Sirnaomics Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2257)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

The Board of Directors is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2022, together with the comparative figures for the year ended December 31, 2021. The consolidated financial statements of the Group for the year ended December 31, 2022 have been reviewed by the Audit Committee and audited by the Company's auditor, Deloitte Touche Tohmatsu.

BUSINESS HIGHLIGHTS

During the fiscal year and the first quarter of 2023, we continued advancing our drug pipeline and business operation. Capitalizing on our dual proprietary delivery platforms — PNP and GalAhead™, we have built an enriched clinical pipeline initially focuses on therapeutics for oncology and fibrosis, and expanding to anticoagulant therapies, cardiometabolic disease, complement mediated diseases and viral infections and medical aesthetics. With STP705 advancing to late-stage clinical development for the treatment of NMSC, we have solidified a leadership position in RNA medicine for cancer treatment on the global stage. The following milestones have been achieved as at the date of this announcement:

Clinical Development

Our lead drug candidates STP705, formulated for local administration, and STP707, formulated for systemic administration, have achieved positive clinical readouts for the treatment of NMSC and solid tumor respectively, which corroborates the potential of our proprietary PNP delivery platform.

STP705 for the treatment of isSCC

In December 2022, we announced the part-one of the Phase IIb interim data. The interim results showed that the majority (78%) of 32 patients with STP705 treatment achieved histological clearance. The lowest dosage achieved 89% histological clearance. No treatment-related AEs or SAEs was observed, and Local Skin Response Scores were stable or improved across all treatment groups.

In the first quarter of 2023, based upon large body of positive clinical readout from the Phase IIa and Phase IIb studies for the treatment of isSCC, we have commenced communication with the FDA regarding our Phase III clinical study proposal for the treatment of isSCC.

STP705 for the treatment of BCC

In February 2022 we announced interim data from a Phase II clinical trial of STP705 for the treatment of BCC, which showed a dose-dependent increase of the complete response patient numbers, with an improved cosmetic result and no significant cutaneous skin reactions.

In August 2022, we announced achieving a 100% complete response using a 180 ug dose with an excellent safety profile. We have now completed the 240 ug dosage cohort and will finish up the final analysis. The final data readout of the study is expected to be released in the second quarter of 2023. The latest results demonstrated very favorable efficacy without any drug related AEs and SAEs, further validating the broad potential of this drug candidate for the treatment of NMSC and beyond. We are going to follow a similar approach for filling the Phase III study proposal to the FDA for the treatment of BCC.

STP705 in a Proof-of-Concept Phase I clinical study for localized fat reduction

In May 2022, we launched a Phase I proof-of-concept clinical trial of STP705 in adults undergoing abdominoplasty for medical aesthetics treatment. This study is our first activity to apply an RNAi therapeutic candidate for localized fat remodeling. The first subject was dosed in November 2022. We expect interim data to be available in the second quarter of 2023 and the study is expected to be completed in the second half of 2023.

STP705 for the treatment of Advanced Liver Tumors

In July 2022, we received regulatory clearance from the TMHW for our IND application to join the global Phase I trial of STP705 for the treatment of patients with advanced liver tumors. The study was started in the U.S. in March 2021, and is expected to continue to expand in Taiwan. The first patient will be initiated into the study during second half of 2023.

STP705 for the treatment of isSCC

We initiated a Phase I/II clinical study of STP705 for the treatment of patients with facial isSCC, and have dosed the first patient in August 2022. We expect the clinical study report to be available in the third quarter of 2023.

STP707 for the treatment of solid tumors

In February 2022, we launched a Phase I clinical trial of STP707 for the treatment of solid tumors (various solid tumor types) in the U.S. This is a "basket" study which enrolls a variety of participants with advanced solid tumors, who have been unresponsive to standard therapies.

In December 2022, we announced the interim data for participants from the first three dosing cohorts. To date STP707 has demonstrated an excellent safety profile with the first three dosing cohorts and has exhibited a positive efficacy signal with many participants exhibiting the best response of stable disease with a meaningful number of participants remaining on study past the 100-day mark.

This study has also been approved in the second half of 2022 to expand to Taiwan as part of the global multicenter clinical trial. We plan to expand oncology clinical studies in Asia-Pacific area where there is a high unmet need for innovative therapies.

STP707 for the treatment of PSC

In April 2022, we launched a Phase I clinical trial in the U.S. to evaluate the safety, tolerability, and pharmacokinetics of a single ascending dose of STP707 when administered by intravenous infusion to healthy subjects. The Phase I clinical trial was a single-center, randomized, dose-escalation, sequential cohort study.

IND Enabling Studies and Expected Clinical Studies

STP122G is a siRNA that targets Factor XI. The siRNA construct is conjugated with the GalNAc ligand to facilitate targeted drug delivery when administered by subcutaneous injection. We are developing STP122G as a potential anticoagulant therapy. We submitted a U.S. IND for STP122G in March 2023 and we are on track to start filing the clinical study application in the second quarter of 2023, if greenlight is given by the FDA.

RIM730 comprises mRNA coding for a modified full length spike protein from the SARS-CoV-2 variant, formulated with LNP delivery technology for intramuscular administration. We are expecting to submit a U.S. IND for RIM730 in the first quarter of 2023 based on the current progress of IND enabling studies for both efficacy and toxicity evaluation, drug formulation, CMC and previous guidance from the FDA.

Meanwhile, we are on track to submit an IND in the U.S. for STP125G in the fourth quarter of 2023, and STP144G in 2024.

Commencement of our Fill and Finish Plant Facility in Guangzhou

In December 2021, our Guangzhou Facility successfully completed its full commissioning tasks with media fill simulation three times in succession, followed by trial run success of STP705 in a lyophilized solid dose. Production and the facility have been in full operation during the Reporting Period. In the 2022, the Guangzhou Facility has supported the production of lyophilized toxicity lots for STP707, STP908, STP355 and STP369. With the recent full GMP batch of STP707 for human injection produced in the first quarter of 2023, the Guangzhou Facility is expected to be in full GMP-compliant manufacturing of our pipeline products, including formulation, fill and finish for both liquid and solid dose production, testing and release. In early 2023, the Guangzhou Facility initiated filling line capacity expansion to include liquid dose fill in 2R vial to support our GalAhead™ platform. An anticipated annual capacity of around 50,000 vials of lyophilized solid dose and 150,000 to 200,000 vials of liquid dose for human injectables dose capacity is sufficient to support all clinical trials we have currently planned.

RNAimmune's Series A Round Fundraising

In March 2022, RNAimmune, our non-wholly owned subsidiary, announced US$27 million Series A round of fundraising in the U.S. to accelerate its R&D of mRNA vaccines and drug discovery focused on infectious diseases, cancer and rare diseases.

Inclusion into the Hang Seng Composite Index: In September 2022, the Company was selected as a constituent stock of the Hang Seng Composite Index, Hang Seng Stock Connect Hong Kong Index and other Hang Seng Family of Indexes. This enabled the Company's stock to become eligible for southbound trading on the Hong Kong Stock Connect, which is a channel for stock trading and investment between investors in Hong Kong and those in mainland China. This affords the Company with the opportunity to broaden exposure to more diversified investors, improves stock liquidity, and promotes the Company's reputation in the capital market.

FINANCIAL HIGHLIGHTS

	Year ended December 31,	
	2022	2021
	US$'000	*US$'000*
Other income	**2,114**	350
Changes in fair value of financial liabilities at FVTPL	**(6,124)**	(146,038)
Administrative expenses	**(24,191)**	(16,120)
Research and development expenses	**(67,641)**	(40,673)
Listing expenses	**—**	(12,192)
Loss for the year	**(97,378)**	(215,934)

- For the year ended December 31, 2022, the loss on changes in fair value of financial liabilities at FVTPL decreased to US$6.1 million, representing a reduction of US$139.9 million, or 96%, from US$146.0 million for the year ended December 31, 2021, primarily due to automatic conversion of the Company's preferred shares to ordinary shares upon completion of the Listing on December 30, 2021.

- For the year ended December 31, 2022, the administrative expenses increased to US$24.2 million, representing a growth of US$8.1 million, or 50%, from US$16.1 million for the year ended December 31, 2021. The increase was primarily attributable to: (i) professional and consultancy fees; (ii) marketing and business development activities; and (iii) depreciation of property, plant and equipment and right-of-use assets.

- For the year ended December 31, 2022, the research and development expenses increased to US$67.6 million, representing a growth of US$26.9 million, or 66%, from US$40.7 million for the year ended December 31, 2021. The increase was primarily attributable to: (i) chemistry, manufacturing and controls expenses and materials consumed; and (ii) clinical trials expenses and preclinical test expenses. Such increases were in line with the Group's continuous research and development efforts to support the Group's steadily advancing and expanding pipeline of drug candidates.

- The Group's loss for the year decreased from US$215.9 million for the year ended December 31, 2021 to US$97.4 million for the year ended December 31, 2022. Such decrease in loss was primarily attributable to the decrease in loss on changes in fair value of financial liabilities at FVTPL and listing expenses, partly compensated by the increase in research and development expenses and administrative expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

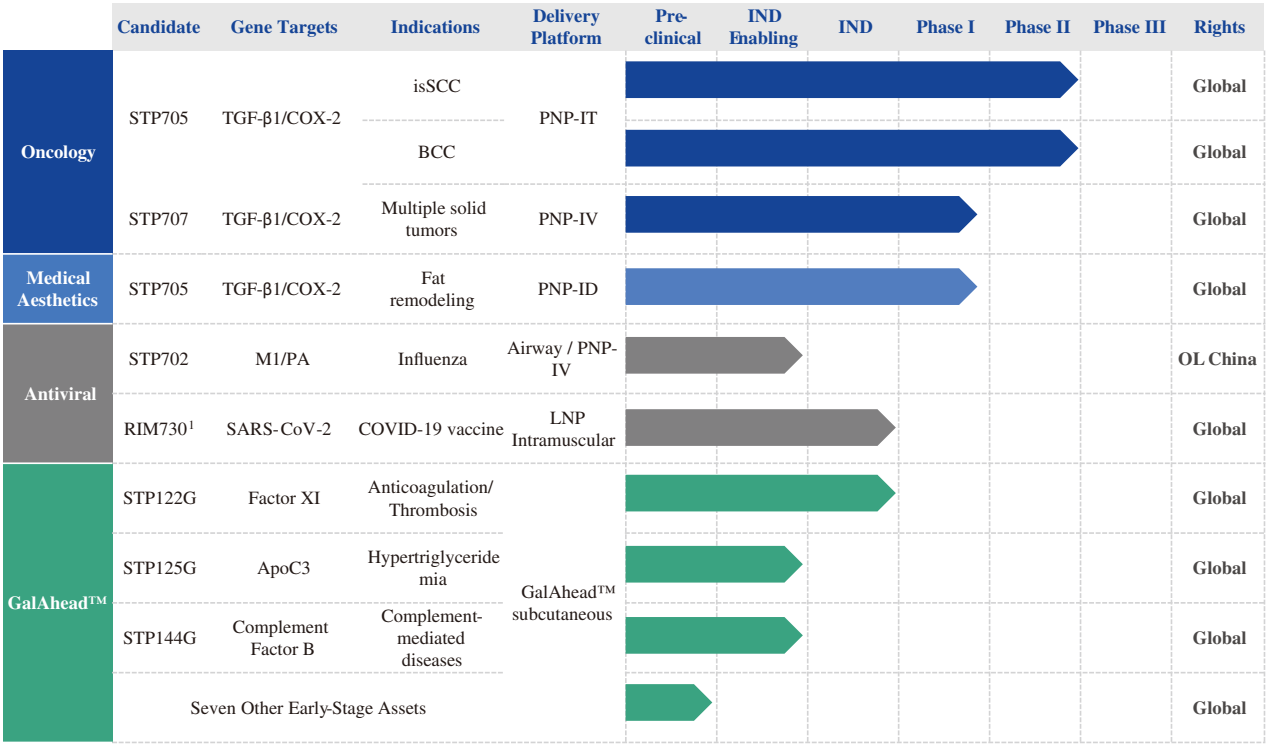
Founded in 2007, our mission is to become a fully-integrated international biopharmaceutical company, leveraging our depth of expertise in RNA therapeutics and novel delivery platform technologies. Capitalizing on our dual proprietary delivery platforms — PNP and GalAhead™, we have built an enriched clinical pipeline initially focuses on therapeutics for oncology and fibrosis, and expanding to anticoagulant therapies, cardiometabolic disease, complement mediated diseases and viral infections (to include human influenza, HBV, HPV and COVID-19) and medical aesthetics.

