16,743,500[1](L)	0.23% 1.73%
Mr. WEI Kevin Cheng *(Independent non-executive Director)*	Beneficial owner	60,000 (L)	0.00%
Mr. WU Dong *(Independent non-executive Director)*	Beneficial owner	60,000 (L)	0.00%

Notes:

(1) Dr. Xu and Ms. Liu are spouses, and therefore are deemed to be interested in the underlying Shares in respect of the share options granted under the Pre-IPO Share Option Plans held by each other under the SFO.

(2) The calculation is based on the total number of 964,923,807 Shares in issue as of June 30, 2024.

(L) Long position.

Save as disclosed above, as of June 30, 2024, none of the Directors or chief executives of our Company or their associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of our Company or any of our associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of the June 30, 2024, so far as the Directors are aware, the following persons (other than the Directors or chief executives of our Company or their associates) had interests or short positions in the Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholders	Nature of interest	Number of Shares	Approximate percentage of shareholding interest[4]
Rubymab	Beneficial owner	314,000,000[1] (L)	32.54%
South Dakota Trust	Trustee	314,000,000[1] (L)	32.54%
Mr. ZHANG Xitian	Interest in a controlled corporation	85,750,000[2] (L)	8.88%
Sky Diamond	Beneficial owner	85,750,000[2] (L)	8.88%
Mr. XUE Chuanxiao	Interest in a controlled corporation	85,750,000[3] (L)	8.88%
Pearlmed	Beneficial owner	85,750,000[3] (L)	8.88%

Notes:

(1) The entire share capital of Rubymab is wholly owned by South Dakota Trust as the trustee of New Xu's Family Trust, of which Ms. Liu acts as the settlor and protector, and Dr. Xu acts as the investment advisor for the benefit of Ms. Liu's family members, including among others, Dr. Xu.

(2) Sky Diamond is wholly owned by Mr. ZHANG Xitian. Therefore, Mr. ZHANG is deemed to be interested in the Shares in which Sky Diamond is interested under the SFO.

(3) Pearlmed is wholly owned by Mr. XUE Chuanxiao as of the Latest Practicable Date. Therefore, Mr. XUE is deemed to be interested in the Shares in which Pearlmed is interested under the SFO.

(4) The calculation is based on the total number of 964,923,807 Shares in issue as of June 30, 2024.

(L) Long position.

Save as disclosed above, as of June 30, 2024, no person, other than the Directors or chief executives of our Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of our Company or any of our Associated Corporations" above, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this interim report, at no time for the six months ended June 30, 2024 was our Company or any of our subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, our Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of our Company or any other body corporate, or had exercised any such right.

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

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

MATERIAL LITIGATION

Our Company was not involved in any material litigation or arbitration for the six months ended June 30, 2024. The Directors are also not aware of any material litigation or claims that are pending or threatened against our Group during the six months ended June 30, 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices.

During the six months ended June 30, 2024, the Company 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 currently serves as the chairman of the Board and the chief executive officer of the Company. He is the founder of the Group and has been operating and managing the Group since its establishment. The Directors believe that it is beneficial to the business operations and management of the Group that Dr. Xu continues to serve as both the chairman of the Board and the chief executive officer of the Company.

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

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

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

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code. 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.

The Company's relevant employees, who are likely to be in possession of unpublished sensitive information of the 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 the Company during the Reporting Period.

The Company has also established a policy on Inside Information to comply with its obligations under the SFO and the Listing Rules. In case when the Company is aware of any restricted period for dealings in its securities, the Company will notify Directors and relevant employees in advance.

CHANGES IN THE INFORMATION OF THE DIRECTORS

As of the Latest Practicable Date, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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. 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.

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).

AMENDMENTS TO THE POST-IPO SHARE OPTION SCHEME AND POST-IPO RESTRICTED SHARE AWARD SCHEME AND REFRESHMENT OF THE SCHEME MANDATE LIMIT

Reference is made to the circular of our Company dated May 21, 2024, regarding, among others, the amendments to the terms of the Post-IPO Share Option Scheme and the Post-IPO Restricted Share Award Scheme and the refreshment of the Scheme Mandate Limit, being the limit on the total number of Shares (i) available for issue upon exercise of all options to be granted under the Post-IPO Share Option Scheme; (ii) available for issue in respect of the share awards to be granted under the Post-IPO Restricted Share Award Scheme; and (iii) available for issue in respect of any options or awards to be granted under any other share scheme(s) of our Company (the "**Scheme Mandate Limit**"), to bring in line with the amendments to the Listing Rules relating to share schemes of listed issuers, which took effect from January 1, 2023.

