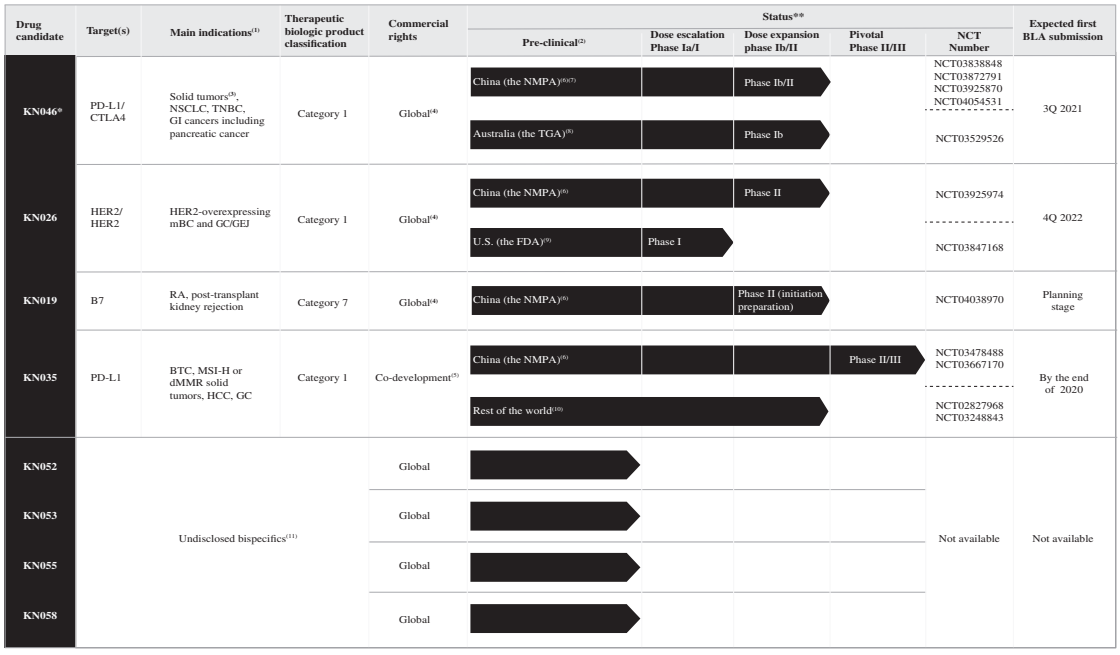
This summary aims to give you an overview of the information contained in this Prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this Prospectus in its entirety before you decided to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" of this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares. ***In particular, we are a biotechnology company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules.*** *There are unique challenges, risks and uncertainties associated with investing in companies such as ours. Your investment decision should be made in light of these considerations.*

OVERVIEW

We are a leading clinical-stage biopharmaceutical company in China with a fully-integrated proprietary biologics platform in bispecifics and protein engineering. 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 our unique drug discovery and development capabilities are demonstrated by our strong R&D track record and supported by our proprietary technologies, platforms and expertise.

Our highly differentiated in-house pipeline consists of eight oncology drug candidates, including four in clinical stage. The following summarizes our product pipeline:



Abbreviations: NSCLC = non-small cell lung cancer, TNBC = triple-negative breast cancer, mBC=metastatic breast cancer, GC = gastric cancer, GEJ = gastroesophageal junction cancer, HCC = hepatocellular carcinoma, BTC = biliary tract cancer, RA = rheumatoid arthritis, MSI-H = high microsatellite instability, dMMR = DNA mismatch repair, GI cancer = gastrointestinal cancer.

* Denotes Core Product.

** Denotes the most advanced ongoing clinical trials.

(1) We also plan to develop (i) KN046 for esophageal squamous cell carcinoma; and (ii) KN026 for gastric cancers and other types of gastrointestinal cancers, urothelial cancer and ovarian cancer in combination with KN046.

(2) Among the four pre-clinical bispecific candidates, two are at preliminary pre-clinical study stage and two at lead-optimized stage.

(3) The phase Ib study of KN046 targeted various types of solid tumors, with a focus on late-line unresectable metastatic nasopharyngeal carcinoma, urothelial cancer and melanoma. It should be noted that these indications are not major cancer indications in China, each with a relatively low cancer incidence and

representing a small fraction of the total cancer population in China, according to the CIC Report. See "Industry Overview—Overview of Oncology Drug Market in the PRC and United States." We plan to submit the first BLA for KN046 in China for NPC in 2021.

