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Sirnaomics Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2257)

CONNECTED TRANSACTIONS

**EXERCISE OF THE STOCK PURCHASE WARRANT
IN RELATION TO THE PURCHASE OF
SERIES SEED PREFERRED STOCK OF EDIRNA INC.**

Reference is made to the Announcement, in relation to, among others, the issuance of the Stock Purchase Warrant by EDIRNA to the Company and the exercise of the Stock Purchase Warrant by the Company. Pursuant to the Stock Purchase Warrant, the Company has the right to purchase up to 157,232 shares of Series Seed Preferred Stock in EDIRNA at US\$6.36 per share, amounting to a total consideration of up to US\$1,000,000.

The Board hereby announces that, effective on September 4, 2023, the Company exercised in full the Stock Purchase Warrant. Completion of the exercise of the Stock Purchase Warrant shall take place on the date upon which EDIRNA shall allot and issue the 157,232 shares of Series Seed Preferred Stock of EDIRNA to the Company, in exchange for the total consideration of US\$1,000,000.

Immediately prior to the exercise of the Stock Purchase Warrant, the Company holds a 43.6% interest and Dr. Michael V. Molyneaux, MD, MBA, an executive Director of the Company, holds an 18.8% interest in EDIRNA. As such, EDIRNA is a connected subsidiary of the Company under Rule 14A.16(1) of the Listing Rules and therefore is a connected person of the Company under Rule 14A.07(5) of the Listing Rules. Accordingly, the exercise of the Stock Purchase Warrant constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the exercise of the Stock Purchase Warrant exceed 0.1% but all are less than 5%, the exercise of the Stock Purchase Warrant is subject to the reporting and announcement requirements but is exempted from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the issuance of the Stock Purchase Warrant by EDIRNA to the Company and the exercise of the Stock Purchase Warrant by the Company. Pursuant to the Stock Purchase Warrant, the Company has the right to purchase up to 157,232 shares of Series Seed Preferred Stock in EDIRNA at US\$6.36 per share, amounting to a total consideration of up to US\$1,000,000.

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STOCK PURCHASE WARRANT

Details of the exercise of the Stock Purchase Warrant are as follows:

Date

September 4, 2023 (after trading hours)

Parties

- (1) Exercising Party: the Company
- (2) Recipient: EDIRNA

As of the date of this announcement, EDIRNA is a connected person of the Company.

Subject Matter

Pursuant to the exercise in full of the Stock Purchase Warrant, EDIRNA will allot and issue 157,232 shares of Series Seed Preferred Stock of EDIRNA at US\$6.36 per share, amounting to a total consideration of US\$1,000,000.

The Series Seed Preferred Stock acquired by the Company with the exercise of the Stock Purchase Warrant will be subject to the Stockholders Agreement previously executed and delivered by the Company. Pursuant to the Stockholders Agreement, the Series Seed Preferred Stock will be subject to transfer restrictions. With respect to Series Seed Preferred Stock, the Company grants to EDIRNA and then to the other stockholder a right of first refusal to purchase all or any portion of the Series Seed Preferred Stock that the Company proposes to transfer to a third party, at the same price and on the same terms and conditions

as those offered to the third party. The Company is required to provide written notice to EDIRNA and to the other stockholders of any proposed transfer, which notice shall set forth the price and terms and conditions of the proposed transfer.

As was disclosed in the Announcement, upon completion of the exercise in full of the Stock Purchase Warrant, the Company will have an interest of approximately 49.6% in EDIRNA. Including the 170,000 shares of Common Stock reserved for potential issuance under the stock incentive plan of EDIRNA, the Company will have an interest of approximately 44.5%.

Consideration and Basis for the Determination of the Consideration

Pursuant to the Stock Purchase Warrant, the total consideration of US\$1,000,000 in respect of the exercise of the Stock Purchase Warrant, being the sum equal to US\$6.36 per share multiplied by the 157,232 shares of Series Seed Preferred Stock of EDIRNA acquired by the Company, is to be paid to EDIRNA by check or wire transfer in immediately available funds. The Company intends to finance the payment of the consideration with the internal resources of the Group.