The relevant amendments to the Post-IPO Share Option Scheme and the Post-IPO Restricted Share Award Scheme were duly approved by the Shareholders at the annual general meeting of our Company held on June 12, 2024 and took effect on July 16, 2024 when our Company received the approval for the listing of, and permission to deal in, all the new Shares which may be allotted and issued under the Scheme Mandate Limit from the Listing Committee of the Stock Exchange.

SHARE OPTION SCHEMES

Pre-IPO Share Option Plans

Our Company has adopted two pre-IPO share options plans, namely the Pre-IPO Share Option Plan I and the Pre-IPO Share Option Plan II. The terms of both plans are not subject to the provisions of Chapter 17 of the Listing Rules. The purpose of the Pre-IPO Share Option Plans is to advance the interests of our Company by providing for the grant to the participants of the options. Further details of the Pre-IPO Share Option Plans are set out in the Prospectus.

Details of the movements of the options granted under the Pre-IPO Share Option Plans during the Reporting Period are as follows:

Name of category of grantee	Date of grant	Option period[1]	Exercise price (US$)	Number of Shares underlying options outstanding as of January 1, 2024	Number of options exercised during the Reporting Period	Number of options cancelled during the Reporting Period	Number of options lapsed during the Reporting Period	Number of Shares underlying options outstanding as of June 30, 2024
Directors								
Dr. Xu	Between June 30, 2019 to November 8, 2019	10 years from the date of grant	Between 0.0142 to 0.4898	Plan I: 12,508,830 Plan II: 4,234,670	Plan I: – Plan II: –	Plan I: – Plan II: –	Plan I: – Plan II: –	Plan I: 12,508,830 Plan II: 4,234,670
Ms. Liu	October 10, 2018	10 years from the date of grant	0.0142	Plan I: 2,240,000	Plan I: –	Plan I: –	Plan I: –	Plan I: 2,240,000
Other Grantees in Aggregate								
	Between June 30, 2019 to November 8, 2019	10 years from the date of grant	Between 0.0142 to 0.4898	Plan I: 6,872,080 Plan II: 1,012,725	Plan I: – Plan II: 80,000[2]	Plan I: 195,255 Plan II: 210,810	Plan I: – Plan II: –	Plan I: 6,676,825 Plan II: 721,915
Total				26,868,305	80,000	406,065	–	26,382,240

Notes:

(1) The vesting period of options granted under the Pre-IPO Share Option Plans are time-based and milestone-based, which may be determined by the administrator thereof.

(2) The closing market price per Share immediately before the date on which the options were exercised during the period was HK$4.81.

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was adopted by our Company on May 25, 2020 and amended on June 12, 2024. The purpose of the Post-IPO Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, our Group, and to incentivize them to remain with our Group, as well as for such other purposes as the Board may approve from time to time. Further details of the Post-IPO Share Option Scheme are set out in the circular dated May 21, 2024 of our Company.

During the Reporting Period, 1,180,000 options were granted; and no option was cancelled and 120,000 options lapsed under the Post-IPO Share Option Scheme.

Details of the movements of the options granted under the Post-IPO Share Option Scheme during the Reporting Period are as follows:

Name of category of grantee	Date of grant	Option period*	Exercise price (HK$)	Number of Shares underlying options outstanding as of January 1, 2024	Number of options granted during the Reporting Period	Number of options exercised during the Reporting Period	Number of options cancelled during the Reporting Period	Number of options lapsed during the Reporting Period	Number of Shares underlying options outstanding as of June 30, 2024
Directors									
Mr. WU Dong	April 23, 2021[2]	10 years from the date of grant	13.00	60,000	–	–	–	–	60,000
Mr. WEI Kevin Cheng	April 23, 2021[2]	10 years from the date of grant	13.00	60,000	–	–	–	–	60,000
Other Grantees in Aggregate									
Employees of our Company and our subsidiaries[1]	April 23, 2021[2]	10 years from the date of grant	13.00	30,000	–	–	–	–	30,000
	October 25, 2021[3]	10 years from the date of grant	18.06	600,000	–	–	–	120,000	480,000
	April 25, 2022[4]	10 years from the date of grant	6.94	500,000	–	–	–	–	500,000
	October 24, 2022[5]	10 years from the date of grant	6.214	174,000	–	–	–	–	174,000
	October 24, 2023[6]	10 years from the date of grant	10.480	500,000	–	–	–	–	500,000
	April 23, 2024[7]	10 years from the date of grant	4.350	–	1,180,000	–	–	–	1,180,000
Total				1,924,000	1,180,000	–	–	120,000	2,984,000

Notes:

(1) None of them is a Director, chief executive or Substantial Shareholder of our Company, nor a connected person or an associate (as defined under Rule 14A.06 of the Listing Rules) of any of them, nor a service provider of our Company.