(4) No licensing partner/collaborator as of the Latest Practicable Date.

(5) We invented KN035 in-house and currently are jointly developing it with 3DMed for clinical trials. According to the Co-development Agreements, upon receiving the BLA approval for KN035, 3DMed would be responsible for its global commercialization. We own the right to manufacture and supply KN035 to 3DMed and are entitled to profit sharing. See "Business—Our Collaboration Arrangements—Co-development Agreements with 3DMed."

(6) All of our clinical-stage drug candidates received Umbrella IND approvals from the NMPA. Some indication(s) may not require a non-pivotal phase II clinical trial prior to beginning the pivotal phase II/III clinical trials in China. Based on our experience, the need for comparison studies for our drug candidates is considered on a case-by-case basis and based on communications with the NMPA.

(7) We conducted the China phase Ia clinical trial as a bridging study to leverage our clinical trial data in Australia.

(8) Except for the phase I clinical trial, we do not expect to conduct any other clinical trials or make any registration filing for KN046 in Australia.

(9) KN026 received the IND approval from the FDA in October 2018. We could use clinical trial data in China to support clinical trials in the U.S. or initiate pivotal II/III clinical trials for some indication(s) without conducting non-pivotal phase II clinical trials in the U.S.

(10) Phase I clinical trials are ongoing in the United States and Japan. KN035 received the IND approvals from the U.S. FDA and the Japan Pharmaceuticals and Medical Devices Agency in November 2016 and May 2017, respectively. 3DMed is responsible for clinical trials and registration filings under the Co-development Agreements.

(11) Due to commercial sensitivity, we do not disclose additional details of these BsAb drug candidates for oncology treatment.

- *KN046* – a BsAb immune checkpoint inhibitor simultaneously targeting two clinically-validated immune checkpoints, PD-L1 and CTLA-4, representing a potential breakthrough, next-generation immuno-oncology blockbuster drug. As of the Data Cut-off Date, in our phase I clinical trials in Australia and China, among all subjects receiving KN046 at 5.0 mg/kg Q2W (RP2D), the DCR was 77.8% and 69.2%, respectively and 10 (55.6%) and 4 (30.8%) subjects had target lesion shrinkage, respectively. These subjects have generally failed at least first-line standard of care. The results from the phase I clinical trials have shown a favorable safety profile, and early efficacy signals on NPC (especially in subjects with high PD-L1 expression), and gastrointestinal cancers (including pancreatic cancer). We have adopted a fast/first-to-market approach on select indications and we plan to submit the first BLA for KN046 in China for third or later-line unresectable/metastatic NPC in 2021. We are also conducting clinical trials for several major cancer indications, including NSCLC, TNBC and ESCC. As of the Data Cut-off Date, in our phase II clinical trial in China for second-line or later-line NSCLC subjects (all failed first-line chemotherapy), the DCR was 85.7% and the ORR was 28.6%. As of the same date, in the phase II clinical trial of KN046 as a first-line therapy combined with chemotherapy for first-line TNBC subjects in China, all three evaluable subjects achieved disease control and the ORR was 66.7%. Such preliminary results indicate promising efficacy of KN046 for these two indications especially the combination therapy with chemotherapy.

- *KN026* – a next-generation anti-HER2 BsAb that can simultaneously bind two distinct clinically-validated epitopes of HER2, resulting in potentially superior efficacy. As of September 20, 2019, in our China phase I clinical trial of KN026, KN026 had shown early efficacy signals on heavily pre-treated breast cancer patients as well as favorable safety profile. In this trial, the overall DCR and ORR was 71.4% and 28.6%, respectively, and a total of 19 (90.5%) evaluable subjects had target lesion shrinkage. Among all the evaluable subjects receiving KN026 at 20.0 mg/kg Q2W or 30.0 mg/kg Q3W (RP2Ds), the DCR was 80.0%, the ORR was 40%, and 93.3% subjects had target lesion shrinkage. We plan to complete the phase Ib trial for HER2 High breast cancer and GC/GEJ in China by the first half of 2020. We are also conducting a phase II clinical trial for HER2-overexpressing GC/GEJ in China and a phase I clinical trial for HER2-overexpressing solid tumors, including but not limited to breast cancer and GC/GEJ, in the United States.