Our lead drug candidates STP705, formulated for local administration, and STP707, formulated for systemic administration, have achieved positive clinical readouts for the treatment of NMSC and solid tumor respectively, which corroborates the potential of our proprietary PNP delivery platform. With STP705 advancing to late-stage clinical development for the treatment of NMSC, we have solidified a leadership position in RNA medicine for cancer treatment on the global stage. We intend to further unlock therapeutic potential by expanding the capabilities of our proprietary delivery platforms to overcome the current barriers to the delivery of RNAi triggers and mRNA.

We have built an international professional team for discovery and development of RNAi therapeutics, mRNA vaccines and therapeutics. Currently we are focused specifically on the U.S. and Asia markets, which are supported by our R&D capabilities and manufacturing facilities in both regions. We are adopting a clinical development strategy to conduct clinical trials for our product candidates initially in the U.S. and then anticipate extending those trials globally and pursuing regulatory approvals in multiple markets around the globe.

Product Pipeline

Sirnaomics is advancing a deep and broad portfolio of product candidates and conducting nine clinical trials in the U.S. for our two lead clinical drug candidates, STP705 and STP707. Below is a prioritized product pipeline.



Note:

1. R&D conducted by our non-wholly owned subsidiary RNAimmune.

Abbreviations: isSCC = squamous cell carcinoma in situ; BCC = basal cell carcinoma; PNP = our polypeptide nanoparticle (PNP) RNAi delivery platform; PNP-IT = PNP platform formulated for intratumoral administration; PNP-IV = PNP platform formulated for intravenous administration; PNP-ID = PNP platform formulated for intradermal administration; GalAhead = our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers; LNP = lipid nanoparticle (LNP) formulation for delivery of mRNA; OL China = out-licensed rights in mainland China, Hong Kong, Macau and Taiwan under agreement with Walvax but we retain the rights for rest of the world.

Clinical Programs

STP705

STP705 Powder for Injection (STP705) is a sterile, lyophilized drug product that has two small interfering RNAs (pixofiseran INN and lixadesiran INN) that target TGF-ß1 and COX-2, respectively. The drug product is formulated using our proprietary PNP carrier for intratumoral, intradermal, peridermal and subcutaneous administration. TGF-ß1 and COX-2 are well-known as gatekeeper targets for oncology and fibrosis disease drug development. TGF-ß1 regulates a broad range of cellular processes, including cell proliferation, differentiation, apoptosis, extracellular matrix production, angiogenesis, inflammation and immune response, while COX-2 is a proinflammatory and proliferative mediator. We are developing STP705 for the treatment of NMSC, including isSCC and BCC, recurrent keloids after keloidectomy, HTS and solid liver tumors, as well as for fat remodeling.

STP707

STP707 Powder for Infusion (STP707) is a sterile, lyophilized drug product that contains the same two siRNAs as STP705, formulated with a different proprietary nanoparticle carrier that facilitates intravenous infusion for systemic treatment. The product is currently under investigation in two clinical studies for the treatment of solid tumors and PSC, and potentially lung fibrosis. We also aim to develop combination therapies with STP707 and immune check point inhibitors or other oncology drugs currently used as treatments for solid tumors, including liver cancer (including HCC and CCA), metastatic cSCC and NSCLC.

We may not be able to ultimately develop and market our lead drug candidates STP705 and STP707 successfully.

Other Late-Stage Preclinical Candidates

We are evaluating multiple innovative siRNA molecules as candidates that employ different targeting approaches, utilizing (i) our proprietary PNP delivery platform; (ii) two unique and newly developed GalNAc platforms (GalAhead™ platform and PDoV-GalNAc™ platform); and (iii) our proprietary PLNP delivery platform, jointly developed with RNAimmune, our non-wholly owned subsidiary. Our pipeline preclinical candidates cover a range of therapeutic indications, spanning treatments for multiple type of cancers, bladder cancer, HBV, influenza, cardiometabolic, blood and complement-mediated diseases. We intend to advance promising candidates into clinical studies that support submission of IND to conduct initial human clinical trials in multiple countries.

Preclinical Drug Candidates Using the PNP Platform

STP355

STP355 comprises siRNAs simultaneously targeting TGF-ß1 and VEGFR2 that are validated for their involvement in tumor immunity and angiogenesis. STP355 is formulated with for systemic administration with our PNP delivery (HKP+H) platform. The therapeutic potential of STP355 has been demonstrated with multiple types of cancer models including breast cancer, melanoma, and colorectal cancer.

Preclinical Drug Candidates Using the GalAhead™ Platform

STP122G

STP122G is a s siRNA that targets Factor XI. The siRNA construct is conjugated with the GalNAc ligand to facilitate targeted drug delivery when administered by subcutaneous injection. We are developing STP122G as a potential anticoagulant therapy. Using a non-human primate model, we have demonstrated long-lasting target silencing activity, up to 28-week after one dose and in toxicology studies in mice and non-human primates. No apparent toxicity or evidence of unexpected pharmacological effects were observed. Scale up of the manufacturing of the drug substance and drug product to produce materials that are in accordance with international GMP has enabled the release of clinical trial supplies. An IND for STP122G has been submitted to the FDA and is under review.

STP125G

STP125G is an siRNA that targets apolipoprotein C3 (APoC3). The siRNA construct is conjugated with the GalNAc ligand to facilitate targeted drug delivery when administered by subcutaneous injection. It is being developed for potential use in treating rare lipodystrophy conditions such as familial hypertriglyceridemia. After successful efficacy studies with cell culture and animal models of disease, APoC3-GalNAc-siRNA has been designated as a clinical candidate for further development. Nonclinical toxicology studies are in progress. The manufacture of drug substance in accordance with GMP has been completed and clinical trial supplies are being manufactured. We plan to submit an IND to the FDA in 2023.

STP144G

STP144G is an siRNA that targets Complement Factor B. The siRNA construct is conjugated with the GalNAc ligand to facilitate targeted drug delivery when administered by subcutaneous injection. We are developing STP144G for potential use in treating complement-mediated immunologic diseases. After successful efficacy studies with cell culture and animal models, this candidate was selected for further development. Development and production of the drug substance and drug product in accordance with GMP for clinical trial supplies has been completed. It is notable that STP144G is the first GalAhead™ product manufactured at our Guangzhou Facility. Nonclinical toxicology studies have been initiated. We are currently planning an IND for this product.

Preclinical Drug Candidates Using PDoV-GalNAc™ Platform

Several potential siRNA constructs conjugated to the PDov-GalNAc™ platform are currently in research and development. The siRNA in targets hepatocyte-expressed PCSK9 and is being developed for potential treatment of hypercholesterolemia, STP155G, targeting HBV viral mRNA is being developed for the treatment of hepatitis B; and STP165G, targeting hepatocyte-expressed angiotensinogen is being developed for its potential as an antihypertensive therapy.

mRNA Vaccine Candidates Using Our Proprietary mRNA Platform

RIM730, developed by RNAimmune, our non-wholly owned subsidiary, comprises mRNA coding for a modified full length prefusion spike protein from the SARS-CoV-2 variant, formulated with LNP delivery technology for intramuscular administration.

Delivery Platforms

Our proprietary delivery platforms for administration of RNA-based therapeutics serve as the foundation of our product pipeline. Our three platforms are as follow: (1) PNP delivery platform for both local and systemic administration of RNAi therapeutics to target the activated endothelial cells beyond liver hepatocyte cells; (2) a unique GalNAc-based RNAi delivery platforms (GalAhead™ platform and PDoV-GalNAc™ platform), that were developed for subcutaneous administration of siRNA drugs to liver hepatocytes; and (3) the proprietary PLNP delivery platform, jointly developed with RNAimmune, our non-wholly owned subsidiary, for administration of mRNA vaccines and therapeutics.

In the early days of the Company, we exclusively in-licensed an academic PNP nucleic acid delivery method. Leveraging our 15-year R&D effort, we are now able to advance PNP as a therapeutic delivery technology. Our PNP delivery platform is based on a naturally biodegradable polypeptide molecule, a histidine-lysine (HK) polymer. The HK polymers vary in the pattern of repeating histidine and lysine moieties and may be branched. When admixed at the appropriate ratio with RNA, the HK polymers self-assemble into nanoparticles that encapsulate the RNA. PNP serves as an excipient as part of our drug products to meet all pharmaceutical requirements for large scale manufacturing to successfully test in humans in multiple clinical studies. We obtained exclusive global rights for our PNP delivery technology.

We developed, through in-house efforts, our unique GalNAc-based RNAi delivery technologies, and hold the global exclusive rights. The GalAhead™ delivery system is a proprietary technology platform for RNAi therapeutics, discovered and developed by Sirnaomics. This platform relies on unique RNA structures that allow the knockdown of single or multiple distinct mRNA targets, specifically two key technological components: mxRNA™ and muRNA™. mxRNAs™ are comprised of single ~30 nt long oligonucleotides to downregulate individual genes, while muRNA™ molecules are comprised of multiple oligonucleotides to silence two or more targets simultaneously. The targeted delivery technology has demonstrated specific liver hepatocyte targeting via a cell surface receptor: ASGPR. Based upon this technology we have developed a series of siRNA drug candidates, validated them with cell culture and animal models of disease, and conducted rodent safety and non-human primate efficacy and safety studies.

PDoV™ leverages our expertise for enhancing of GalNAc-conjugated siRNA drug delivery. The PDoV-GalNAc™ platform takes advantage of the enhanced endosomal escape mechanism provided by PDoV™ which has two conjugation sites for two different siRNA inhibitors. When the PDoV™ is attached to a trivalent GalNAc, it allows efficient and specific siRNA delivery to liver hepatocytes. The PDoV-GalNAc™ has demonstrated a stronger RNAi therapeutic activity both in vitro and in vivo compared to GalNAc alone, which is attributed to the rapid endosomal escape afforded by PDoV™. We hold global exclusive right for the technology with multiple patent protections.

Our proprietary PLNP platform combines polypeptides and lipids to generate nanoparticles comprised of both to provide encapsulation of mRNA, allowing for efficient cellular delivery through better endosomal escape for novel mRNA vaccines and therapeutics. Our PLNP platform relies upon a less complex manufacturing process, as compared to the LNP delivery platforms, due to fewer components, and does not include polyethylene glycol, which is used in current LNP delivery platforms and is thought to cause severe adverse effects in some patients. Products formulated using our PLNP platform are stable at ambient temperatures, thus eliminating distribution costs associated with cold chain storage of LNP based products.