(2) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 1,451,000 options on April 23, 2022; (b) 1,451,000 options on April 23, 2023; (c) 1,451,000 options on April 23, 2024; (d) 1,852,000 options on April 23, 2025; (e) 1,400,000 options on April 23, 2026; and (f) 1,400,000 options on April 23, 2027.

(3) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 120,000 options on October 25, 2022; (b) 120,000 options on October 25, 2023; (c) 120,000 options on October 25, 2024; and (d) 240,000 options on October 25, 2025.

(4) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 400,000 options on April 25, 2023; (b) 400,000 options on April 25, 2024; (c) 400,000 options on April 25, 2025; and (d) 800,000 options on April 25, 2026.

(5) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 44,000 options on October 24, 2023; (b) 44,000 options on October 24, 2024; (c) 44,000 options on October 24, 2025; and (d) 88,000 options on October 24, 2026.

(6) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 100,000 options on October 24, 2024; (b) 100,000 options on October 24, 2025; (c) 100,000 options on October 24, 2026; and (d) 200,000 options on October 24, 2027.

(7) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 236,000 Options on April 23, 2025; (b) 236,000 Options on April 23, 2026; (c) 236,000 Options on April 23, 2027; and (d) 472,000 Options on April 23, 2028.

Our Group has in place a performance review mechanism for its employees to comprehensively evaluate their performance and contribution to our Group; and if the grantee fails to achieve the performance target(s) as stipulated in the offer letter in the performance review immediately prior to a vesting date as listed above, the options corresponding to such vesting date shall be automatically lapsed.

The closing price of the Shares immediately before the date on which the options were granted was HK$4.170.

The total number of options available for grant under the Post-IPO Share Option Scheme at the beginning and the end of the Reporting Period was 44,733,269 and 43,673,269, respectively.

The details of fair value of options granted under the Post-IPO Share Option Scheme at the date of grant and the accounting standard and policy adopted are set out in Note 18 to the condensed consolidated financial statements.

No option under the Post-IPO Share Option Scheme was exercised during the Reporting Period.

Post-IPO Restricted Share Award Scheme

The Post-IPO Restricted Share Award Scheme was adopted by our Company on March 23, 2021 and amended on June 12, 2024, for the purpose of to grant selected participants ("**Post-IPO RSA Participants**") with an opportunity to acquire a proprietary interest in our Company, to encourage and retain such individuals to work with our Group, to provide them with additional incentives to achieve performance goals, to attract suitable personnel for further development of our Group, and to motivate the Post-IPO RSA Participants to maximize the value of our Company for the benefits of the Post-IPO RSA Participants and our Company. Further details of the Post-IPO Restricted Share Award Scheme are set out in the circular dated May 21, 2024 of our Company.

During the Reporting Period, 130,000 award shares ("**Award Shares**") were granted pursuant to the Post-IPO Restricted Share Award Scheme, which were made out of the Shares managed by the trustee as part of the trust fund pursuant to the Post-IPO Restricted Share Award Scheme. No new Shares will be issued by our Company to satisfy the above grant of Award Shares.

Details of Award Shares granted to all grantees under the Post-IPO Restricted Share Award Scheme, during the Reporting Period are as follows:

			Number of Shares underlying the Post-IPO Restricted Share Award Scheme during the Reporting Period				
Grantee	**Date of grant**	**Outstanding as of January 1, 2024**	**Granted**	**Vested**	**Cancelled**	**Lapsed**	**Outstanding as of June 30, 2024**
Employees of our Company[1]	November 25, 2021[2]	183,112	–	–	–	117,037	66,075
	January 27, 2022[3]	432,000	–	–	–	–	432,000
	May 20, 2022[4]	392,000	–	88,000[7]	–	40,000	264,000
	October 24, 2022[5]	43,956	–	–	–	–	43,956
	April 23, 2024[6]	–	130,000	–	–	–	130,000
Total		1,051,068	130,000	88,000	–	157,037	936,031

Notes:

(1) None of them is a Director, chief executive or Substantial Shareholder of our Company, nor a connected person or an associate (as defined under Rule 14A.06 of the Listing Rules) of any of them, nor a service provider of our Company.

(2) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) as to 20% of the Award Shares on April 23, 2022; (b) as to 20% of the Award Shares on April 23, 2023; (c) as to 20% of the Award Shares on April 23, 2024; and (d) as to 40% of the Award Shares on April 23, 2025.