- *KN019* – a CTLA-4-based immunosuppressant fusion protein with a potential broad applications in both autoimmune diseases and oncology treatment-induced immune disorders. We plan to start a phase II trial for RA in August 2019 and expand to oncology treatment-induced immune disorder indications in the future.

- *KN035* – potentially the first subcutaneously injectable PD-L1 inhibitor worldwide, offering advantages in safety, convenience, compliance, access to patients not suitable for intravenous infusion, and lower medical cost. Invented by us and jointly developed with 3DMed, KN035 is currently undergoing a phase II clinical trial for dMMR/MSI-H solid tumors and a phase III pivotal trial for BTC in China. The first BLA for KN035 is expected to be filed by the end of 2020 for dMMR/MSI-H solid tumors.

We have a strong research and development team led by our Founder Dr. Xu, a prolific scientist who has made contributions to over 100 patents and patent applications since 2011. As of the Latest Practicable Date, our team had contributed to the CMC processes of many biosimilar candidates. Four of these candidates filed BLAs since 2017, out of a total of 11 biosimilar BLAs that had been filed in China during this period. Our team had also authored 14 papers published in high-impact journals, including *Cancer Cell* and *Immunity*. As of the Latest Practicable Date, we owned one patent covering KN026 in China, co-owned one patent with 3DMed covering KN035 in Australia, and co-owned five patents with Suzhou Alphamab covering our CRIB and CRAM platforms, including in China and the United States. As of the same date, we owned or co-owned 23 patent applications worldwide relating to our drug candidates and technology platforms.

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 sdAbs and engineered proteins; (ii) proprietary CRIB and CRAM platforms for bispecifics and antibody mixtures, respectively; and (iii) state-of-the-art manufacturing capability to be further strengthened by new facilities with an expected capacity of over 30,000L, designed and built to meet NMPA and EU/FDA's cGMP standards.

OUR PLATFORMS AND EXPERTISE

We focus on the development of technologies and platforms of antibody-based therapies for oncology treatment and our expertise in this regard. Benefitting from our proprietary protein engineering platforms and structure-guided molecular modeling expertise, we are able to develop fit-for-purpose mAbs and fusion proteins with bi-, tri- and tetra-specificity. We plan to continue to leverage these platforms and expertise to expand our biologics pipeline and develop new drug candidates, which we believe will be significant improvements to the standard of care for multiple cancer types.

- *CRIB platform*. Our CRIB platform is a heterodimeric Fc-based BsAb engineering platform. Unlike monospecific mAbs, bispecific mAbs can be developed with dual-targeting of receptors and/or ligands that simultaneously block multiple identified signaling pathways, thereby inducing biological effects previously unattainable with monospecific mAbs and increasing tumor-specific targeting and efficacy. Moreover, our CRIB platform allows antibodies to retain the Fc region and its desirable biophysical properties, allowing the antibodies to be stably formulated, dosed on a convenient schedule, and have the ability to kill tumors through multiple mechanisms of action. KN026 was developed using the CRIB platform.
- *CRAM platform*. Combinations of different antibodies have been shown to be more effective for managing certain diseases than monotherapy. However, adding multiple light and heavy chains to cells can lead to production of mismatched heterodimeric by-products. In our CRAM platform, we modified the CH3 domain interface of the Fc region to create electrostatic interactions that prevent the formation of heterodimer impurities. This enables a single streamlined process to produce multiple mAbs with adjustable pre-determined ratios between various mAb components, potentially lowering manufacturing cost and regulatory hurdles. We co-own patents for our CRAM platform in China, the U.S. and Japan.
- *Single domain antibodies used as an alternative scaffold*. The sdAbs are ideal building blocks for multifunctional biologics, with bi-, tri-or tetra-specificity, because they are smaller and stable with a compact structure. We developed KN046 and KN035 using the sdAb format.

