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**Keymed Biosciences Inc.**  
**康諾亞生物醫藥科技有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 2162)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF THE LAND USE RIGHTS OF THE LAND LOCATED**  
**IN CHENGDU, SICHUAN PROVINCE**

The Board is pleased to announce that on January 18, 2023, the Purchaser (a non-wholly owned subsidiary of the Company) entered into the Asset Transfer Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase the land use rights of the Land from the Vendor, and the Land includes a near-completed Construction-in-Progress. The Consideration for the Acquisition was RMB253,543,600, representing the tender price as submitted by the Purchaser at the Public Tender. It is intended that the Company shall use the Land as its new headquarters and a manufacturing plant for the Company's pipeline drug products, and will facilitate the expansion of the Group's principal business.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on January 18, 2023, the Purchaser (a non-wholly owned subsidiary of the Company) entered into the Asset Transfer Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase the land use rights of the Land from the Vendor, and the Land includes a near-completed Construction-in-Progress. The Consideration for the Acquisition was RMB253,543,600, representing the tender price submitted by the Purchaser at the Public Tender.

The Public Tender for the land use rights of the Land was organized by the SWUEE. The Purchaser was the sole party who submitted a proposal for the Public Tender, and the Purchaser has received notice from SWUEE confirming that it was selected as the successful party for the Public Tender, and that the definitive term of the Acquisition shall be subject to the entry into the formal Asset Transfer Agreement.

It is intended that the Land shall be used as the Company's new headquarters and as a manufacturing plant for the Company's pipeline drug products, and will facilitate the expansion of the Group's principal business. Details of the Acquisition are summarized below:

## **ASSET TRANSFER AGREEMENT**

<b>Date</b>	January 18, 2023
<b>Parties</b>	The Vendor; and  The Purchaser.
<b>Subject matter</b>	The land use rights of the Land, including the rights to three buildings with an expected total gross floor area of approximately 38,818 square metres situated on the Land. The Land is located in Songbai Community, Yong'an Town, Shuangliu District, Chengdu, Sichuan Province, the PRC.
<b>Consideration</b>	<p>The Consideration for the Acquisition is RMB253,543,600, which represents the tender price submitted by the Purchaser for the Public Tender on SWUEE.</p> <p>The Consideration was based on the successful offer made by the Purchaser under a public tender held in accordance with the relevant PRC laws and regulations. In determining the tender offer price, the Group has considered a number of factors, such as (i) the location of the Land; (ii) the gross floor area and value of the Construction-in-Progress; (iii) the minimum tender price required under the Public Tender; and (iv) the prevailing market conditions.</p> <p>The Consideration shall be paid by the Purchaser in cash by internal resources of the Group and external banking facilities. For the avoidance of doubt, the Consideration is not financed from the proceeds received from the Company's Global Offering.</p>
<b>Payment terms</b>	<p>A deposit of RMB25,900,000 has been paid to SWUEE and such deposit shall be applied to settle part of the Consideration upon signing the Asset Transfer Agreement and the relevant SWUEE expenses of RMB1,974,174.4.</p> <p>The remaining balance of the Consideration, being RMB229,617,774.4 shall be paid by the Purchaser to the designated settlement account of SWUEE within five business days after the Asset Transfer Agreement is entered into and becomes effective.</p>
<b>Term of use of the Land</b>	From the completion of the Acquisition under the Asset Transfer Agreement until August 24, 2071.

## **Completion**

The Vendor and the Purchaser shall procure the handover of the Land within five business days after SWUEE has confirmed that the Purchaser has paid the balance of the Consideration. Upon completion of the handover, the Vendor and the Purchaser shall enter into a handover notice in relation to the Land.

The Vendor must also complete the project completion filing procedures (工程竣工備案手續) with the relevant authorities by January 31, 2023, and complete the registration of the change in ownership in the Land within 90 days after SWUEE has confirmed that the Purchaser has paid the balance of the Consideration. The Purchaser has a right to unwind the Acquisition if such filing procedures are delayed by over 90 days (other than as a results of issues related to the Purchaser or other force majeure).

## **INFORMATION OF THE GROUP**

### **The Group**

The Group focuses on the in-house discovery and development of innovative biological therapies in the autoimmune and oncology therapeutic areas. The Group has multiple clinical-stage assets, each of them being a leading contender within its respective competitive landscape.