(3) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) as to 20% of the Award Shares on October 23, 2022; (b) as to 20% of the Award Shares on October 23, 2023; (c) as to 20% of the Award Shares on October 23, 2024; and (d) as to 40% of the Award Shares on October 23, 2025.

(4) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) as to 20% of the Award Shares on April 25, 2023; (b) as to 20% of the Award Shares on April 25, 2024; (c) as to 20% of the Award Shares on April 25, 2025; and (d) as to 40% of the Award Shares on April 25, 2026.

(5) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) as to 20% of the Award Shares on October 24, 2023; (b) as to 20% of the Award Shares on October 24, 2024; (c) as to 20% of the Award Shares on October 24, 2025; and (d) as to 40% of the Award Shares on October 24, 2026.

(6) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) 26,000 Award Shares on April 23, 2025; (b) 26,000 Award Shares on April 23, 2026; (c) 26,000 Award Shares on April 23, 2027; and (d) 52,000 Award Shares on April 23, 2028.

Our Group has in place a performance review mechanism for its employees to comprehensively evaluate their performance and contribution to our Group; and if the grantee fails to achieve the performance target(s) as stipulated in the offer letter in the performance review immediately prior to a vesting date as listed above, the Award Shares corresponding to such vesting date shall be automatically lapsed.

The closing price of the Shares immediately before the date on which the Award Shares were granted was HK$4.170.

(7) The weighted average closing market price per Share immediately before the date on which the Award Shares were vested was HK$4.410.

(8) During the year ended December 31, 2023, an aggregated of 320,026 Award Shares were vested in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, among which, (a) 67,037 Award Shares were vested on April 23, 2023, (b) 144,000 Award Shares were vested on October 23, 2023, (c) 98,000 Award Shares were vested on April 25, 2023, and (d) 10,989 Award Shares were vested on October 24, 2023. The weighted average closing market price per Share immediately before the date on which the Award Shares were vested was HK$12.78. Please refer to our Company's 2023 annual report for further details.

The total number of Award Shares available for grant under the Post-IPO Share Award Scheme at the beginning and the end of the Reporting Period was 11,887,359 and 11,914,396, respectively.

The details of fair value of Award Shares granted under the Post-IPO Restricted Share Award Scheme at the date of grant and the accounting standard and policy adopted are set out in Note 18 to the condensed consolidated financial statements.

The number of options and awards available for grant under the scheme mandate at the beginning and the end of the Reporting Period was 56,620,628 and 55,587,665, respectively. Upon the refreshment of the Scheme Mandate Limit, the total number of options and awards available for grant under the scheme mandate became 96,492,380, being 10% of the issued Shares (excluding any treasury Shares) as at the date of the Shareholders' meeting approving such limit (i.e. June 12, 2024), comprising 95,433,772 new Shares and 1,058,608 Shares issued and granted but lapsed under the original Restricted Share Award Scheme which are held by the trust without specific grantee.

The number of Shares that may be issued in respect of options and awards granted under all schemes of our Company during the Reporting Period divided by the weighted average number of the issued Shares (excluding treasury Shares) for the same period was approximately 0.14%.

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, the top-up vendor, and Jefferies Hong Kong Limited, the placing agent, for the placing of 25,000,000 Shares (aggregate nominal value: US$50) at a price of HK$15.22 per placing Share (net price per placing Share: HK$15.05) to not less than six professional, institutional and/or individual investors, 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. The market price of the Shares of our Company on February 3, 2023 (being the date on which the terms of the issue or sale were fixed) was HK$16.14. 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%**

The Directors consider that the Top-up Placing is beneficial to continuously developing our pipeline of candidate ADCs whilst broadening our shareholder base, and could also provide an opportunity to further strengthen our financial position and provide additional working capital to us.

The net proceeds of the Top-up Placing were used and expected to be used according to the intentions previously disclosed in the Placing Announcements and there was no change in the use of proceeds. 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 the 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$50.0 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 "Management Discussion and Analysis – Business Highlights", no important events affecting our Company occurred since the Reporting Period and up to the Latest Practicable Date.

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.