RISK FACTORS

We are a biotechnology company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours, including the following: (i) we may be unable to obtain regulatory approval for our drug candidates; (ii) clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may be unable to commercialize our drug candidates on a timely basis; (iii) if our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates; (iv) we may not be able to identify, discover or develop new drug candidates; (v) we have incurred significant net losses since inception and expect to continue to incur losses, and may never achieve or maintain profitability; (vi) we may need to obtain substantial additional financing to fund our operations; (vii) we may not be successful in developing,

enhancing or adapting to new technologies and methodologies; (viii) we have very limited experience in commercializing drug candidates; (ix) we may not be able to obtain sufficient patent protection for our drug candidates; and (x) we have collaborated with third parties in the development of drug candidates and combination therapies, and may seek collaboration opportunities and strategic alliances in the future. These risks are not the only significant risks that may affect the value of our Shares. See "Risk Factors" for details of risks and uncertainties related to us.

COMMERCIALIZATION

To date, we have not commercialized any products. We plan to build up our own commercialization team in China with an initial focus on late-stage drug candidates. We plan to assemble a team of personnel dedicated to medical affairs and governmental affairs in the second half of 2020 to prepare for the upcoming launch of KN046 in 2021. Our medical affairs and government affairs personnel would be primarily responsible for physician and KOL education, enhancing awareness of innovative oncology therapies, and communicating with government authorities on insurance, reimbursement and drug pricing. With a one year lead time before we enter into the pre-launch window of our KN046, we plan to begin recruiting team leaders and commercialization personnel with extensive industry knowledge and biopharmaceutical marketing skills, in particular in oncology. During the pre-launch window, we plan to conduct market research and patient analysis, brand building and public education. We expect our commercialization team to have approximately 100 members in 2021. After the launch of KN046, we plan to further expand our team to actively seek insurance and reimbursement opportunities from third-party payors and government reimbursement programs to support the ongoing commercial operations of KN046 and the upcoming launch of KN026. We expect our team to cover major provinces and municipalities in China, especially those with relatively well-developed economies and higher levels of discretionary income. We intend to continue to expand our team in anticipation of more product launches and additional approved indications. See "Business—Commercialization."

MANUFACTURING

To date, we have not commenced manufacturing of commercial products. We currently lease a 2,235 square meter facility from Suzhou Alphamab, which houses our manufacturing and research and development facilities. See "Business—Properties" and "Connected Transactions—One-off Connected Transaction—Property and Equipment Lease Arrangement." This manufacturing facility is equipped with two 1,000L production lines. We are also in the process of building our own manufacturing and research and development facilities in Suzhou, designed to meet NMPA and EU/FDA's cGMP requirements with an expected capacity of over 30,000L. Phase I of our new facilities is expected to be completed in late 2019 with a commercial production capacity of 4,000L (2x2,000L) and a planned GFA of 53,867 square meters. During the Track Record Period, we produced the clinical trial supply of KN035, including those used in pivotal trials, at our leased manufacturing facility. As such, we plan to continue to manufacture KN035 at this facility in the next few years and gradually transfer to our own facilities in due course. If KN035 is approved, we plan to conduct commercial production of other products in our pipeline at our own facilities.

COLLABORATION ARRANGEMENTS

As of the Latest Practicable Date, we had three collaboration arrangements, details of which are set out below:

- *Co-development with 3DMed*. In February 2016, we entered into the initial Co-development Agreement with 3DMed for KN035. Under the Co-development Agreements, we agree to co-own the patent rights under a PCT application and its multiple national phase applications (including the ones in China and the United States) covering the molecule of KN035 with 3DMed. 3DMed would have exclusive commercialization rights for KN035 worldwide. We own the rights to manufacture and supply KN035, and are entitled to profit sharing of KN035. Our ownership in KN035 would be adjusted based on achievement of certain milestones. Upon approval and commercialization of KN035, we would be entitled to a 49% interest in KN035, and 3DMed would own the remaining 51% interest. Under the Co-development Agreements, we were eligible to receive an upfront payment of RMB10 million, which had been paid as of the Latest Practicable Date.

- *Collaboration with Sunshine Lake*. In January 2019, we entered into a collaboration agreement to jointly develop an anti-tumor combination therapy (the "**Anti-tumor**

Combination Therapy") with Sunshine Lake. Under this agreement, both parties have agreed to cooperate in the development, manufacturing and commercialization of the Anti-tumor Combination Therapy indicated for HCC in China based on two drug candidates, namely, CT-053 (an anti-tumor small molecule drug candidate at clinical stage) and KN046, which are owned by Sunshine Lake and us, respectively. Sunshine Lake is generally responsible for all research and development prior to phase II clinical trial. The allocation and undertaking of research and development of the phase II and phase III clinical trials will be determined by supplemental agreements. The allocation of sales revenue will be determined based on the allocation of research and development expenses incurred from phase II clinical trials to the launch of the Anti-tumor Combination Therapy.

