SINOMAB

**SinoMab BioScience Limited**
**中國抗體製藥有限公司**
*(Incorporated in Hong Kong with limited liability)*
**(Stock code: 3681)**

# SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the (i) prospectus of SinoMab BioScience Limited (the "**Company**") dated 31 October 2019 (the "**Prospectus**") which contained the proposed use of net proceeds (the "**Net Proceeds**") raised from the global offering of the shares of the Company (the "**Global Offering**"); (ii) annual report of the Company for the year ended 31 December 2019 (the "**Annual Report**") published on the website of both The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company on 27 April 2020 in respect of the utilisation of the Net Proceeds as at 31 December 2019; and (iii) announcement of the Company dated 22 July 2020 (the "**Announcement**") in respect of the change in use of the Net Proceeds. Capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus, the Annual Report and the Announcement.

The board of directors (the "**Board**") would like to provide further information on the Annual Report regarding the expected timeline for the application of the unutilised Net Proceeds pursuant to paragraph 11(8) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange. The shares of the Company were listed on the Stock Exchange on 12 November 2019 with Net Proceeds amounting to approximately HK$1,272.8 million (after deducting professional fees, underwriting commissions and other related listing expenses).

As at 31 December 2019, the Company had utilised approximately HK$59.5 million of the Net Proceeds, representing approximately 4.7% of the Net Proceeds. The unutilised Net Proceeds amounted to approximately HK$1,213.3 million, representing approximately 95.3% of the Net Proceeds.

The Company wishes to provide further information to its shareholders and potential investors as to the expected timeline on the intended utilisation of the unutilised Net Proceeds as follows:

| **Use of proceeds** | **Planned applications** *(HK$ million)* | **Actual utilisation up to 31 December 2019** *(HK$ million)* | **Unutilised Net Proceeds as at 31 December 2019** *(HK$ million)* | **Proposed timetable for full utilisation of the unutilised Net Proceeds** *(Note 1)* |
|---|---|---|---|---|
| *For the R&D and commercialisation of our drug candidates* | | | | |
| For the R&D and commercialisation of our core product, SM03, to fund clinical trials for SM03 including (i) ongoing and planned clinical trials in the PRC; (ii) additional clinical trials to be initiated in the PRC for additional indications; (iii) clinical trials in Australia and the United States; and (iv) NDA registration filings and the commercial launch of SM03 | 190.9 | 5.4 | 185.5 | By the end of 2023 |
| To fund pre-clinical research, clinical trials, production, preparation for registration filings and potential commercial launches of the other drug candidates in our pipeline | 318.2 | 2.0 | 316.2 | By the end of 2023 |
| To further advance our R&D programmes, expand our R&D team, build our commercialisation team, develop our proprietary technology and enhance our full spectrum platform | 42.4 | – | 42.4 | By the end of 2021 |
| For the discovery and development of new drug candidates not currently in our pipeline to diversify our product portfolio | 84.9 | 49.5 | 35.4 | N/A *(Note 2)* |
| *For the construction of our Suzhou production base primarily for the commercial-scale production of our core product SM03* | | | | |
| For the purchase of laboratory equipment, primarily for the R&D of SM03 and potentially for the R&D of other products in our pipeline | 85.8 | – | 85.8 | By the end of 2021 |
| For the purchase of manufacturing equipment, primarily for the production of SM03 | 59.7 | – | 59.7 | By the end of 2021 |

| **Use of proceeds** | **Planned applications** *(HK$ million)* | **Actual utilisation up to 31 December 2019** *(HK$ million)* | **Unutilised Net Proceeds as at 31 December 2019** *(HK$ million)* | **Proposed timetable for full utilisation of the unutilised Net Proceeds** *(Note 1)* |
|---|---|---|---|---|
| *For the construction of the Suzhou production base* | | | | |
| For the construction of additional R&D facilities and purchase of laboratory equipment to aid the ongoing R&D of SM03 for the treatment of rheumatoid arthritis, systemic lupus erythematosus, non-Hodgkin's lymphoma and other potential indications, R&D of SM03 at commercialisation to enhance craftsmanship for large-scale production, as well as the development of other products in our pipeline | 107.6 | – | 107.6 | By the end of 2022 |
| For the construction of an upstream production facility and downstream purification facility | 88.2 | – | 88.2 | By the end of 2022 |
| For the purchase of land from the Suzhou Dushu Lake Higher Education Town and other expenses related to the expansion of our Suzhou production base | 167.9 | – | 167.9 | By the end of 2020 |
| *For our working capital, expanding internal capabilities and other general corporate purposes* | 127.2 | 2.6 | 124.6 | N/A |
| **Total** | **1,272.8** | **59.5** | **1,213.3** | |

*Notes:*

(1) The expected timeline for utilising the unutilized Net Proceeds is based on the best estimation made by the Group. It is subject to change based on the future development and events which may be outside of the Group's control.

(2) As the discovery and development of new drug candidates not currently in pipeline is a continuous and ongoing process, the Company is unable to set out a detailed timeline for the utilisation of such Net Proceeds.

On 22 July 2020, the Company issued the Announcement which contained, among others, details of the collaboration and shares purchase agreement with D2M, change in use of Net Proceeds and the utilised and unutilised Net Proceeds as at the date of the Announcement. The Board confirms that, (i) save as disclosed in this announcement and the Announcement, the content of the Annual Report remained correct and unchanged; and (ii) save as disclosed in the Announcement, there has not been any change to the intended use of the Net Proceeds or the allocated amount as disclosed in the Annual Report.

Should the Directors decide to reallocate the planned use of the Net Proceeds to other plans to a material extent, a further announcement will be made by the Company as and when appropriate.

By Order of the Board
**SinoMab BioScience Limited**
**Dr. Shui On LEUNG**
*Executive Director, Chairman and Chief Executive Officer*

Hong Kong, 14 August 2020

*As at the date of this announcement, the executive directors of the Company are Dr. Shui On LEUNG and Mr. Jing QIANG, the non-executive directors of the Company are Ms. Wenyi LIU, Dr. Haigang CHEN, Mr. Senlin LIU, Mr. Huiyuan MA and Mr. Xun DONG, and the independent non-executive directors of the Company are Mr. Dylan Carlo TINKER, Mr. Michael James Connolly HOGAN, Mr. Ping Cho Terence HON and Mr. George William Hunter CAUTHERLEY.*