By order of the Board
Dr. XU Ting
Chairman and Chief Executive Officer

Hong Kong, August 15, 2024

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF ALPHAMAB ONCOLOGY
康寧傑瑞生物製藥
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Alphamab Oncology (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 45 to 72 which comprise the condensed consolidated statement of financial position as of June 30, 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review 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. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
August 15, 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2024

	NOTES	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
Research and development expenses	19	**(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	7	**–**	–
Loss for the period	8	**(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 Renminbi ("RMB")	10		
–Basic		**(0.05)**	(0.04)
–Diluted		**(0.05)**	(0.04)

Condensed Consolidated Statement of Financial Position

As at June 30, 2024

	NOTES	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	11	**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	13	**2,040**	1,051
		549,170	578,583
Current assets			
Inventories		**65,163**	78,747
Trade receivables	12	**13,166**	7,131
Other receivables, deposits and prepayments	13	**57,917**	65,416
Time deposits with original maturity over three months	14	**316,392**	321,248
Cash and cash equivalents	14	**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	22	**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	17	**13**	13
Reserves		**1,628,738**	1,672,099
Total equity		**1,628,751**	1,672,112

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	Attributable to owners of the Company						
	Share capital RMB'000	Share premium RMB'000	Other reserve (Note) RMB'000	Translation reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2024 (audited)	13	4,052,694	(120,708)	(746)	83,815	(2,342,956)	1,672,112
Loss for the period	–	–	–	–	–	(44,896)	(44,896)
Other comprehensive income for the period	–	–	–	282	–	–	282
Total comprehensive income (expense) for the period	–	–	–	282	–	(44,896)	(44,614)
Exercise of share options	–	615	–	–	(476)	–	139
Vesting of restricted shares	–	568	–	–	(568)	–	–
Recognition of equity-settled share-based payment (Note 18)	–	–	–	–	1,114	–	1,114
At June 30, 2024 (unaudited)	13	4,053,877	(120,708)	(464)	83,885	(2,387,852)	1,628,751
At January 1, 2023 (audited)	13	3,725,875	(120,708)	48	84,807	(2,132,363)	1,557,672
Loss for the period	–	–	–	–	–	(39,862)	(39,862)
Other comprehensive expense for the period	–	–	–	(572)	–	–	(572)
Total comprehensive expense for the period	–	–	–	(572)	–	(39,862)	(40,434)
Issue of ordinary shares (Note 17(a))	–	329,209	–	–	–	–	329,209
Transaction costs attributable to issue of shares	–	(3,748)	–	–	–	–	(3,748)
Exercise of share options	–	393	–	–	(318)	–	75
Vesting of restricted shares	–	1,732	–	–	(1,732)	–	–
Recognition of equity-settled share-based payment (Note 18)	–	–	–	–	4,046	–	4,046
At June 30, 2023 (unaudited)	13	4,053,461	(120,708)	(524)	86,803	(2,172,225)	1,846,820

Note:

The other reserve comprises:

(i) the accumulated losses derived from the oncology business ("Oncology Business") of Suzhou Alphamab Co., Ltd. (蘇州康寧傑瑞生物科技有限公司) ("Suzhou Alphamab"), a company controlled by Dr. Xu Ting ("Dr. Xu") who was in turn the controlling shareholder of the Company, prior to its transfer to the Company and its subsidiaries (collectively referred to as the "Group") of Oncology Business on April 18, 2018 and during the transition period after the transfer up to the end of May 2019, as such accumulated losses legally belonged to Suzhou Alphamab which was not a member of the Group;

(ii) the net contribution for the Oncology Business by Suzhou Alphamab on the funding used in the Oncology Business, which was provided by Suzhou Alphamab prior to and during the transition period after the transfer of Oncology Business; and

(iii) the net equity impact resulting from a group reorganization of the entities comprising the Group that was completed on September 25, 2018.

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Loss before taxation	**(44,896)**	(39,862)
Adjustments for:		
Depreciation of right-of-use assets	**6,507**	6,749
Depreciation of property, plant and equipment	**30,785**	25,604
Exchange gains, net	**(4,223)**	(40,938)
Finance costs	**5,563**	6,967
Interest income	**(30,340)**	(37,730)
Share-based payment expenses	**1,114**	4,046
Government grants income from deferred income	**(2,984)**	(1,232)
Loss on disposal of property, plant and equipment	**5**	94
Operating cash flows before movements in working capital	**(38,469)**	(76,302)
Decrease in inventories	**13,584**	1,703
Increase in trade receivables	**(6,035)**	(8,065)
(Increase) decrease in other receivables, deposits and prepayments	**(866)**	19,756
Decrease in trade and other payables	**(8,733)**	(9,307)
Decrease in amount due to a related company	**(3,522)**	(190)
Decrease in contract liabilities	**(1,951)**	(1,231)
NET CASH USED IN OPERATING ACTIVITIES	**(45,992)**	(73,636)