- *Non-exclusive Licensing Agreements with Suzhou Dingfu*. In February 2019 and March 2019, we became a party to the Patent Implementation and Licensing Agreement and the Non-exclusive Licensing Agreement, respectively, entered into by Suzhou Alphamab and Suzhou Dingfu. Under the Patent Implementation and Licensing agreement, we granted a non-exclusive license for a CRIB platform patent to Suzhou Dingfu to develop a tumor-targeting cytokine drug for oncology treatment. We will receive royalty or other payments depending on how Suzhou Dingfu commercializes the product they develop under the licensing arrangement. Under the Non-exclusive Licensing Agreement, Suzhou Dingfu has granted a non-exclusive, royalty-free license for a DF004 full human antibody patent for us to develop a DF004/PD-L1 bispecific antibody drug and a DF004/CTLA-4 bispecific antibody drug. Pursuant to the same agreement, we and Suzhou Alphamab have also jointly granted a non-exclusive, royalty-free license for a CTLA-4 humanized antibody patent to Suzhou Dingfu to develop a DF003/CTLA-4 bispecific antibody drug.

RAW MATERIALS AND SUPPLIERS

During the Track Record Period, we primarily procured cell culture media, chromatography resins, raw materials, excipients, packaging materials, nanofiltration and ultrafiltration membranes, bioreactor and single-use bioprocess bags and other ancillary materials used for our research and development activities. We also engage CROs, CMOs, consultants and other third-party service providers to manage, conduct and support our clinical trials and pre-clinical studies. During the Track Record Period, we engaged approximately 20 consultants who are KOLs in our focused therapeutic areas. They primarily provide professional advice on clinical trial feasibility, clinical trial design, sample size calculation and/or data analysis methods for our clinical trials. During the Track Record Period, none of our Directors, their associates or any Shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers. See "Business—Raw Materials" and "Business—Suppliers."

COMPETITIVE STRENGTHS AND BUSINESS STRATEGY

We believe that the following are our competitive strengths and investment highlights: (i) next-generation in-house developed bispecific antibody candidates with blockbuster potential; (ii) robust pipeline of other in-house developed candidates; (iii) fully-integrated platform supporting drug discovery, development and manufacturing; and (iv) visionary founder supported by an experienced management team. See "Business—Competitive Strengths."

We intend to implement a business strategy with the following key components: (i) rapidly advance clinical development of our product pipeline; (ii) advance our pre-clinical and discovery programs; (iii) continue to enhance our manufacturing capabilities; (iv) continue to attract, train and retain talent to further expand our capabilities; and (v) seek value-maximizing collaboration opportunities. See "Business—Business Strategy."

SUMMARY OF KEY FINANCIAL INFORMATION

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this Prospectus, as well as the information set forth in "Financial Information" of this Prospectus.

Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income Data

	For the year ended December 31,		For the six months ended June 30,	
	2017	2018	2018	2019
	(RMB in thousands)			
			(unaudited)	
Other income	1,428	783	403	11,025
Other gains (losses), net	–	(9,833)	(2)	1,280
Fair value change of convertible redeemable preferred shares	–	(26,284)	–	22,436
Research and development expenses	(53,221)	(65,608)	(26,577)	(55,752)
Administrative expenses	(13,025)	(25,857)	(9,240)	(24,661)
Reorganization related expenses	–	(69,416)	(64,453)	–
Finance costs	(8)	(1,507)	(173)	(235)
Listing expenses	–	(4,911)	–	(12,878)
Loss before taxation	**(64,826)**	**(202,633)**	**(100,042)**	**(58,785)**
Income tax expense	–	–	–	–
Loss for the year/period	**(64,826)**	**(202,633)**	**(100,042)**	**(58,785)**

Summary Consolidated Statement of Financial Position Data

	As of December 31,		As of June 30,
	2017	2018	2019
	(RMB in thousands)		
Non-current assets	35,362	170,790	287,050
Current assets	11,215	656,103	962,991
Current liabilities	10,266	82,800	99,073
Net current assets	949	573,303	863,918
Non-current liabilities	10,000	1,011,121	1,464,240
Net assets/liabilities	26,311	(267,028)	(313,272)