Manufacturing

We have developed clinical scale GMP-compliant manufacturing processes that are capable of being further developed into commercial-scale manufacturing. Our PNP manufacturing process uses microfluidic technology which we are continuously improving to support our current pipeline. In addition, we are continuously improving and exploring other PNP manufacturing processes to meet our expanded pipeline, which will be capable of supporting multiple indications. We are continuing to expand our industrial partnerships to support our global supply-chain oriented manufacturing approach including active pharmaceutical ingredients, excipients to support our PNP franchise, and clinical and commercial fill and finish facilities aimed at delivering high-quality products at low cost. For commercialization of late-stage products, our approach is global by leveraging both existing CDMOs and by establishing commercial production sites of our own. Pre-commercialization activities, including preparation for Process Performance Qualification (PPQ), are in process for API, novel excipient and drug product. We are also continuing to explore partnerships on next generation PNP formulation technologies for future commercial applications.

Our GalAhead™ delivery platform utilizes well-established CDMO partners which we are currently in the process of expanding, which includes early phase discussions with potential external commercial manufacturing facilities.

We completed the construction of a clinical manufacturing facility in Guangzhou (Guangzhou Facility) in 2021 to further enhance our in-house manufacturing capacity. During 2022, eleven batches of drug products were produced at this facility to support our preclinical tox studies and early stage of clinical studies for STP707, STP908, STP355 and STP369, and plans are underway to expand the capabilities at the Guangzhou Facility to support our expanding GalAhead™ product line. The successful operation of the Guangzhou Facility enables our in-house manufacturing capabilities and mark a transition from a biotech company to a biopharma corporation.

BUSINESS REVIEW

In 2022 and during the first few months of 2023 leading up to the date of this annual report, we continue to make significant progress with respect to our pipeline development and business development. In order to ensure sufficient cash runway in light of the uncertainty in global macro economy, the Company has prioritized resources allocation in programs that have the significant potential, and has put on hold or slowed down the development of other programs. The Company has also undergone a restructuring to optimize the U.S. and China team in early 2023.

The following milestones and achievements exemplify the Company's continued clinical execution across its board pipeline.

Clinical Development

STP705

STP705 demonstrates positive Phase IIb clinical results for the treatment of isSCC

After we obtained excellent readouts from the Phase IIa clinical trial of STP705 for the treatment of isSCC in 2021, we initiated the Phase IIb clinical trial for the treatment of isSCC in May 2021 in the U.S. We are evaluating the two most efficacious dosing regimens previously identified in a Phase IIa clinical trial in a Phase IIb randomized, double-blind, placebo-controlled trial in up to 100 adult patients with isSCC. In December 2022, we announced the part-one of the Phase IIb interim data. The interim results showed that the majority (78%) of 32 patients with STP705 treatment achieved histological clearance. The lowest dosage in the trial at Cohort A (30 μg/ml) achieved 89% histological clearance. These positive results are clearly higher than the 12 patients in placebo group which achieved 58% histological clearance. No treatment-related AEs or SAEs was observed, and Local Skin Response Scores were stable or improved across all treatment groups.

In the first quarter of 2023, based upon large body of positive clinical readout from the Phase IIa and Phase IIb studies for the treatment of isSCC, we have commenced communicated with the FDA regarding our Phase III clinical study proposal for treatment of isSCC.

STP705 demonstrates positive Phase II clinical results for the treatment of BCC

In February 2022 we announced interim data from a Phase II clinical trial of STP705 for the treatment of BCC. The interim data examined results from three cohorts with 15 total subjects and showed a dose-dependent increase of the complete response patient numbers, with an improved cosmetic result and no significant cutaneous skin reactions. In August 2022, with further expansion of the clinical study, we announced achieving a 100% complete response using a 180 ug dose with an excellent safety profile. We have now completed the 240 ug dosage cohort and will finish up the final analysis. The final data readout of the study is expected to be released in the second quarter of 2023. The latest results from the Phase II clinical study of STP705 for the treatment of BCC demonstrated very favorable efficacy without any drug related AEs and SAEs, further validating the broad potential of this drug candidate for the treatment of NMSC and beyond. We are going to follow a similar approach for filling the Phase III study proposal to the FDA for the treatment of BCC.

With the excellent results from the isSCC and BCC trials, we are spearheading the development of the novel polypeptide-based siRNA therapeutics for NMSC which have an urgent need for new treatments in the U.S.

STP705 is in a Proof-of-Concept Phase I clinical study for localized fat reduction

In May 2022, we launched a Phase I proof-of-concept clinical trial of STP705 in adults undergoing abdominoplasty for medical aesthetics treatment. The first subject was dosed in November 2022. We expect interim data to be available in the second quarter of 2023 and the study is expected to be completed in the second half of 2023. The study will focus on safety and dosing, as well as looking for histological evidence of localized fat remodeling.

This study is our first activity to apply an RNAi therapeutic candidate for localized fat remodeling. Non-invasive fat reduction is a procedure to decrease or eliminate stubborn fat pockets in specific areas of the body; the current methods include cryolipolysis, radio frequency, and laser lipolysis. The Phase I dose-ranging, randomized, double-blind, vehicle-controlled trial is designed to enroll up to ten patients and evaluate the safety and tolerability of STP705, which will be delivered via subcutaneous injection. The primary endpoints are to assess injection comfort, characterize local and systemic safety, evaluate histological changes of subcutaneous doses of STP705, and compare the safety and tolerability of three different concentrations of STP705 (120ug/mL, 240ug/mL, 320ug/mL) to select dosages for future studies. We plan to use the information from this study to expand into the treatment of submental fat and other areas of noninvasive fat remodeling. The study is expected to be completed in the second half of 2023 and we expect interim data to be available in the second quarter of 2023. This Phase I study will focus on safety and dosing as well as looking for histological evidence of fat remodeling. This will better inform later stage development of this asset in the medical aesthetics category.

STP705 for Advanced Liver Tumors Expanded into Taiwan

In July 2022, we received regulatory clearance from the TMHW for our IND application to join the global Phase I, multicenter, open-label, dose escalation study of STP705 designed to evaluate safety, tolerability, pharmacokinetics, and anti-tumor activity in the treatment of patients with advanced liver tumors. The study was started in the U.S. in March 2021, and is expected to continue to expand in Taiwan. The first patient will be initiated into the study during second half of 2023.

STP705 Phase I/II clinical study for facial isSCC

Based on the positive results from the STP705 Phase IIa and Phase IIb clinical trials for the treatment of isSCC, we initiated a Phase I/II clinical study of STP705 for the treatment of patients with facial isSCC, and dosed the first patient in August 2022. We expect the clinical study report to be available in the third quarter of 2023. The progression to treatment of facial isSCC is evidence of the safety of STP705, as demonstrated in our Phase IIa clinical study for the treatment of isSCC. We expect to observe good cosmetic results compared with existing therapies or surgery. We also believe that there will be more interest from patients to have a scarless procedure on the face than other parts of the body.

STP707

STP707 Phase I clinical trial for the treatment of solid tumors

In February 2022, we launched a Phase I clinical trial of STP707 for the treatment of solid tumors in the U.S. The Phase I clinical trial, which is a multicenter, open label, dose escalation, and dose expansion study, evaluates the safety, tolerability, pharmacokinetics and antitumor activity of STP707. This is a "basket" study which enrolls a variety of subjects with advanced solid tumors, who have been unresponsive to standard therapies. Once either the maximum tolerated dose or the recommended Phase II dose has been established, additional patients will be enrolled to continue to investigate safety and anti-tumor activities. The study encompasses five cohorts who will receive one of five escalating doses (3mg, 6mg, 12mg, 24mg, 36mg and 48mg) of STP707 through IV administered weekly on a 28-day cycle. In December 2022, we announced the interim data for participants from the 3mg, 6mg, and 12mg dosing cohorts. To date STP707 has demonstrated an excellent safety profile with the first three dosing cohorts and has exhibited a positive efficacy signal with many subjects exhibiting the best response of stable disease with a meaningful number of subjects remaining on study past the 100-day mark. This has allowed us to dose the additional planned cohorts. It is important to emphasize that participants in this study have received multiple forms of prior treatments including surgery, radiation, and tumor specific first-and second-line therapies. The positive result encourages us to proceed to a potential Phase II combination study with immune check point inhibitor drugs.

This study has also been approved in the second half of 2022 to expand to Taiwan as part of the global multicenter clinical trial. We plan to expand oncology clinical studies in Asia-Pacific area where there is a high unmet need for innovative therapies.

STP707 Phase I clinical trial for the treatment of PSC

In April 2022, we launched a Phase I clinical trial in the U.S. to evaluate the safety, tolerability, and pharmacokinetics of a single ascending dose of STP707 when administered by intravenous infusion to healthy subjects. The Phase I clinical trial was a single-center, randomized, dose-escalation, sequential cohort study.

IND Enabling Studies and Expected Clinical Studies

We submitted a U.S. IND for STP122G in March 2023 and we are on track to start filing the clinical study application in the second quarter of 2023 if greenlight is given by the FDA. This asset targets Factor XI and has the potential to be utilized in a broad range of disease states as a form of therapeutic anticoagulation. The product has the potential to be used in several diseases such as surgical prophylaxis to prevent deep vein thrombosis (DVT), chronic treatment in Atrial Fibrillation (AF) to prevent stroke, as well as maintenance treatment for DVT and pulmonary embolism.

We are expecting to submit a U.S. IND for RIM730 in the first quarter of 2023 based on the current progress of IND enabling studies for both efficacy and toxicity evaluation, drug formulation, CMC and previous guidance from the FDA.

Meanwhile, we are on track to submit a U.S. IND for STP125G in the fourth quarter of 2023, and STP144G in 2024.

Commencement of our Fill and Finish Plant Facility in Guangzhou

In December 2021, our Guangzhou Facility successfully completed its full commissioning tasks with media fill simulation three times in succession, followed by trial run success of STP705 in a lyophilized solid dose. Production and the facility have been in full operation during the Reporting Period. In 2022, the Guangzhou Facility has supported the production of lyophilized toxicity lots for STP707, STP908, STP355 and STP369. With multiple batches of drug products made by the Guangzhou Facility, continuous improvement in GMP compliance and aseptic processing operational assurance have been demonstrated. The flexibility for optimizing our clinical supplies strategy in Asia and adapting production to our clinical development programs well justified and confirmed our strategic decision in establishing this clinical manufacturing facility. With the recent full GMP batch of STP707 for human injection produced in the first quarter of 2023, the Guangzhou Facility is expected to be in full GMP-compliant manufacturing of our pipeline products, including formulation, fill and finish for both liquid and solid dose production, testing and release. In early 2023, the Guangzhou Facility initiated filling line capacity expansion to include liquid dose fill in 2R vial to support our GalAhead™ platform. An anticipated annual capacity of around 50,000 vials of lyophilized solid dose and 150,000 to 200,000 vials of liquid dose for human injectables dose capacity is sufficient to support all clinical trials we have currently planned and for future clinical developments.

RNAimmune's Series A Round Fundraising

In March 2022, RNAimmune, our non-wholly owned subsidiary, announced US$27 million Series A round of fundraising in the U.S. to accelerate its R&D of mRNA vaccines and drug discovery focused on infectious diseases, cancer and rare diseases.

Fueled by the fresh capital, RNAimmune is advancing its artificial intelligence algorithms, next generation delivery systems program, monovalent and bivalent COVID-19 vaccine programs, prophylactic respiratory syncytial virus (RSV) vaccine program, Pan-RAS tumor vaccine program in collaboration with the University of California, Los Angeles, and prophylactic HSV vaccine program in collaboration with the University of Houston.