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
INVESTING ACTIVITIES		
Placement of time deposits with original maturity over three months	**–**	(320,615)
Purchase of property, plant and equipment	**(4,865)**	(22,119)
Proceeds from redemption of time deposits with original maturity over three months	**4,973**	124,276
Interest received	**37,837**	28,653
Proceeds from disposal of financial assets at FVTPL	**–**	33,330
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**37,945**	(156,475)
FINANCING ACTIVITIES		
Proceeds on issue of ordinary shares by the Company	**–**	329,209
Transaction costs attributable to issue of shares	**–**	(3,748)
New bank borrowings raised	**120,000**	345,000
Repayment of lease liabilities	**(7,462)**	(6,719)
Interest paid	**(4,589)**	(6,188)
Repayment of bank borrowings	**(50,000)**	(400,000)
Exercise of share options	**139**	75
NET CASH FROM FINANCING ACTIVITIES	**58,088**	257,629
NET INCREASE IN CASH AND CASH EQUIVALENTS	**50,041**	27,518
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,085,988**	1,069,189
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**4,165**	39,595
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,140,194**	1,136,302

1. GENERAL

Alphamab Oncology (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 of Hong Kong Limited (the "Stock Exchange") since December 12, 2019.

The Company is an investment holding company. The Group is principally engaged in research and development, 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 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 International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 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

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to IFRSs (Continued)

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:

	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 research and development 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.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(i) Disaggregation of revenue from contracts with customers (Continued)

Geographical information

Substantially all of the Group's non-current assets are substantially located in the People's Republic of China ("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 licence of its patented intellectual property ("IP") to customers. Licence fee income is recognised 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 commercialisation to ultimate customers. Upfront fee received are recorded under contract liabilities. The Group transfers the contract liabilities to license fee 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.

3. REVENUE AND SEGMENT INFORMATION (Continued)

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

(a) License fee income: (Continued)

Over time (Continued)

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 recognise revenue for a sales-based royalty promised in exchange for a licence 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 recognised 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.

3. REVENUE AND SEGMENT INFORMATION (Continued)

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

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

For the provision of goods/consumables for research and development project, revenue is recognised 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

	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

	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

	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. 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 Biopharmaceuticals Co., Ltd. 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 US Tax Cuts and Jobs Act, the US 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.

8. LOSS FOR THE PERIOD

	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 research and development expenses	**28,326**	23,924
Outsourcing service fees included in research and development 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

9. DIVIDENDS

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

10. LOSS PER SHARE

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

	Six months ended June 30,	
	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 as disclosed in Note 18(a), the share options awarded under the post-IPO share option scheme as disclosed in Note 18(b), and the restricted shares that have not yet been vested (Note 17 & Note 18(c)) as their inclusion would be anti-dilutive.

11. 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.

12. TRADE RECEIVABLES

	June 30, 2024 RMB'000 (unaudited)	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.

	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)
0 – 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.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	June 30, 2024 RMB'000 (unaudited)	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
Value-added tax 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

14. TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/ CASH AND CASH EQUIVALENTS

	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)
Cash at banks and on hand	260,650	176,912
Time deposits with original maturity less than three months (Note)	879,544	909,076
Cash and cash equivalents	1,140,194	1,085,988
Time deposits with original maturity over three months (Note)	316,392	321,248
	1,456,586	1,407,236

Note: The time deposits were placed with licensed commercial banks in the PRC. The time deposits confer the Group rights of early redemption at amortized cost before the maturity date. The time deposits carry interest at fixed rates ranging from 1.55% to 5.32% per annum as at June 30, 2024 (2023: 1.00% to 6.10% per annum) and the full amount of which will be matured within the next 12 months from the reporting date.

Bank balances carry interest at prevailing market interest rates ranging from 0.00% to 5.30% per annum as at June 30, 2024 (2023: 0.01% to 2.50% per annum).

15. TRADE AND OTHER PAYABLES

	June 30, 2024 RMB'000 (unaudited)	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:

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

16. BANK BORROWINGS

	June 30, 2024 RMB'000 (unaudited)	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

Carrying amounts of bank borrowings which are all denominated in RMB and are repayable based on repayment schedules as follows:

	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)
Within one year	**170,000**	75,000
More than one year, but not exceeding two years	**50,000**	50,000
More than two years, but not exceeding five years	**100,000**	125,000
	320,000	250,000
Less:		
Amounts shown under current liabilities	**170,000**	75,000
Amounts shown under non-current liabilities	**150,000**	175,000

The effective interest rates per annum on the Group's bank borrowings are as follows:

	2024	2023
Effective interest rate:		
Variable-rate bank borrowings	**2.50-2.87%**	2.70-2.87%

Details of pledge of assets in support of the secured bank borrowings are disclosed in Note 21.