## **INFORMATION OF THE PARTIES**

### **The Purchaser**

The Purchaser is a non-wholly owned subsidiary of the Company, principally engaged in the development and manufacturing of the Group's drug candidates. As of the date of this announcement, the Purchaser is owned as to 81.30% by the Group, 16.26% by Chengdu High-tech, and 2.44% by Chengdu Bio-town. Chengdu High-tech is indirectly wholly-owned by Chengdu High-tech Investment Group Co., Ltd.\* (成都高新投資集團有限公司), which is in turn owned as to 90% by Chengdu High-tech Industrial Development Zone Financial Bureau\* (成都高新技術產業開發區財政金融局) and 10.0% by Sichuan Provincial Financial Department\* (四川省財政廳), both of which is a PRC governmental body within the meaning of the Listing Rules. Chengdu Bio-town is directly wholly owned by Chengdu Tianfu, which is also the parent company of the Vendor.

### **The Vendor**

The Vendor is a wholly-owned subsidiary of Chengdu Tianfu, principally engaged in the business of property development and management in Chengdu Biotown (成都生物城). Chengdu Tianfu is in turn owned as to 54.0% by Chengdu High-tech Industrial Development Zone Financial Bureau\* (成都高新技術產業開發區財政金融局), 36.0% by Chengdu Shuangliu District State-owned Assets Supervision and Administration and Financial Work Bureau\* (成都市雙流區國有資產監督管理和金融工作局) and 10.0% by Sichuan Provincial Financial Department\* (四川省財政廳), each of which is a PRC governmental body within the meaning of the Listing Rules. Chengdu Bio-town, a wholly-owned subsidiary of Chengdu Tianfu, is a minority shareholder of the Purchaser, and holds approximately 2.44% of the Purchaser's registered capital as of the date of this announcement.

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, saved as disclosed in this announcement, the Vendor and its ultimate substantial beneficial owners are third parties independent of the Company and its connected persons.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

As a long-term strategy, the Group intends to develop a drug manufacturing industrial park and related facilities for the expansion of the Group's principal business, which could pave the way forward for the Group's further growth in the commercialization of its pipeline drug products.

The Directors are of the view that the Acquisition is in the interest of the Company and the terms of the Acquisition are on normal commercial terms or better in the ordinary course of business of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

“Acquisition”	the acquisition of the land use rights of the Land
“Asset Transfer Agreement”	an agreement dated January 18, 2023 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Board”	the board of Directors
“Chengdu Bio-town”	Chengdu Bio-Town Equity Investment Co., Ltd.* (成都生物城股權投資有限公司)
“Chengdu High-tech”	Chengdu High-tech New Economy Venture Capital Co., Ltd.* (成都高新新經濟創業投資有限公司)
“Chengdu Tianfu”	Chengdu Tianfu International Bio-Town Development Group Co., Ltd.* (成都天府國際生物城發展集團有限公司)
“Company”	Keymed Biosciences Inc. (康諾亞生物醫藥科技有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2162)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of the Acquisition
“Construction-in-Progress”	three near-completed buildings situated on the Land, the construction of which has been completed but yet to be filed with the relevant authorities
“Director(s)”	the director(s) of the Company

“Global Offering”	the offer of the shares of the Company for subscription as described in the prospectus of the Company dated June 25, 2021
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	a parcel of land located in Songbai Community No.1, Yong’an Town, Shuangliu District, Chengdu, Sichuan Province, the PRC (中國四川省成都市雙流區永安鎮松柏社區 1 組) (State-owned land use certificate no.: Chuan (2021) Shuangliu District Real Estate No. 0043700)(川(2021)雙流區不動產權第0043700號) with a total site area of 75,890.92 square metres, and consists of the Construction-in-Progress
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Public Tender”	the solicitation of offers for the sale of the land use rights to the Land through a public tender process conducted by SWUEE in accordance with the relevant laws and regulations of the PRC
“Purchaser”	Chengdu Kangnuoxing Biopharma, Inc.* (成都康諾行生物醫藥科技有限公司), a company established in the PRC and a non-wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SWUEE”	Southwest United Equity Exchange* (西南聯合產權交易所)
“Vendor”	Chengdu Bio-Town Construction Co., Ltd.* (成都生物城建設有限公司)
“%”	percent

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

Hong Kong, January 18, 2023

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

\* For identification purpose only