Intellectual Properties

Sirnaomics is the exclusive owner of 20 pending patent applications filed in 2022 that cover our PNP delivery platform (without regard to any particular product or product family). These include two applications filed in China, 12 national stage applications stemming from the filing of an international (PCT) application in 2020 (including, among others, one Chinese application and one U.S. application), three new PCT applications and three other U.S. non-provisional applications. We continue to develop and use the PNP delivery platform technology for selected indications. Sirnaomics licensed this technology to RNAimmune for use in its mRNA vaccine platforms. RNAimmune has four additional U.S. applications filed in 2022 relating to drug delivery.

In 2022, the GalAhead™ RNAi delivery platform advanced in the developing novel therapeutic products focused on complement-related and other diseases. The GalAhead™ platform is protected by two families consisting of 26 pending internationally filed patents. Sirnaomics filed 12 additional applications in 2022 that protect embodiments of the platform directed to specific molecular targets.

The PDoV™ technology is protected by 12 pending international applications including the U.S. and China.

Strengthening of Executive Team and Board

The Company has restructured the management team to reflect the latest focus in executing our Group's development strategy. In July 2022, Dr. Xiaochang Dai was re-designated from a non-executive Director to an executive Director to oversee the scientific and strategic development of the Group. In November 2022, the Company appointed Mr. Yip Wing Kei (alias Nigel Yip) as Chief Financial Officer and Ms. Yun Zhang (alias Monica Zhang) as Chief Executive Office, China. Additionally, in February 2023, Dr. Steven Long has left the role of Chief Development Officer with Sirnaomics and been hired as Chief Scientific Officer of RNAimmune, our non-wholly owned subsidiary. In March 2023, Mr. George Ji has retired from the role of Chief Operating Officer and is expected to support the Company in an advisory role, and Dr. David Mark Evans notified the Company that he will be formally stepping down from the role of Chief Scientific Officer and will be moving into a newly created role to be the Head of Discovery.

Inclusion into the Hang Seng Composite Index:

In September 2022, the Company was selected as a constituent stock of the Hang Seng Composite Index, Hang Seng Stock Connect Hong Kong Index and other Hang Seng Family of Indexes. This enabled the Company's stock to become eligible for southbound trading on the Hong Kong Stock Connect, which is a channel for stock trading between investors in Hong Kong and those in mainland China. This affords the Company with the opportunity to broaden exposure to more diversified investors, improves stock liquidity, and promotes the Company's reputation in the capital market.

Impact of COVID-19

The COVID-19 pandemic had some adverse impact on our business operations and financial performance for the Reporting Period. The Company experienced some material and prolonged disruption of our ongoing clinical and preclinical trials due to: (i) special work arrangements of our R&D staff and relevant government authorities in China and in the U.S.; (ii) fewer patients attending hospitals or clinics for trials; and (iii) shortage and higher cost of non-human primates driven by pandemic-related research. However, our global presence in the U.S. and China offered us the flexibility to work with vendors less impacted by the COVID-19 pandemic in different parts of the world to ensure a more seamless development of our preclinical drug candidates.

FUTURE AND OUTLOOK

At Sirnaomics, we are advancing an enriched drug product pipeline of innovative RNA based medicine to improve the lives and wellbeing of patients worldwide. Based on our proprietary technology platforms, world-leading clinical programs, highly experienced management team and well-established R&D and manufacturing facilities in the U.S. and Asia, the Company is well positioned to develop novel RNAi therapeutics for cancer, fibrosis diseases, viral infection, liver-metabolic diseases and medical aesthetics. We intend to continue to expand our competitive advantages and become a global leader by focusing on the following key business priorities and initiatives:

Advance development of our lead product candidates STP705 and STP707 through clinical trials toward market approvals in oncology in the U.S. and Asia

We have successfully leveraged the proof-of-concept human data from STP705. With the accumulation of successful human clinical data from STP705 for the treatment of isSCC, we expanded the clinical trials for STP705 into a wider range of oncology and fibrosis indications, including but not limited to BCC and liver cancer, as well as medical aesthetics indication such as fat reduction. We also continue to advance our clinical trials for STP707 and expand the therapeutic reach using systemic administration as a modality, opening up more opportunities to treat other indications which could not be addressed by STP705.

Our top priority is STP705 for the treatment of isSCC toward commercialization. The positive data readout from the part one of the Phase IIb trial demonstrated excellent safety profile, allowing us to complete the study ahead of scheduled time and advance to late-stage development. Together with STP705 for the treatment of BCC for which we expect to have the final data readout in the second quarter of 2023, we expect to further advance our STP705 skin cancer franchise to late-stage development in the second half of 2023.

Patient enrolment of a proof-of-concept Phase I STP705 trial to study fat remodeling in abdominoplasty patients has been completed. Data for the first two subjects have demonstrated significant fat remodeling. We are excited about the findings and expect to release interim data in second quarter of 2023 with the final readout in second half of 2023. We expect to move forward and study the asset in areas of the body where there is unmet need for a therapeutic such as submental fat reduction. This development program is expected to open up a new therapeutic area of medical aesthetics for our pipeline and has received very positive responses from the market. We will explore partnering opportunities for this particular asset.

To prepare for our expanding programs and further clinical development our clinical teams in the U.S. and Asia are running multi-center global trials for indications such as isSCC and liver cancer, leveraging the populations of subjects for different indications in both parts of the world. To prepare for potential market approvals, we have started exploring potential partnerships and developed a commercialization plan to position STP705 when the upcoming clinical studies reach primary endpoints. Going forward, we plan to continue to invest in the studies for STP705 and expand indications beyond skin cancers.

While we advance the late-stage development of STP705 for the treatment of isSCC and BCC, we are excited to simultaneously move forward with STP707, which has proven the safety and efficacy of our proprietary PNP delivery systems in IV administration. In future development, STP707 and our targeted PNP delivery have potential to treat a variety of solid tumors and will differentiate Sirnaomics from other RNA players globally. As a result of positive interim data for STP707, we will explore collaboration of a Phase II combination trial, combining STP707 with novel approved cancer therapies such as immune check point inhibitors as well as traditional chemotherapy where first-and second-line treatments show minimal impact on disease outcomes. Such potential combination therapies may include CCA, HCC, melanoma, or pancreatic cancer. We will also explore other indications for Phase II trials and continue expanding our clinical development programs. STP707 is believed to have big market potential through IV administration and potential partnership possibility. We believe our optimal growth plan lies in dedicating our capital and corporate resources toward advancing our valuable assets with meaningful market potential.

Advance more innovative first-in-class preclinical assets into clinical stage

We are evaluating multiple innovative siRNA candidates that employ different targeting and nanoparticle technologies in preclinical studies. We plan to advance these promising candidates through IND-enabling studies that will support submission of investigational drug applications as we plan to conduct initial clinical trials in multiple countries.

Sirnaomics will accelerate the research and development of our next generation GalAhead™ platform. We have ten GalAhead™ candidates in the pipeline and expect to have two INDs submitted in 2023 (for STP122G and STP125G). STP122G, targeting Factor XI for subcutaneous administration, is expected to be the first representative candidate for the GalAhead™ delivery platform to enter clinical stage in 2023.

RNAimmune, our non-wholly owned subsidiary, is expected to advance to an IND application for RIM730 with the FDA in the first quarter of 2023 and accelerate the development of its mRNA platform.

Selectively pursue synergistic collaboration opportunities to maximize the potential of our clinical product candidates

Our strategy and business development team continues to actively explore global and local partnership and cooperation opportunities with other industry players, specifically for our lead products STP705 and STP707, and with our GalAhead™ delivery platform and preclinical assets, including, but not limited to, STP122G, STP125G and STP144G. Such partnerships and cooperation are expected to help accelerate the development of multiple preclinical and clinical assets.

These opportunities may include co-development, in-licensing and out-licensing arrangements. We have a proven track record of collaborating with biopharmaceutical and biotechnology companies across the globe which underscores our industry recognition and paves the way for long-term collaborations.

We aim to gain market coverage by leveraging our current and future business partners' expertise and business network.

Impact of COVID-19

We cannot foresee when the COVID-19 pandemic will become completely under control and therefore the aforementioned impacts on our business will remain. We are monitoring the COVID-19 situation as well as various regulatory and administrative measures adopted by local governments closely and will adjust our strategy and precautionary measures accordingly.

FINANCIAL REVIEW

	2022	2021
	US$'000	*US$'000*
Other income	**2,114**	350
Other gains and losses	**(292)**	(244)
Changes in fair value of financial asset at FVTPL	**4**	—
Changes in fair value of financial liabilities at FVTPL	**(6,124)**	(146,038)
Administrative expenses	**(24,191)**	(16,120)
Research and development expenses	**(67,641)**	(40,673)
Listing expenses	**—**	(12,192)
Other expenses	**(450)**	(678)
Finance costs	**(798)**	(339)
Loss for the year	**(97,378)**	(215,934)

Overview

For the year ended December 31, 2022, the Group did not generate any revenue from product sales. The Group recorded a loss of US$97.4 million for the year ended December 31, 2022, as compared with US$215.9 million for the year ended December 31, 2021.

Substantially all of the Group's net losses resulted from changes in fair value of financial liabilities at FVTPL, research and development expenses and administrative expenses.

Revenue

For the year ended December 31, 2022, the Group did not generate any revenue from product sales and did not recognize revenue from the co-development and license agreement entered into with Walvax.

Other Income

The Group's other income primarily consists of: (i) government grants, including cash incentives to support the Group's research and development in the PRC and for the completion of the Listing; and (ii) interest income from restricted bank balances and bank balances.

For the year ended December 31, 2022, the other income of the Group increased to US$2.1 million representing a growth of US$1.7 million, or 504%, from US$0.4 million for the year ended December 31, 2021. The increase was primarily due to: (i) the Group obtained government grant of US$0.6 million upon completion of the Listing on the Hong Kong Stock Exchange; and (ii) increase in interest income from restricted bank balances and bank balances of US$1.1 million from US$0.2 million for the year ended December 31, 2021 to US$1.3 million for the year ended December 31, 2022.

Other Gains and Losses

The Group's other gains and losses primarily consist of: (i) net foreign exchange gains or losses; and (ii) changes in fair value of structured deposits.

For the year ended December 31, 2022, the other gains and losses of the Group increased to a loss of US$0.3 million representing a growth of US$0.1 million, or 20%, from a loss of US$0.2 million for the year ended December 31, 2021. The increase was primarily due to decrease in the gain on changes in fair value of structured deposits of US$0.3 million for the year ended December 31, 2021 to US$0.1 million for the year ended December 31, 2022.

Changes in Fair Value of Financial Liabilities at FVTPL

The Group's changes in fair value of financial liabilities at FVTPL mainly represent changes in fair value of: (i) preferred shares; (ii) Series C Warrants; (iii) convertible loans issued by Suzhou Sirnaomics to Series D investors; (iv) SAFE issued by RNAimmune to non-controlling shareholders of RNAimmune in August and September 2020; and (v) Series Seed and Series A preferred shares of RNAimmune.

For the year ended December 31, 2022, the loss on changes in fair value of financial liabilities at FVTPL of the Group decreased to US$6.1 million, representing a reduction of US$139.9 million, or 96%, from US$146.0 million for the year ended December 31, 2021, primarily due to automatic conversion of the Company's preferred shares to ordinary shares upon completion of the Listing on December 30, 2021.