We issued the Series A Preferred Shares in 2018 and the Series B Preferred Shares in May 2019, which were classified as financial liabilities measured at fair value through profit and loss, or FVTPL. As of December 31, 2018 and June 30, 2019, the fair value of the Preferred Shares recognized as convertible redeemable preferred shares in our consolidated statement of financial position was RMB900.6 million and RMB1,288.6 million, respectively, which led to significant increases of our total liabilities as of the same dates. As a result, we changed from a net assets position of RMB26.3 million as of December 31, 2017 to a net liabilities position of RMB267.0 million as of December 31, 2018, and our net liabilities further increased to RMB313.3 million as of June 30, 2019.

Summary Consolidated Cash Flow Statement Data

	For the year ended December 31,		For the six months ended June 30,	
	2017	2018	2018	2019
	(RMB in thousands)			
			(unaudited)	
Operating cash flows before movements in working capital	(64,509)	(90,549)	(33,397)	(73,454)
Net cash used in operating activities	(65,161)	(93,874)	(26,483)	(110,014)
Net cash from/(used in) investing activities	2,305	(72,110)	(30,775)	(716,636)
Net cash from financing activities	2,000	798,800	70,814	445,898
Net contribution for the Oncology Business by Suzhou Alphamab	60,868	9,537	9,537	300
Net increase (decrease) in cash and cash equivalents	12	642,353	23,093	(380,452)
Cash and cash equivalent at the beginning of the year or period	45	57	57	633,712
Effect of foreign exchange rate changes	–	(8,698)	–	302
Cash and cash equivalents at the end of the year or period	57	633,712	23,150	253,562

As a clinical-stage biopharmaceutical company, we have not generated any revenue to date and have incurred operating losses since our inception. As a result, we had net cash outflows from operating activities of RMB65.2 million, RMB93.9 million, RMB26.5 million and RMB110.0 million for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 and 2019, respectively. While we expect to continue to experience net cash outflows from operating activities in the foreseeable future, as we continue to spend on our research and development programs, we expect cash inflows to be improved by (i) our future supply and profit-sharing of the sales of KN035 pursuant to the Co-development Agreements with 3DMed, as the first BLA of KN035 is expected to be filed in 2020; and (ii) future sales of KN046, as the first BLA of KN046 is expected to be filed in 2021. See "Business—Our Collaboration Arrangements—Co-development Agreements with 3DMed." In addition, we expect to generate cash inflows from financing activities including net proceeds from the Global Offering.

Key Financial Ratios[(1)]

	As of December 31,		As of June 30,
	2017	2018	2019
Current ratio	1.09	7.92	9.72
Quick ratio	0.75	7.84	9.51

(1) For more information on our key financial ratios, see "Financial Information—Key Financial Ratios."

Cash Operating Costs

	For the year ended December 31,		For the six months ended June 30,	
	2017	**2018**	**2018**	**2019**
	(RMB in thousands)			
Costs relating to research and development of our Core Product:				
Third-party contracting costs	4,352	9,996	1,099	28,219
Raw materials	1,373	9,797	3,105	4,562
Staff costs	2,696	1,827	326	4,169
Others	226	576	255	1,674
Subtotal	*8,647*	*22,196*	*4,785*	*38,624*
Costs relating to research and development of our other drug candidates				
Third-party contracting costs	13,653	21,903	7,809	17,879
Raw materials	12,757	7,759	6,457	7,859
Staff costs	7,283	5,716	1,711	8,388
Others	2,504	2,594	965	2,074
Subtotal	*36,197*	*37,972*	*16,942*	*36,200*
Total	**44,844**	**60,168**	**21,727**	**74,824**
Workforce employment[(1)]	16,497	28,167	5,825	32,290
Direct production[(2)]	–	–	–	–
Commercialization[(2)]	–	–	–	–
Contingency allowance[(3)]	–	–	–	–

(1) Workforce employment costs represents total staff costs, primarily including salaries, compensation and benefits, of our research and development and other employees.

(2) Direct production costs represent costs directly attributable to commercial manufacturing. Commercialization costs represent costs relating to product sales and marketing. We had not commenced commercial manufacturing or product sales as of the Latest Practicable Date.

(3) Contingency allowance represents provisions accrued for contingent liabilities. We had no contingent liabilities during the Track Record Period.