17. SHARE CAPITAL

The details of the movement of the Company's authorized and issued ordinary shares during the reporting period are set out as below:

	Number of shares	Par value per share	Amount US$'000
Authorized:			
As at January 1, 2023 (audited), June 30, 2023 (unaudited), December 31, 2023 (audited) and June 30, 2024 (unaudited)	25,100,000,000	US$0.000002	50

	Notes	Number of shares	Par value per share	Amount US$'000
Issued and fully paid:				
As at January 1, 2023 (audited)		939,716,387	US$0.000002	2
Issuance of ordinary shares	(a)	25,000,000	US$0.000002	–*
Exercise of share options	(b)	63,000	US$0.000002	–*
As at June 30, 2023 (unaudited)		964,779,387	US$0.000002	2
Exercise of share options	(c)	64,420	US$0.000002	–*
As at December 31, 2023 (audited)		964,843,807	US$0.000002	2
Exercise of share options	(d)	80,000	US$0.000002	–*
As at June 30, 2024 (unaudited)		964,923,807	US$0.000002	2

17. SHARE CAPITAL (Continued)

	RMB'000
Shown in the condensed consolidated statement of financial position:	
As at December 31, 2023 (audited)	13
As at June 30, 2024 (unaudited)	13

* less than US$1,000

Notes:

(a) On February 9, 2023, 25,000,000 ordinary shares of the Company were allotted and issued at a price of HK$15.22 per share for a gross proceed of approximately HK$380,500,000 (equivalent to RMB329,209,000) upon the placing of existing shares and top-up subscription of new shares.

(b) During the six months ended June 30, 2023, share option holders exercised their rights to subscribe for 19,000 and 44,000 ordinary shares in the Company at US$0.01 and US$0.25 per share, respectively.

(c) During the six months ended December 31, 2023, share option holders exercised their rights to subscribe for 19,670, 28,750 and 16,000 ordinary shares in the Company at US$0.01, US$0.25 and HK$6.21 per share, respectively.

(d) During the six months ended June 30, 2024, a share option holder exercised his rights to subscribe for 80,000 ordinary shares in the Company at US$0.25 per share.

18. SHARE-BASED PAYMENT TRANSACTIONS

(a) Equity-settled pre-IPO share option scheme of the Company:

The Company's pre-IPO share option schemes were adopted pursuant to resolutions passed respectively on October 16, 2018 (the "Pre-IPO Share Option Scheme I") and March 29, 2019 (the "Pre-IPO Share Option Scheme II") for the primary purpose of providing incentives to directors and eligible employees.

The following tables summarised the movement of the Company's share options held by grantees under the Pre-IPO Share Option Schemes during the period:

1) Pre-IPO Share Option Scheme I:

	Number of share options	Weighted average exercise price
Outstanding as at January 1, 2024	**21,620,910**	**US$0.01**
Forfeited during the period	**(195,255)**	**US$0.01**
Outstanding as at June 30, 2024	**21,425,655**	**US$0.01**

The exercise price of the options granted under the Pre-IPO Share Option Scheme I is US$0.01 and the options must be taken up within 10 years from the date of grant.

2) Pre-IPO Share Option Scheme II:

	Number of share options	Weighted average exercise price
Outstanding as at January 1, 2024	**5,247,395**	**US$0.46**
Forfeited during the period	**(210,810)**	**US$0.25**
Exercised during the period	**(80,000)**	**US$0.25**
Outstanding as at June 30, 2024	**4,956,585**	**US$0.48**

The exercise price of the options granted under the Pre-IPO Share Option Scheme II is either US$0.25 or US$0.49 and the options must be taken up within 10 years from the date of grant. The closing price of the Company's shares immediately before the dates on which the options were exercised was HK$4.81.

18. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity-settled post-IPO share option scheme of the Company:

The Company's post-IPO share option scheme (the "Post-IPO Share Option Scheme") was adopted pursuant to resolutions passed on May 25, 2020 for the primary purpose of providing incentives to directors and eligible employees.

As at January 1, 2024, the exercise prices of the options granted and outstanding under the Post-IPO Share Option Scheme are ranged from HK$4.35 to HK$18.06. On April 23, 2024, the Group further granted a total of 1,180,000 share options at an exercise price of HK$4.35 per share to certain employees under the Post-IPO Share Option Scheme.

All the options granted under the Post-IPO Share Option Scheme must be taken up within 10 years from the date of grant.