Administrative Expenses

The following table sets forth the components of the Group's administrative expenses for the years indicated:

	For the year ended December 31,		
	2022	2021	Changes
	US$'000	*US$'000*	*%*
Director's emolument and staff costs	**7,014**	8,144	(14%)
Professional and consultancy fees	**10,946**	5,297	107%
Traveling expenses	**415**	400	4%
Other office expenses	**1,442**	913	58%
Depreciation of property, plant and equipment and right-of-use assets	**1,458**	327	346%
Marketing and business development	**1,792**	215	733%
Insurance	**305**	207	47%
Others	**819**	617	33%
Total	**24,191**	16,120	50%

The Group's administrative expenses primarily consist of: (i) directors' emolument and staff costs relating to the Group's administrative staff; and (ii) professional and consultancy fees, including financial advisory service fees, legal fees for patent-related and general corporate advisory services and professional fees for regulatory compliance and maintaining listing status after the Listing.

For the year ended December 31, 2022, the administrative expenses of the Group increased to US$24.2 million, representing a growth of US$8.1 million, or 50%, from US$16.1 million for the year ended December 31, 2021. The increase was primarily attributable to: (i) professional and consultancy fees; (ii) marketing and business development activities; and (iii) depreciation of property, plant and equipment and right-of-use assets.

Research and Development Expenses

The following table sets forth the components of the Group's research and development expenses for the years indicated:

	For the year ended December 31,		
	2022	2021	Changes
	US$'000	*US$'000*	*%*
Director's emolument and staff costs	**14,569**	16,537	(12%)
Chemistry, manufacturing and controls expenses	**16,815**	6,665	152%
Materials consumed	**10,153**	3,239	213%
Clinical trials expenses	**8,490**	4,510	88%
Preclinical test expenses	**11,790**	5,845	102%
Consultancy fee	**1,169**	1,725	(32%)
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	**2,475**	1,303	90%
Others	**2,180**	849	157%
Total	**67,641**	40,673	66%

The Group's research and development expenses primarily consist of: (i) directors' emolument and staff costs relating to the research and development staff; (ii) chemistry, manufacturing and controls expenses; (iii) materials consumed; (iv) clinical trials expenses, mainly in relation to the engagement of CROs; and (v) preclinical test expenses, mainly in relation to the engagement of preclinical CROs.

For the year ended December 31, 2022, the research and development expenses of the Group increased to US$67.6 million, representing a growth of US$26.9 million, or 66%, from US$40.7 million for the year ended December 31, 2021. The increase was primarily attributable to: (i) chemistry, manufacturing and controls expenses and materials consumed; and (ii) clinical trials expenses and preclinical test expenses. Such increases were in line with the Group's continuous research and development efforts to support the Group's steadily advancing and expanding pipeline of drug candidates.

Listing Expenses

Listing expenses represent professional fees and other fees incurred in connection with the Listing on the Hong Kong Stock Exchange on December 30, 2021. For the year ended December 31, 2021, the Group recorded listing expenses charged to profit or loss of US$12.2 million.

Other Expenses

The following table sets forth the components of the Group's other expenses for the years indicated:

	For the year ended December 31,	
	2022	2021
	US$'000	*US$'000*
Subscription fee of financial asset at FVTPL	**450**	—
Issuance costs of financial liabilities at FVTPL	**—**	678
Total	**450**	678

The Group's other expenses primarily consist of: (i) subscription fee of financial asset at FVTPL; and (ii) issuance costs of financial liabilities at FVTPL, mainly professional and consultancy fees in relation to the issuance of Series E preferred shares.

Finance Costs

The Group's finance costs were primarily interests on lease liabilities.

For the year ended December 31, 2022, the finance costs of the Group increased to US$0.8 million, representing an increase of US$0.5 million, or 135%, from US$0.3 million for the year ended December 31, 2021. This increase was primarily due to the increase in the interest on lease liabilities.

Income Tax Expense

No Hong Kong profits tax, U.S. corporate income and state taxes or China enterprise income tax were provided as the group entities had no assessable profits during the year ended December 31, 2022.

Loss for the Year

The Group's loss for the year decreased from US$215.9 million for the year ended December 31, 2021 to US$97.4 million for the year ended December 31, 2022. Such decrease in loss was primarily attributable to the decrease in loss on changes in fair value of financial liabilities at FVTPL and listing expenses, partly compensated by the increase in research and development expenses and administrative expenses.

Cash flows

	For the year ended December 31,	
	2022	2021
	US$'000	*US$'000*
Net cash used in operating activities	**(88,708)**	(56,973)
Net cash used in investing activities	**(32,611)**	(6,035)
Net cash from financing activities	**15,888**	170,964
Net (decrease)/increase in cash and cash equivalents	**(105,431)**	107,956
Cash and cash equivalents at January 1	**211,994**	103,122
Effect of foreign exchange rate changes	**(1,334)**	916
Cash and cash equivalents at December 31	**105,229**	211,994

Net cash used in operating activities for the year ended December 31, 2022 increased to US$88.7 million, representing an increase of US$31.7 million, or 56%, from US$57.0 million for the year ended December 31, 2021. This increase was primarily due to the expansion of the Group's research and development activities, general corporate and administrative activities.

Net cash used in investing activities for the year ended December 31, 2022 increased to US$32.6 million, representing an increase of US$26.6 million, or 440%, from US$6.0 million for the year ended December 31, 2021. This increase was primarily due to: (i) increase in purchase of financial asset at FVTPL of US$15.0 million; and (ii) increase in purchase and deposits paid for property, plant and equipment of US$13.7 million.

Net cash from financing activities for the year ended December 31, 2022 decreased to US$15.9 million, representing a decrease of US$155.1 million, or 91%, from US$171.0 million for the year ended December 31, 2021. This decrease was primarily due to the reduction in the amount of equity fundraising. There is a reduction of proceeds from the exercise of over-allotment option of US$8.2 million and proceeds from issuance of Series A preferred shares of RNAimmune of US$14.6 million raised during the year ended December 31, 2022, from the issuance of Series E preferred shares of US$106.2 million and proceeds from the Listing of US$63.7 million during the year ended December 31, 2021.

Liquidity and Source of Funding and Borrowing

The Group's management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. As at December 31, 2022, the Group's cash and cash equivalents were mainly denominated in United States Dollars, Renminbi and Hong Kong Dollars. The Group relies on equity and debt financing as the major source of liquidity. The Group had no bank borrowings as at December 31, 2022.

As at December 31, 2022, the Group had unutilized banking facilities of US$3.6 million.

As at December 31, 2022, the Group's cash and cash equivalents decreased to US$105.2 million from US$212.0 million as at December 31, 2021. The decrease was primarily resulted from the expansion of the Group's research and development activities, general corporate and administrative activities.

As at December 31, 2022, the current assets of the Group were US$117.2 million, including cash and cash equivalents of US$105.2 million and other current assets of US$12.0 million. As at December 31, 2022, the current liabilities of the Group were US$14.2 million, including trade and other payables of US$11.7 million, contract liability of US$0.7 million and lease liabilities of US$1.8 million.

As at December 31, 2022, the Group's net assets decreased to US$111.6 million from US$210.3 million as at December 31, 2021, primarily due to: (i) decrease in cash and cash equivalents from US$212.0 million as at December 31, 2021 to US$105.2 million as at December 31, 2022; and (ii) increase in financial liabilities at FVTPL from US$8.4 million as at December 31, 2021 to US$29.1 million as at December 31, 2022 primarily due to issuance of Series A preferred shares of RNAimmune in 2022, partly compensated by the increase in property, plant and equipment from US$7.9 million as at December 31, 2021 to US$24.1 million as at December 31, 2022 and purchase of financial asset at FVTPL of US$15.0 million in 2022.

Key Financial Ratios

The following table sets out the Group's key financial ratio as of the dates indicated:

	As at December 31,	
	2022	2021
	%	%
Current ratio	**824.1**	1,379.1

Note: Current ratio represents current assets divided by current liabilities as of the same date.

Material Investments

During the year ended December 31, 2022, the Group subscribed for an investment fund at a total subscription amount of US$15 million (exclusive of transaction costs) for investment purpose to provide the Group with an opportunity to enhance return by utilizing idle cash of the Group. The subscription also enables the Group to participate in the Hong Kong, U.S. and Mainland China securities markets while reducing direct investment risks by leveraging on the professional management of the investment fund and the investment manager. The investment was classified as financial asset at FVTPL.

As at December 31, 2022, the Group had financial asset at FVTPL of US$15.0 million, representing over 5% of the Group's total assets. For the year ended December 31, 2022, the Group recognized a gain on changes in fair value of financial asset at FVTPL of US$4,000 and incurred subscription fee on the financial asset at FVTPL of US$450,000.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates (within the meaning of the Listing Rules) or joint ventures for the year ended December 31, 2022.

Pledge of Assets

As at December 31, 2022, the Group did not have any pledge of assets.

Contingent Liabilities

As at December 31, 2022, the Group did not have any material contingent liabilities.

Foreign Exchange Exposure

Certain bank balances, deposits and other receivables and trade and other payables denominated in foreign currency of respective group entities expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. The foreign exchange exposures is considered very minimal since majority of the Group's expenses is in U.S. dollar and this matches with the denomination of majority of our deposits. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration

As at December 31, 2022, the Group had a total of 225 employees. The following table sets forth the total number of employees by function as of December 31, 2022:

	Number of Employees
Management	15
Research	106
Manufacturing	35
Clinical and Regulation	15
General and Administrative	54
Total	**225**

The total remuneration cost incurred by the Group for the year ended December 31, 2022 was US$21.6 million, as compared to US$24.7 million for the year ended December 31, 2021. The remuneration of the employees of the Group comprises salaries and other allowances, retirement benefit scheme contributions, share-based payment expense as well as performance and discretionary bonus.

As required by relevant laws and regulations, the Group participates in various employee social security plans for the employees that are administered by local governments, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

CORPORATE GOVERNANCE

The Company has adopted and applied the code provisions of the CG Code set out in Appendix 14 of the Listing Rules. To the best knowledge of the Directors, except for code provision C.2.1 of the CG Code set out below, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period.

Code provision C.2.1 provides that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The role of chairman of the Board and chief executive officer of our Company are currently performed by Dr. Yang Lu ("**Dr. Lu**"). In view of Dr. Lu's substantial contribution to the Group since our establishment and his extensive experience, we consider that having Dr. Lu acting as both our chairman and chief executive officer will provide strong and consistent leadership to the Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Dr. Lu continues to act as both the chairman and chief executive officer, and therefore currently do not propose to separate the functions of chairman and chief executive officer. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own code of conduct regarding securities transactions, which applies to all Directors and relevant employees of the Group who are likely to be in possession of unpublished price-sensitive information of the Company, on terms no less than the required standard indicated by the Model Code.

All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the Directors and relevant employees was noted during the Reporting Period.

USE OF PROCEEDS FROM THE LISTING

The Company's Shares were listed on the Hong Kong Stock Exchange on December 30, 2021 with gross proceeds of US$63.7 million raised. On January 21, 2022, the over-allotment option as described in the Prospectus was partially exercised by the Joint Representatives (as defined in the Prospectus) with gross proceeds of US$8.3 million raised on January 26, 2022. The net proceeds raised during the Global Offering (including the partial exercise of the over-allotment option) were approximately US$54.8 million with a total of 8,513,450 new Shares issued. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus and the Company intends to utilize the additional net proceeds on a pro rata basis for the purposes as set out in the section headed

"Future Plans and Use of Proceeds" in the Prospectus. The Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purposes based on actual business needs.