Our research and development cash costs for KN046, our Core Product, for each period reflects the stage and progress of our KN046 development program. In 2017, our research and development of KN046 was in an early stage and, as a result, our research and development cash costs for KN046 in 2017 were relatively low. In 2018, as we ramped up our research and development for KN046 and commenced our phase Ia clinical trial in Australia, research and development cash costs for KN046 increased significantly. In the first half of 2019, we further expanded clinical trials for KN046 by commencing a phase Ia clinical trial and two phase Ib/II clinical trials in China and a phase Ib clinical trial in Australia, and therefore the research and development costs for KN046 experienced a significant increase compared to the first half of 2018. As we advance our clinical development plan for KN046, we expect our research and development cash costs for KN046 to continue to increase.

Our research and development cash costs for our other drug candidates include costs for KN026, KN019, KN035, pre-clinical programs and general discovery and research work. The

overall increase in these research and development cash costs reflect the advancement of these drug development programs, and we expect to incur more cash costs as we commence more clinical trials and pre-clinical studies and enrich our pipeline. The decrease in cash costs of raw materials for other drugs from 2017 to 2018 primarily reflected our inventory level of relevant raw materials in these two years.

While we had net cash outflow and net losses during the Track Record Period, we believe our liquidity requirements will be satisfied by using funds from a combination of net proceeds from the Global Offering, our proceeds from the Pre-IPO Investments and bank borrowings. As of October 31, 2019, our cash and cash equivalents and time deposits with original maturity over three months amounted to RMB847.3 million and we had bank facilities of RMB550.0 million, of which RMB312.8 million were unrestricted and unutilized. Taking these into account, our Directors believe that we have sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs as well as research and development costs, for at least the next 12 months from the date of this Prospectus.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and without taking into account any Shares to be issued upon the exercise of share options under the Pre-IPO Share Option Plans), Dr. Xu (for himself and as settlor of Dr. Xu's Family Trust) will be interested in approximately 36.62% of the total issued share capital of our Company. Accordingly, Dr. Xu and Rubymab will be our Controlling Shareholders upon the Listing. For details, see "Relationship with Controlling Shareholders" of this Prospectus.

Our Group has entered into and will continue to engage in certain transactions with Suzhou Alphamab, a company held as to 51% by one of our Controlling Shareholders, which will constitute continuing connected transactions upon the Listing. For details, see "Connected Transactions" of this Prospectus.

PRE-IPO INVESTMENTS

Since the establishment of our Company, we have had two rounds of Pre-IPO Investments. For further details regarding the key terms of these Pre-IPO Investments, see "History, Reorganization and Corporate Structure—The Pre-IPO Investments." Our broad and diverse base of Pre-IPO Investors includes Sophisticated Investors, such as private equity funds, venture capital funds and investment holding companies, some with specific focus on the healthcare industry. For further details of the identity and background of the Pre-IPO Investors, please see "History, Reorganization and Corporate Structure—The Pre-IPO Investments—(4) Information about the Pre-IPO Investors."

PRE-IPO SHARE OPTION PLANS

In recognition of the contributions of our directors and employees and to incentivize them to further promote our development, our Company adopted the Pre-IPO Share Option Plans including the pre-IPO share option plan I on October 16, 2018 (which was further amended on March 29, 2019) and the pre-IPO share option plan II adopted on March 29, 2019. As of the Latest Practicable Date, options to subscribe for an aggregate of 57,460,365 Shares (as adjusted after the Share Subdivision), representing 6.41% of the total issued share capital of the Company immediately following the Global Offering (assuming the Over-allotment Option is not exercised), had been granted to 82 grantees under the Pre-IPO Share Option Plans. Pursuant to the terms of the Pre-IPO Share Option Plans, no grantee may exercise the outstanding options granted under the Pre-IPO Share Option Plans prior to the Listing. For details and principal terms of the Pre-IPO Share Option Plans, please see "Appendix V—Statutory and General Information—D. Pre-IPO Share Option Plans" to this Prospectus.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, no material adverse changes had occurred with respect to the regulatory approvals we have received in relation to our drug candidates. We expect to

achieve a net assets position upon the Listing, when our Preferred Shares will be converted into Shares. We recorded fair value loss and gain from such Preferred Shares of RMB26.3 million and RMB22.4 million for the year ended December 31, 2018 and for the six months ended June 30, 2019, respectively, and expect to continue to record fair value changes from the Preferred Shares subsequent to the Track Record Period and up to the Listing. Any changes in the fair value of the Preferred Shares may adversely affect our financial positions and performance. Save as disclosed in the Prospectus, our Directors confirm that there has been no material adverse change in our financial, operational or trading positions or prospects since June 30, 2019, being the date of our consolidated financial statements as set out in "Appendix I—Accountant's Report" to this Prospectus, and up to the date of this Prospectus.

