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KELUN-BIOTECH
科伦博泰

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.

四川科倫博泰生物醫藥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6990)

INSIDE INFORMATION

UPDATE ON COLLABORATION WITH MERCK SHARP & DOHME LLC AND RESUMPTION OF TRADING

This announcement is made by Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (“the **Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

UPDATE ON COLLABORATION WITH MERCK SHARP & DOHME LLC

The board of directors of the Company would like to update its shareholders and potential investors on the Group’s collaboration with Merck Sharp & Dohme LLC (together with its affiliates, “**MSD**”). The Group has entered into three license and collaboration agreements with MSD to develop up to nine ADC assets for cancer treatment (the “**MSD Collaboration Agreements**”) including three ADC assets which have proceeded to clinical stage (including the Group’s Core Product SKB264 and key products SKB315 and SKB410) and up to six preclinical ADC assets.

On October 21, 2023, the Company received formal written notice from MSD that MSD made a decision (1) to terminate an exclusive license the Company granted to MSD to develop, manufacture and commercialize a preclinical ADC asset, and (2) not to exercise an exclusive option the Company granted to MSD to obtain an exclusive license to another preclinical ADC asset (collectively, the “**Excluded Preclinical ADC Assets**”). None of the Excluded Preclinical ADC Assets is a Core Product or key product of the Company. The Group is not obliged to return any payments received or make any payments to MSD in respect of the aforementioned termination of the collaboration on the Excluded Preclinical ADC Assets. MSD is not obliged to pay any termination fee or required to pay any future milestone or royalty payments to the Group in respect of the Excluded Preclinical ADC Assets under the MSD Collaboration Agreements. The Group will continue with its research, development, manufacturing and commercialization of the Excluded Preclinical ADC Assets and explore collaboration opportunities with other partner(s) in respect of the Excluded Preclinical ADC Assets.

Except as disclosed above, there is no change to the MSD Collaboration Agreements. The collaboration between the Group and MSD with respect to three clinical-stage ADC assets and four preclinical ADC assets (the “**Continuing ADC Assets**”) remains unaffected. The Group’s progress on the research, development, manufacturing and commercialization of the Continuing ADC Assets continues to be on schedule. MSD also confirmed to the Company that “we [MSD] remain committed to our collaboration with Kelun and are excited to continue to advance SKB264/MK-2870, SKB315/MK-1200, an undisclosed Phase 1 program and the other preclinical ADC programs and bring these candidates to patients who need them. We plan to rapidly advance the clinical development program for SKB264/MK-2870 and recently posted our initial Phase 3 trial in patients with certain non-small cell lung cancers.” In addition, there is a possibility for the Group and MSD to explore other collaboration opportunities on new target ADC assets.

RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on The Stock Exchange of Hong Kong Limited was halted with effect from 1:00 p.m. on October 20, 2023 pending the release of this announcement. Application has been made by the Company to The Stock Exchange of Hong Kong Limited for resumption of trading in the H Shares with effect from 9:00 a.m. on October 24, 2023.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
LIU Gexin
Chairman of the Board and Non-executive Director

Hong Kong, October 23, 2023

As at the date of this announcement, the Board comprises Mr. LIU Gexin as the chairman of the Board and non-executive Director, Dr. GE Junyou and Dr. WANG Jingyi as executive Directors, Mr. LIU Sichuan, Mr. FENG Hao, Mr. ZENG Xuebo and Mr. LI Dongfang as non-executive Directors, and Dr. ZHENG Qiang, Dr. TU Wenwei, Dr. JIN Jinping, and Dr. LI Yuedong as independent non-executive Directors.