The table below sets forth a detailed breakdown and description of the use of net proceeds as at December 31, 2022:

Purposes	**% of use of net proceeds (as disclosed in the Prospectus)**	**Net proceeds from Global Offering** *(US$ million)*	**Utilized net proceeds up to December 31, 2021** *(US$ million)*	**Net proceeds utilized during the Reporting Period** *(US$ million)*	**Unutilized proceeds up to December 31, 2022** *(US$ million)*	**Estimated timeline for utilizing the net proceeds from Global Offering**
To fund the development and commercialization of STP705	57.9%	31.7	—	11.7	20.0	By mid of 2024
To fund the development of STP707	15.6%	8.6	—	7.9	0.7	By mid of 2023
To fund our GalNAc Program yielded products such as STP122G, STP133G, and STP144G and other preclinical stage product candidates, and where such research and development will further advance our proprietary GalAhead™ and PDoV-GalNAc delivery platforms for development of novel product candidates	15.4%	8.4	—	8.4	—	—
To fund the research and development of our other preclinical drug candidates	7.3%	4.0	—	4.0	—	—
For general corporate and working capital purposes	3.8%	2.1	—	2.1	—	—
Total	100.0%	54.8	—	34.1	20.7	

AUDIT COMMITTEE

The Audit Committee consists of one non-executive Director, being Mr. Mincong Huang, and two independent non-executive Directors, being Ms. Shing Mo Han, Yvonne and Mr. Fengmao Hua. Ms. Shing Mo Han, Yvonne is the chairperson of the Audit Committee.

The primary duties of the Audit Committee are set out in the written terms of reference which include reviewing and supervising the financial reporting process, risk management and internal control systems of the Group, and overseeing the audit process.

The Audit Committee had, together with the management of the Company, reviewed the consolidated financial statements of the Group for the year ended December 31, 2022 and the accounting principles and policies adopted by the Group.

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

During the year ended December 31, 2022, as the Board considered that the trading price of the Shares did not reflect their intrinsic value, the Board determined to exercise its powers under the general mandate to repurchase Shares granted by the Shareholders at the annual general meeting held on June 28, 2022. The Share repurchases could reflect the Board's confidence in the Company's development prospects. The total number of Shares repurchased by the Company on the Hong Kong Stock Exchange during the Reporting Period was 1,245,150 at a total consideration (before expenses) of HK$79,525,520. As at December 31, 2022, 1,072,550 repurchased Shares have been cancelled. As at the date of this announcement, the remaining 172,600 repurchased Shares were subsequently cancelled.

Details of the Share repurchases during the Reporting Period are as follows:

Month	**Total number of Shares repurchased**	**Highest purchase price per Share** *(HK$)*	**Lowest purchase price per Share** *(HK$)*	**Total consideration (before expenses)** *(HK$)*
July 2022	628,500	70.40	62.05	41,039,525.00
August 2022	27,300	66.90	64.20	1,776,357.50
September 2022	293,350	69.90	63.95	19,390,110.00
October 2022	123,400	66.00	60.15	7,942,487.50
November 2022	15,100	57.90	54.10	846,682.50
December 2022	157,500	57.95	51.15	8,530,357.50

Saved as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2022.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Wednesday, June 28, 2023. A notice convening the annual general meeting will be issued and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the annual general meeting, the register of members of the Company will be closed from Friday, June 23, 2023 to Wednesday, June 28, 2023 (both days inclusive), during which no transfer of Shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all duly completed share transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, June 21, 2023.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows and the related notes thereto for the year ended December 31, 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 28, 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company at www.sirnaomics.com. The annual report of the Company for the year ended December 31, 2022 containing all the information in accordance with the requirements under the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2022

	NOTES	**2022**	2021
		US$'000	*US$'000*
Other income	*5*	**2,114**	350
Other gains and losses	*6*	**(292)**	(244)
Changes in fair value of financial asset at FVTPL		**4**	—
Changes in fair value of financial liabilities at FVTPL		**(6,124)**	(146,038)
Administrative expenses		**(24,191)**	(16,120)
Research and development expenses		**(67,641)**	(40,673)
Listing expenses		**—**	(12,192)
Other expenses	*7*	**(450)**	(678)
Finance costs	*8*	**(798)**	(339)
Loss before tax		**(97,378)**	(215,934)
Income tax expense	*9*	**—**	—
Loss for the year	*10*	**(97,378)**	(215,934)
Other comprehensive (expense) income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,850)**	141
Other comprehensive (expense) income for the year		**(1,850)**	141
Total comprehensive expense for the year		**(99,228)**	(215,793)

	NOTES	**2022**	2021
		US$'000	*US$'000*
Loss for the year attributable to:			
Owners of the Company		**(88,299)**	(213,071)
Non-controlling interests		**(9,079)**	(2,863)
		(97,378)	(215,934)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(90,080)**	(212,989)
Non-controlling interests		**(9,148)**	(2,804)
		(99,228)	(215,793)
Loss per share	*12*		
— Basic and diluted (US$)		**(1.16)**	(14.30)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

	NOTES	**2022**	2021
		US$'000	*US$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**24,076**	7,862
Right-of-use assets		**5,446**	6,855
Intangible assets		**919**	1,069
Financial asset at FVTPL		**15,004**	—
Deposits		**1,237**	1,056
		46,682	16,842
CURRENT ASSETS			
Prepayments, deposits and other receivables		**12,020**	11,748
Restricted bank balances		**—**	63
Cash and cash equivalents		**105,229**	211,994
		117,249	223,805
CURRENT LIABILITIES			
Trade and other payables	*13*	**11,758**	14,098
Contract liability		**718**	784
Lease liabilities		**1,751**	1,346
		14,227	16,228
NET CURRENT ASSETS		**103,022**	207,577
TOTAL ASSETS LESS CURRENT LIABILITIES		**149,704**	224,419

	NOTES	**2022**	2021
		US$'000	*US$'000*
NON-CURRENT LIABILITIES			
Financial liabilities at FVTPL		**29,139**	8,437
Lease liabilities		**9,005**	5,694
		38,144	14,131
NET ASSETS		**111,560**	210,288
CAPITAL AND RESERVES			
Share capital	*14*	**88**	88
Reserves		**121,918**	211,527
Equity attributable to owners of the Company		**122,006**	211,615
Non-controlling interests		**(10,446)**	(1,327)
TOTAL EQUITY		**111,560**	210,288

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

	2022	2021
	US$'000	*US$'000*
Net cash used in operating activities	**(88,708)**	(56,973)
Net cash used in investing activities	**(32,611)**	(6,035)
Net cash from financing activities	**15,888**	170,964
Net (decrease) increase in cash and cash equivalents	**(105,431)**	107,956
Cash and cash equivalents at January 1	**211,994**	103,122
Effect of foreign exchange rate changes	**(1,334)**	916
Cash and cash equivalents at December 31, represented by bank balances and cash	**105,229**	211,994

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

1. GENERAL INFORMATION

Sirnaomics Ltd. (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of the Hong Kong Stock Exchange effective from December 30, 2021. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, referred to as the "**Group**") are clinical stage biotechnology companies engaged in developing and commercializing of RNAi technology and multiple therapeutics.

The consolidated financial statements are presented in US$, which is the same as the functional currency of the Company.

2. GROUP REORGANIZATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and the conventions applicable for group reorganization as detailed below.

Prior to the incorporation of the Company and the completion of the group reorganization (the "**Group Reorganization**"), the principal operation of the Group has been operated by US Sirnaomics and its subsidiaries, Suzhou Sirnaomics, Guangzhou Sirnaomics, HK Sirnaomics and RNAimmune.

The Company was incorporated under the laws of Cayman Islands as an exempted company with limited liability on October 15, 2020. The authorized share capital of the Company was US$150,000, which was initially divided into 150,000,000 shares with par value of US$0.001 each at the date of incorporation. At the time of incorporation, one ordinary share was transferred to the initial subscribing shareholder and on the same day, the ordinary share was transferred to Dr. Yang Lu, a director and chief executive officer of the Company. On January 21, 2021, the authorized share capital of the Company was divided into 100,000,000 ordinary shares of US$0.001 par value each and 50,000,000 preferred shares ("**Preferred Shares**") of a par value of US$0.001 each, of which 2,024,860 were designated "Series A Preferred Shares", 7,374,632 were designated "Series B Preferred Shares", 14,600,142 were designated "Series C Preferred Shares" and 16,249,174 were designated "Series D Preferred Shares".

On January 21, 2021, US Sirnaomics, the then shareholders of US Sirnaomics, the holders of Series C Warrants and Series D Warrants and the Company entered into a share exchange agreement, pursuant to which, the then shareholders of US Sirnaomics transferred all their shares in US Sirnaomics to the Company, and in exchange for such transfer, the Company issued corresponding ordinary shares of the Company, Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares to the then shareholders of US Sirnaomics to mirror their shareholding in US Sirnaomics. The holders of Series C Warrants and Series D Warrants exchanged their Series C Warrants and Series D Warrants of US Sirnaomics for Series C Preferred Share Purchase Warrants and Series D Preferred Share Purchase Warrants of the Company, respectively.

After completion of the above steps of Group Reorganization, the Company became the holding company of the Group on January 21, 2021.

As the shares were proportionately issued to the ordinary equity owners of the Company, which involved interspersing the Company between US Sirnaomics and its then shareholders, the Group comprising the Company, US Sirnaomics and its subsidiaries resulting from the Group Reorganization is regarded as a continuing entity throughout the year, regardless of the actual date when they legally form part of a group.

Accordingly, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2021 have been prepared to include the results, changes in equity and cash flows of the companies now comprising the Group as if the group structure upon the completion of the Group Reorganization had been in existence throughout the year ended December 31, 2021, or since their respective dates of incorporation, where there is a shorter period.

3. APPLICATION OF AMENDMENTS TO IFRSs

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, 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, 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond June 30, 2021
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to IFRS Standards	Annual Improvements to IFRSs 2018–2020

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to IAS 1	Non-current Liabilities with Covenants[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after January 1, 2023.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after January 1, 2024.

Except for Amendments to IAS 1 and IAS 12 mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* and Amendments to IAS 1 *Non-current Liabilities with Covenants (the "2022 Amendments")*

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

As at December 31, 2022, the Group's outstanding preferred shares which include counterparty conversion options that do not meet equity instruments classification by applying IAS 32. The Group classified the liabilities as current or non-current based on the earliest date in which the Group has the obligation to redeem preferred shares through cash settlement. These instruments were designated as financial liabilities at FVTPL with carrying amounts of US$29,139,000 as at December 31, 2022 and are classified as non-current. Upon the application of the amendments, the transfer of equity instruments upon the exercise of the conversion options that do not meet equity instruments classification also constitute settlement of the preferred shares. Given that the conversion options are exercisable anytime at the holders' discretions, the preferred shares designated as financial liabilities at FVTPL amounting to US$29,139,000 would be reclassified to current liabilities as the holders have the option to convert within twelve months.

Amendments to IAS 12 ***Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

Upon the application of the amendments, the Group will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. As at December 31, 2022, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to US$5,446,000 and US$10,756,000 respectively. The Group is still in the process of assessing the full impact of the application of the amendments. The cumulative effect of initially applying the amendments will be recognized as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the earliest comparative period presented.

4. REVENUE AND SEGMENT INFORMATION

Revenue

The Group has not generated any revenue during both years.