As we further our research and development programs for our product pipeline in 2019, we expect to incur increasing research and development costs, which may impact our results of operations for the year ending December 31, 2019. We expect to continue to incur significant expenses and operating losses in the future as we further the clinical development and/or pre-clinical studies of our product pipeline, expand our team and grow our business. We expect that our financial performance will fluctuate from period to period due to the status of the development of our drug candidates, the regulatory approval process and commercialization of our drug candidates.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that: (i) the Global Offering is completed and 179,403,000 Offer Shares are issued and sold in the Global Offering; (ii) the Over-allotment Option is not exercised and without taking into account any Offer Shares which may be issued upon exercised of any options which may be granted under the Pre-IPO Share Option Plans; and (iii) 897,011,575 Shares are in issue upon completion of the Global Offering:

	Based on an Offer price of HK$9.10 per Share	**Based on an Offer price of HK$10.20 per Share**
Market capitalization of our Shares[(1)]	HK$8,162.8 million	HK$9,149.5 million
Unaudited pro forma adjusted net tangible asset value per Share[(2)]	HK$2.93	HK$3.14

(1) The calculation of market capitalization is based on 897,011,575 Shares expected to be in issue immediately upon completion of the Global Offering.

(2) The unaudited pro forma adjusted net tangible asset per Share is calculated after making adjustments referred to in "Appendix II—Unaudited Pro Forma Financial Information" to this Prospectus.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,614.4 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$9.65 per Share, which is the mid-point of the indicative Offer Price range stated in this Prospectus. We currently intend to apply these net proceeds for the following purposes: (i) approximately 75%, or HK$1,210.8 million, will be used for our key drug development programs, including 50%, or HK$807.2 million for KN046, 20%, or HK$322.9 million, for KN026, 5%, or HK$80.7 million, for KN019; (ii) approximately 15%, or HK$242.2 million, will be used for the construction of our new manufacturing and research and development facilities in Suzhou; and (iii) approximately 10%, or HK$161.4 million, will be used for our early-stage pipeline and our working capital and general corporate purposes. See "Future Plans and Use of Proceeds" for details.

DIVIDEND POLICY

We did not declare or pay any dividend during the Track Record Period. Any future declarations and payments of dividends will be at the absolute discretion of our Directors. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. Currently, we do not have any dividend policy or intention to declare or pay any dividends in the near future. Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have advised us that, under our Articles of Association, our Directors may from time to time declare and authorise payment of dividends out of the profits of the Company lawfully available therefor (as permitted by Cayman Islands law), and such dividend would not violate the Memorandum and Articles of Association of the Company nor any applicable law, regulation, order or decree in the Cayman Islands. Conyers Dill & Pearman have also advised that a position of accumulated losses at the Company level does not necessarily restrict the Company from declaring and paying dividends, as dividends may still be declared and paid from sums standing to the credit of our share premium account.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately RMB105.0 million (including underwriting commission), assuming an Offer Price of HK$9.65 per Share, which is the mid-point of the indicative Offer Price range stated in this Prospectus, and assuming that the Over-allotment Option is not exercised. As of June 30, 2019, we incurred a total of RMB23.6 million in listing expenses, of which RMB17.8 million were recognized in our consolidated statement of profit or loss and other comprehensive income and RMB5.8 million were capitalized. After June 30, 2019, approximately RMB23.3 million is expected to be charged to our consolidated statement of profit or loss and other comprehensive income, and approximately RMB58.1 million is expected to be accounted for as a deduction from equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

PROPERTY VALUATION

The Property Valuation Report from JLL, an independent property valuer, set out in Appendix III to this Prospectus, sets out details of the properties we owned and occupied as of October 31, 2019. JLL is of the opinion that the total market value of our properties as of October 31, 2019 was RMB230.6 million. See "Appendix III—Property Valuation Report" to this Prospectus.