The following summarised the movement of the Company's share options held by grantees under the Post-IPO Share Option Scheme during the period:

	Number of share options	Weighted average exercise price
Outstanding as at January 1, 2024	**1,924,000**	**HK$8.93**
Granted during the period	**1,180,000**	**HK$4.35**
Forfeited during the period	**(120,000)**	**HK$18.06**
Outstanding as at June 30, 2024	**2,984,000**	**HK$8.56**

The fair value of the April 23,2024 grant was calculated using the binomial model. The inputs into the model were as follows:

	Date of grant April 23, 2024
Ordinary share price as at date of grant	**HK$ 4.35**
Exercise price	**HK$ 4.35**
Expected volatility	**31.52%**
Expected life	**10 years**
Risk-free rate	**3.92%**
Expected dividend yield	**0%**
Total grant date fair value	**HK$ 2,048,689**

18. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity-settled post-IPO share option scheme of the Company: (Continued)

The binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

At the end of each interim period, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payments reserve.

(c) Restricted share award scheme of the Company:

The Company's restricted share award scheme was adopted pursuant to resolutions passed on March 23, 2021 for the primary purpose of providing incentives to selected employees and external scientific consultants.

Date of grant	Closing price at the date of grant	Vesting period	Number of grantees	Number of shares granted
November 25, 2021	HK$19.98	April 23, 2022 to April 23, 2025	12	1,134,000
January 27, 2022	HK$9.96	October 23, 2022 to October 23, 2025	5	1,020,000
May 20, 2022	HK$7.51	April 25, 2023 to April 25, 2026	9	610,000
October 24, 2022	HK$5.69	October 24, 2022 to October 23, 2026	5	424,902
April 23, 2024	HK$4.35	April 23, 2024 to April 23, 2028	2	130,000

A consideration of RMB1.00 per grantee will be paid when the restricted shares are accepted by them. The validity period of the grant of restricted share award is 10 years from the date of grant.

18. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(c) Restricted share award scheme of the Company: (Continued)

The restricted shares for the employees of the Group shall initially be unvested, but for external scientific consultants, the restricted shares shall initially be vested. No eligible employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the award shares under this scheme. The award shares shall not vest under any of the following circumstance: (i) in the event of any failure of employees to remain as participants; (ii) in the event of any failure of employees to pass the specified performance review; and (iii) other circumstances as specified by the board of directors in its sole and absolute discretion.

The following table summarised the Group's unvested restricted shares movement:

	Restricted share award scheme	
	Number of unvested restricted shares	Weighted average grant date fair value per share
Unvested as at January 1, 2024	1,051,068	HK$8.81
Granted	130,000	HK$4.35
Forfeited	(157,037)	HK$16.80
Vested	(88,000)	HK$6.46
Unvested as at June 30, 2024	936,031	HK$7.51

The aforesaid arrangement has been accounted for as share-based payment transactions. Accordingly, the Group measured the fair value of the unvested restricted shares as of the grant dates and is recognizing the amount as compensation expense over the vesting period for each separately vesting portion of the unvested restricted shares.

The fair value of the Company's restricted shares was determined using the closing price of each share as stated in the daily quotation sheet issued by the Stock Exchange on the grant date.

19. RESEARCH AND DEVELOPMENT EXPENSES

	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

20. CAPITAL COMMITMENTS

	June 30,	December 31,
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**236**	2,073

21. PLEDGE OF ASSETS

At the end of the reporting period, the carrying amounts of the assets pledged by the Group to banks in order to secure the bank borrowings and general banking facilities granted by banks to the Group are as follows:

	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)
Land use rights included in right-of-use assets	20,444	20,691
Buildings	243,121	255,415
	263,565	276,106

22. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these condensed consolidated financial statements, the Group has following transactions and balances with related parties:

			Six months ended June 30,	
			2024 RMB'000	2023 RMB'000
Related company	**Relationship**	**Nature of transactions**	**(unaudited)**	(unaudited)
Suzhou Alphamab	Entity controlled by Dr. Xu	Utilities expenses	1,501	1,270
		Interest expenses - lease liabilities	393	220
		Purchase of raw materials	31	489
		Sample selling income	(26)	–

22. RELATED PARTY TRANSACTIONS (Continued)

Related company	Relationship	Nature of balances	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)
Suzhou Alphamab	Entity controlled by Dr. Xu	Amount due to entity	857	4,379
		Lease liabilities to entity	1,670	3,325

The amount due to Suzhou Alphamab is trade in nature, unsecured, interest free and has no fixed repayment terms.

The following is an aging analysis of the amount due to a related party presented at the end of reporting period:

	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)
0 – 90 days	857	–
Over 90 days	–	4,379
	857	4,379