Segment information

For the purpose of resource allocation and assessment of performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

The Group's operations and non-current assets are mainly located at the U.S. and the mainland of the PRC. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets excluding financial instruments	
	2022	2021
	US$'000	*US$'000*
The U.S.	**21,680**	7,885
The PRC	**9,107**	8,243
Hong Kong	**6**	5
	30,793	16,133

5. OTHER INCOME

	2022	2021
	US$'000	*US$'000*
Government grants *(Note)*	**679**	34
Interest income from restricted bank balances and bank balances	**1,353**	213
Consultancy income	**26**	37
Others	**56**	66
	2,114	350

Note: For both years, government grants include cash incentives specifically for research and development activities, which are recognized upon compliance with the relevant conditions where applicable. During the year ended December 31, 2022, government grants also include a cash incentive of US$620,000 upon completion of Listing of the Company's Shares on the Hong Kong Stock Exchange.

6. OTHER GAINS AND LOSSES

	2022	2021
	US$'000	*US$'000*
Net foreign exchange losses	**(301)**	(559)
(Loss) gain on disposal of property, plant and equipment	**(36)**	3
Changes in fair value of structured deposits	**45**	312
	(292)	(244)

7. OTHER EXPENSES

	2022	2021
	US$'000	*US$'000*
Subscription fee of financial asset at FVTPL	**450**	—
Issuance costs of financial liabilities at FVTPL	**—**	678
	450	678

8. FINANCE COSTS

	2022	2021
	US$'000	*US$'000*
Interest on bank and other borrowings	**—**	72
Interest on lease liabilities	**798**	319
Total borrowing costs	**798**	391
Less: amounts capitalized in the cost of qualifying assets	**—**	(52)
	798	339

9. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands and is exempted from the Cayman Islands income tax.

Hong Kong Profits Tax of HK Sirnaomics is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the U.S. Tax Cuts and Jobs Act, the U.S. corporate income tax rate has charged at flat rate of 21% during both years. In addition, under the relevant rules of state taxes in Florida, Virginia, California, Massachusetts and Maryland of the U.S., the state tax rates are charged at ranging from 5.5% to 8.84% during the year (2021: 3.535% to 8.84%).

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the basic tax rate of the Company's PRC subsidiaries is 25% for both years.

Guangzhou Sirnaomics has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Guangzhou City and relevant authorities in June 2017, and have been registered with the local tax authorities for enjoying the reduced Enterprise Income Tax ("**EIT**") rate at 15% for a term of three years. The latest approval for Guangzhou Sirnaomics enjoying this tax benefit was obtained in December 2020 for the financial years of 2020, 2021 and 2022. This tax benefit was obtained by Suzhou Sirnaomics in October 2022 for the financial years of 2022, 2023 and 2024.

No Hong Kong Profits Tax, U.S. corporate income and state taxes and EIT were provided as the group entities had no assessable profits for both years.

10. LOSS FOR THE YEAR

	2022	2021
	US$'000	*US$'000*
Loss for the year has been arrived at after charging:		
Auditor's remuneration	**674**	488
Outsourcing service fees included in research and development expenses	**37,095**	17,020
Amortization of intangible assets	**87**	64
Depreciation of property, plant and equipment	**2,023**	791
Depreciation of right-of-use assets	**1,823**	775
	3,933	1,630
Analyzed as:		
— charged in administrative expenses	**1,458**	327
— charged in research and development expenses	**2,475**	1,303
	3,933	1,630
Directors' remuneration	**1,910**	6,661
Other staff costs		
— Salaries and other allowances	**17,845**	9,537
— Retirement benefit scheme contributions	**1,340**	647
— Share-based payment expense	**249**	6,065
— Performance and discretionary bonus *(Note)*	**239**	1,771
	21,583	24,681
Analyzed as:		
— charged in administrative expenses	**7,014**	8,144
— charged in research and development expenses	**14,569**	16,537
	21,583	24,681

Note: Performance and discretionary bonus is determined at the end of each reporting period based on the duties and responsibilities of the relevant individuals within the Group and the Group's performance.

11. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2022, nor has any dividend been proposed since the end of the reporting period.

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2022	2021
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share *(US$'000)*	**(88,299)**	(213,071)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**76,008,301**	14,897,047

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share has been determined on the assumption that the Group Reorganization as disclosed in note 2 had been effected since January 1, 2021.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended December 31, 2022 and 2021, the different series of preferred shares issued by the Company and RNAimmune, the over-allotment option granted by the Company to the International Underwriters as described and defined in the prospectus of the Company dated December 20, 2021, and the share options issued by the Company, US Sirnaomics and RNAimmune outstanding were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive.

13. TRADE AND OTHER PAYABLES

	2022	2021
	US$'000	*US$'000*
Trade payables	**4,892**	1,484
Accruals for outsourcing research and development fees	**3,395**	1,765
Accruals for other operating expenses	**1,833**	1,228
Accruals for staff costs	**922**	2,028
Payables for acquisition of property, plant and equipment	**716**	714
Accruals for listing expenses and issuance costs	**—**	6,858
Accruals for other research and development expenses	**—**	21
	6,866	12,614
	11,758	14,098

The credit period on purchase of materials or receiving services for research and development activities is usually within 30 days (2021: 30 days). The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2022	2021
	US$'000	*US$'000*
0 to 30 days	**3,843**	1,397
31 to 60 days	**1,014**	3
Over 60 days	**35**	84
	4,892	1,484

14. SHARE CAPITAL

	Number of shares	**Share capital** *US$*
Ordinary shares of US$0.001 each		
Authorized		
At January 1, 2021	150,000,000	150,000
Increase on June 20, 2021	80,000,000	80,000
Reclassification and re-designation on issuance of Preferred Shares in relation to Group Reorganization		
— Series A	(2,024,860)	(2,025)
— Series B	(7,374,632)	(7,375)
— Series C	(14,600,142)	(14,600)
— Series D	(16,249,174)	(16,249)
— Series E	(18,000,000)	(18,000)
— undesignated	(21,751,192)	(21,751)
Automatic conversion of Preferred Shares upon initial public offering ("**IPO**")	80,000,000	80,000
At December 31, 2021, January 1, 2022 and December 31, 2022	230,000,000	230,000

	Number of shares	Share capital *US$*
Issued and fully paid		
At January 1, 2021	1	—*
Issuance of ordinary shares in relation to Group Reorganization	14,349,637	14,350
Exercise of share options	530,000	530
Issuance of ordinary shares pursuant to IPO *(Note (i))*	7,540,000	7,540
Automatic conversion of Preferred Shares upon IPO	52,877,142	52,877
Issuance of ordinary shares held on trust *(Note (ii))*	12,770,000	12,770
At December 31, 2021 and January 1, 2022	88,066,780	88,067
Exercise of the over-allotment option *(Note (iii))*	973,450	973
Shares repurchased and cancelled *(Note (iv))*	(1,072,550)	(1,073)
At December 31, 2022	87,967,680	87,967

* *Less than US$1*

Notes:

(i) In connection with the Company's IPO, 7,540,000 ordinary shares of US$0.001 each were issued at HK$65.90 per ordinary share of the Company for the total gross cash consideration of HK$496,886,000 (equivalent to US$63,706,000) on December 30, 2021.

(ii) On December 30, 2021, the Company issued and allotted 12,770,000 ordinary shares to Maples Trustee Services (Cayman) Limited, held on trust for the benefit of eligible participants under the equity-settled share option scheme of the Company.

(iii) On January 26, 2022, 973,450 ordinary shares of the Company were issued and allotted by the Company at HK$65.9 per share for gross proceeds of approximately HK$64,150,000 (equivalent to US$8,239,000) pursuant to the exercise of the over-allotment option on January 21, 2022 by the Joint Representatives as described and defined in the prospectus of the Company dated December 20, 2021.

(iv) During the year ended December 31, 2022, the Company repurchased 1,245,150 of its own ordinary shares through the Hong Kong Stock Exchange, of which 1,072,550 shares were cancelled during the year and the total amount paid to acquire the cancelled shares of HK$70,294,000 (equivalent to approximately US$9,012,000) was deducted from equity.

Month of repurchase	Number of ordinary shares repurchased	Price per share		Aggregate consideration paid
		Highest	Lowest	
		HK$	*HK$*	*US$'000*
July 2022	628,500	70.40	62.05	5,272
August 2022	27,300	66.90	64.20	228
September 2022	293,350	69.90	63.95	2,491
October 2022	123,400	66.00	60.15	1,021

The remaining 172,600 shares, which the Company paid HK$9,397,000 (equivalent to approximately US$1,205,000) to acquire during the year and had not yet been cancelled as at December 31, 2022, were subsequently cancelled on January 11, 2023.

Month of repurchase	Number of ordinary shares repurchased	Price per share		Aggregate consideration paid
		Highest	Lowest	
		HK$	*HK$*	*US$'000*
November 2022	15,100	57.90	54.10	109
December 2022	157,500	57.95	51.15	1,096

15. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

General information of principal subsidiaries

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Place and date of incorporation or establishment/ operation	Issued and fully paid share capital/paid-up capital	Effective equity interest attributable to the Group		Principal activities
			As at December 31,		
			2022	2021	
Directly owned subsidiary					
US Sirnaomics	The U.S. February 12, 2007	US$1 (2021: US$1)	**100%**	100%	Developing and commercializing of RNAi technology and multiple therapeutics

Name of subsidiaries	Place and date of incorporation or establishment/ operation	Issued and fully paid share capital/paid-up capital	Effective equity interest attributable to the Group As at December 31, 2022	2021	Principal activities
Indirectly owned subsidiaries					
RNAimmune	The U.S. May 5, 2016	US$208 (2021: US$208)	**60%**	60%	Technical research and development of mRNA delivery platform and mRNA-based drug and vaccine
HK Sirnaomics	Hong Kong March 8, 2019	HK$10,000 (2021: HK$10,000)	**100%**	100%	Provision of management support services and investment holding
Suzhou Sirnaomics	The PRC March 10, 2008	RMB386,771,270 (2021: RMB336,771,270)	**100%**	100%	Technical research, development, service and transfer of nucleic acid drugs
Guangzhou Sirnaomics	The PRC May 8, 2012	RMB100,000,000 (2021: RMB70,000,000)	**100%**	100%	Manufacturing and development of drug products
Guangzhou RNAimmune	The PRC January 28, 2021	RMB32,736,537 (2021: RMB10,846,037)	**60%**	60%	Manufacturing and development of vaccines

16. CAPITAL COMMITMENTS

	2022	2021
	US$'000	*US$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**140**	11,357

17. PLEDGE OF ASSETS

The Group's bank facilities have been secured by the pledge of the Group's assets and the carrying amounts of the assets are as follows:

	2022	2021
	US$'000	*US$'000*
Restricted bank deposits	**—**	63

Restrictions on assets

In addition, lease liabilities of approximately US$10,756,000 (2021: US$7,040,000) are recognized with related right-of-use assets of approximately US$5,446,000 (2021: US$6,855,000) as at December 31, 2022. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

18. EVENTS AFTER THE REPORTING PERIOD

(i) The Group noted that, on March 10, 2023, Silicon Valley Bank ("**SVB**"), Santa Clara, California, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (the "**FDIC**") as receiver. The Group has maintained a number of accounts with banks in the People's Republic of China, including the Hong Kong Special Administrative Region, the Republic of Singapore and the United States, and the Group's bank account with SVB is mainly used for payment of wages and other research and development contracts. On March 13, 2023, the FDIC published a press release that it transferred all deposits and substantially all assets of SVB to a newly created, full-service FDIC-operated "bridge bank" in an action designed to protect all depositors of SVB. As at the date of issuance of these financial statements, the Group has transferred all cash deposited with SVB to accounts maintained with other banks, except for a small cash balance remained to honor scheduled payments from the SVB account.

(ii) On March 16, 2023, a total of 822,750 new ordinary shares of the Company were issued and allotted to a trust, held on trust for the benefit of eligible participants under the RSU Scheme.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"CG Code"	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
"China", "mainland China" or the "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only, except where the context requires, references in this announcement to "China", "mainland China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan

"Company", "our Company" or "the Company"	Sirnaomics Ltd., an exempted company incorporated in the Cayman Islands with limited liability on October 15, 2020
"Core Product"	STP705, the designated "core product" as defined under Chapter 18A of Listing Rules
"Director(s)"	the director(s) of the Company
"FDA"	U.S. Food and Drug Administration
"FVTPL"	Fair value through profit or loss
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "the Group", "we", "us" or "our"	the Company, its subsidiaries or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"Guangzhou Facility"	our manufacturing facility in Guangzhou
"Guangzhou RNAimmune"	RNAimmune Vaccine (Guangzhou) Co., Ltd. (達冕疫苗(廣州)有限公司), a company established under the laws of the PRC on January 28, 2021 with limited liability, an indirect wholly-owned subsidiary of the Company
"Guangzhou Sirnaomics"	Sirnaomics Biopharmaceuticals (Guangzhou) Co., Ltd. (聖諾生物醫藥技術(廣州)有限公司), a company established under the laws of the PRC on May 8, 2012 with limited liability, an indirect wholly-owned subsidiary of the Company and formerly known as Guangzhou Nanotides Pharmaceuticals Co. Ltd. (廣州納泰生物醫藥技術有限公司)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HK Sirnaomics"	Sirnaomics (Hong Kong) Limited (聖諾(香港)有限公司), a company incorporated under the laws of Hong Kong on March 8, 2019 with limited liability, an indirect wholly-owned subsidiary of the Company

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IASs"	International Accounting Standards
"IFRSs"	International Financial Reporting Standards
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of the Company
"Listing"	the listing of the Shares on the Main Board by way of the Global Offering
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Prospectus"	the prospectus of the Company dated December 20, 2021, issued in connection with the Hong Kong Public Offering
"R&D"	research and development
"Reporting Period"	for the year ended December 31, 2022
"RNAimmune"	RNAimmune, Inc., a company incorporated under the laws of Delaware, U.S. on May 5, 2016, a controlled subsidiary of the Company
"RSU Scheme"	the restricted share unit scheme adopted by the Company on April 22, 2022

"SAFE"	Simple Agreements for Future Equity
"Series C Warrants"	series C warrants granted to non-controlling shareholders to convert their registered capital in Suzhou Sirnaomics to preferred shares of its holding company, namely, US Sirnaomics
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.001 each
"Shareholder(s)"	holder(s) of our Shares
"Suzhou Sirnaomics"	Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd. (聖諾生物醫藥技術(蘇州)有限公司), a company established under the laws of the PRC on March 10, 2008 with limited liability, an indirect wholly-owned subsidiary of the Company and formerly known as Suzhou Sirnaomics Biopharmaceuticals Co., Ltd. (蘇州聖諾生物醫藥技術有限公司)
"TMHW"	Taiwan Ministry of Health and Welfare
"United States", "U.S." or "US"	the United States of America
"US$"	U.S. dollars, the lawful currency of the United States of America
"US Sirnaomics"	Sirnaomics, Inc., a company incorporated under the laws of Delaware, U.S. on February 12, 2007, a wholly-owned subsidiary of the Company
"Walvax"	Walvax Biotechnology Co., Ltd. (雲南沃森生物技術股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 300142), one of our collaborators and an Independent Third Party
"%"	per cent

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in connection with the Company and its business.

"AE"	adverse event, which may be mild, moderate, or severe, any untoward medical occurrences in a patient administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"ApoC3"	Apolipoprotein C3
"ASGPR"	asialoglycoprotein receptor
"BCC"	basal cell carcinoma, a type of non-melanoma skin cancer
"CCA"	Cholangiocarcinoma is tumor that is occurring with increasing frequency and develops from bile duct epithelium found within the intrahepatic and extrahepatic biliary tree, excluding the ampulla or gallbladder
"CDMO"	contract development and manufacturing organization, a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"cohort"	a group of patients as part of a clinical trial who Share a common characteristic or experience within a defined period and who are monitored over time
"combination therapy"	a treatment modality that combines two or more therapeutic agents administered separately in two or more different pharmaceutical products or in a fixed-dose combination product comprising the two or more therapeutic agents

"COVID-19"	Coronavirus disease 2019 is an infectious disease
"COX-2"	Cyclooxygenase-2 is a membrane-bound, short-living, and rate-limiting enzyme
"CRO"	contract research organization, a pharmaceutical company that conducts research for other pharmaceutical companies on a contractual basis
"cSCC"	cutaneous squamous-cell skin cancer is a common form of skin cancer that develops in the squamous cells that make up the middle and outer layers of the skin
"delivery platform"	The platform is used for the delivery of drugs to target sites of pharmacological actions
"endosomal escape"	escaping from being hindered by entrapment and subsequent degradation in acidic compartments of the endo/lysosomal pathway
"ESC"	Early Selected Compound
"Factor XI"	a plasma glycoprotein that is primarily synthesized in the liver and is part of the coagulation cascade, playing a role in clot stabilization and expansion
"GalAhead"	our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers
"GalNAc"	N-Acetylgalactosamine, GalNAc is a sugar molecule that can recognize and bind to a cell surface protein, the asialoglycoprotein receptor
"global rights"	rights of a commercial nature to develop or commercialize a product, which may include rights in know-how and rights in patents and patent applications, in each case, directed to the drug product, drug composition and/or methods of use thereof or in the drug delivery platform

"GLP"	Good laboratory practice is a set of principles intended to assure the quality and integrity of non-clinical laboratory studies that are intended to support research or marketing permits for products regulated by government agencies
"GMP"	a system for ensuring that products are consistently produced and controlled according to quality standards, which is designed to minimize the risks involved in any pharmaceutical production that cannot be eliminated through testing the final product. It is also the practice required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of pharmaceutical products
"HBV"	hepatitis B virus
"hepatitis B"	The hepatitis B virus is a DNA virus that is transmitted parenterally, or by intimate, often sexual, contact
"HPV"	Human papillomavirus
"HSV"	herpes simplex virus
"HTS"	hypertrophic scar is a thickened, wide, often raised scar that develops where skin is injured
"in vitro"	Latin for "within the glass", studies using components of an organism that has been isolated from their usual biological surroundings, such as microorganisms, cells or biological molecules
"in vivo"	Latin for "within the living", studies in vivo are those in which the effects of various biological or chemical substances are tested on whole, living organisms including animals, humans and plants, as opposed to a partial or dead organism, or those done in vitro

"IND"	investigational new drug or investigational new drug application, also known as clinical trial application
"isSCC"	squamous cell carcinoma in situ
"LNP"	Lipid nanoparticles are spherical vesicles made of ionizable lipids, which are positively charged at low pH (enabling RNA complexation) and neutral at physiological pH (reducing potential toxic effects, as compared with positively charged lipids, such as liposomes)
"mRNA"	Messenger RNA is a large family of RNA molecules that are complimentary to DNA molecules and convey genetic information from the DNA to be translated by ribosomes into proteins
"metastasis"	the spread of cancer from the primary site (place where it started) to other places in the body
"microfluidic"	Microfluidics is the science of manipulating and controlling fluids, usually in the range of microliters (10–6) to picoliters (10–12), in networks of channels with dimensions from tens to hundreds of micrometers
"muRNA"	multi-unit RNAi trigger, RNAi trigger composed of multiple oligonucleotides (2 or more) to simultaneously downregulate two or more gene targets
"mxRNA"	miniaturized RNAi trigger, RNAi trigger composed of single ~30 nucleotide long oligonucleotides designed to downregulate individual gene target
"NMSC"	non-melanoma skin cancer
"NSCLC"	non-small cell lung cancer is any type of epithelial lung cancer other than small cell lung cancer
"OL China"	out-licensed mainland China, Hong Kong, Macau and Taiwan rights under agreement with Walvax but we retain the rights for rest of the world

"PCSK9"	Proprotein convertase subtilisin/kexin type 9 is an enzyme encoded by the PCSK9 gene in humans on chromosome 1
"PCT"	the Patent Cooperation Treaty, which assists applicants in seeking patent protection internationally for their inventions, helps patent offices with their patent granting decisions, and facilitates public access to a wealth of technical information relating to those inventions
"PDoV"	Peptide Docking Vehicle, a linker which contains a therapeutic compound, such as an siRNA molecule, and a targeting ligand
"PDoV-GalNAc"	our GalNAc RNAi delivery platform that conjugates GalNAc moieties to PDoV peptide linkers and up to two siRNAs to the peptide
"Phase I clinical trials" or "Phase I"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase I/II clinical trials" or "Phase I/II"	Phase I/II clinical trials combine Phase I and Phase II into one trial. The clinical trial design may adaptively use data from all previous patients to make decisions and select the best dose for each new cohort
"Phase II clinical trials" or "Phase II"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase IIa clinical trials" or "Phase IIa"	Phase IIa clinical trials are usually pilot studies designed to demonstrate clinical efficacy or biological activity
"Phase IIb clinical trials" or "Phase IIb"	Phase IIb clinical trials determine the optimal dose at which the drug shows biological activity with minimal side-effects

"Phase III clinical trials" or "Phase III"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PLNP"	polypeptide-lipid nanoparticle, a proprietary polypeptide nanoparticle combined with LNP
"PNP"	Polypeptide nanoparticle is composed of a branched Histidine Lysine polymer
"PNP-ID"	PNP platform formulated for intradermal administration
"PNP-IT"	PNP platform formulated for intratumoral administration
"PNP-IV"	PNP platform formulated for intravenous administration
"preclinical studies"	studies or programs testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"PSC"	Primary sclerosing cholangitis is a chronic, or long-term, disease that slowly damages the bile ducts
"RNA"	Ribonucleic acid is a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes
"RNAi"	RNA interference is a biological process in which RNA molecules are involved in sequence-specific suppression of gene expression by double-stranded RNA, through translation or transcriptional repression

"SAE"	serious AE, any medical occurrence in human drug trials that at any dose: results in death; is life-threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage
"siRNA"	Small interference RNA are double-stranded RNA Molecules comprised of two oligonucleotides of about 20nt-long guide (antisense) and passenger (sense) strands; the RNA-Induced Silencing Complex (RISC) incorporates the guide strand and binds mRNA target molecules to generate its cleavage or inhibit protein translation from it
"solid tumors"	an abnormal mass of tissue that usually does not contain cysts or liquid areas. Solid tumors may be benign (not cancer), or malignant (cancer). Different types of solid tumors are named for the type of cells that form them
"SCC"	Squamous cell carcinoma is an uncontrolled growth of abnormal cells arising from the squamous cells in the epidermis, the skins outermost layer
"TGF-ß1"	Transforming growth factor beta 1 or TGF-ß1 is a polypeptide member of the transforming growth factor beta superfamily of cytokines, which activates Smad and non-Smad signaling pathways

By order of the Board
Sirnaomics Ltd.
Yang (Patrick) Lu
Chairman and Executive Director

Hong Kong, March 28, 2023

As at the date of this announcement, the Board comprises Dr. Yang Lu (alias Patrick Lu), Dr. Michael V. Molyneaux, Dr. David Mark Evans and Dr. Xiaochang Dai as executive Directors, Mr. Mincong Huang and Mr. Jiankang Zhang as non-executive Directors, and Dr. Cheung Hoi Yu, Mr. Fengmao Hua, Ms. Monin Ung and Ms. Shing Mo Han, Yvonne (alias Mrs. Yvonne Law) as independent non-executive Directors.