As was disclosed in the Announcement, the consideration in respect of the exercise of the Stock Purchase Warrant was determined by the parties after arm's length negotiations between the Company and EDIRNA on normal commercial terms after taking into account the expected developments in EDIRNA's overall business plan and preclinical plans and strategies, in EDIRNA's preclinical work and disease targets, in EDIRNA's intellectual property portfolio, and in EDIRNA's expanded operational capabilities, as well as in the potential opportunity in the RNA editing technologies market.

Completion of the Exercise of Stock Purchase Warrant

Completion of the exercise of the Stock Purchase Warrant shall take place on the date upon which EDIRNA shall allot and issue to the Company 157,232 shares of Series Seed Preferred Stock of EDIRNA.

REASONS FOR AND BENEFITS OF EXERCISING THE STOCK PURCHASE WARRANT

The Group is engaged principally in the business of research and development outside the Field. The Group currently has no plans to engage in business in the Field or to use the Licensed Patents in the Field. EDIRNA was established with a focus on the research and development in the Field for the purpose of utilizing the value of the Group's proprietary technology platforms and its RNA pharmaceutical product manufacturing capabilities. By exercising the Stock Purchase Warrant, the Company will strengthen the financial position of EDIRNA, allowing EDIRNA to develop its business in the Field, which in turn will benefit the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Stock Purchase Warrant are fair and reasonable, are on normal commercial terms, and are in the interests of the Company and its shareholders as a whole. As was disclosed in the Announcement, at the Board meetings held to approve the Stock Purchase Warrant, due to the equity interest in EDIRNA held by Dr. Michael V. Molyneaux, MD, MBA, Dr. Molyneaux abstained from voting on the relevant Board resolutions of the Company, and none of the other Directors had a material interest in the Stock Purchase Warrant and none of the other Directors were required to abstain from voting on the relevant Board resolutions approving the Stock Purchase Warrant. The management of the Company has been authorized by the Board to determine whether the Company should exercise its rights under the Stock Purchase Warrant to make such investment.

INFORMATION REGARDING THE PARTIES TO THE STOCK PURCHASE WARRANT

The Company

Sirnaomics is an RNA therapeutics biopharmaceutical company with product candidates in preclinical and clinical stages that focuses on the discovery and development of innovative drugs for indications with medical needs and large market opportunities. Sirnaomics is the first clinical-stage RNA therapeutics company to have a strong presence in both Asia and the United States. Based on its proprietary delivery technologies: Polypeptide Nanoparticle Formulation and the 2nd generation of GalNAc conjugation, the Group has established an enriched drug candidate pipeline. Sirnaomics is currently holding a leadership position on advancing RNAi therapeutics for oncology application with multiple successes of its clinical programs for STP705 and STP707. STP122G represents the first drug candidate of GalAhead™ technology entering clinical development. With the establishment of the Group's manufacturing facility, Sirnaomics currently is undergoing a transition from a biotech company to a biopharma corporation. Learn more at: www.sirnaomics.com.

EDIRNA

EDIRNA is a corporation incorporated under the laws of the State of Delaware, USA, on February 18, 2022. EDIRNA was founded by (i) the Company, (ii) Dr. Michael V. Molyneaux, MD, MBA, an executive Director of the Company, (iii) Dr. Edward Yongxiang Wang, a member of senior management of the Company under the Listing Rules, and (iv) Dr. Xianbin Yang, a connected person of the Company at the subsidiary level under the Listing Rules. These three members of the Group's management team were selected as the scientific and technological founders of EDIRNA, based on their extensive experience and technical skill set in preclinical research and development, large scale product manufacturing and clinical study design/operation for RNA-based drug products. Immediately prior to the exercise of the Stock Purchase Warrant, the Company holds a 43.6%, and each of Dr. Michael V. Molyneaux, Dr. Edward Yongxiang Wang, and Dr. Xianbin Yang holds an

18.8% of interest in EDIRNA. The EDIRNA leadership team has been assembled with this highly dynamic scientific team, located in the United States, mainland China and Hong Kong.

EDIRNA is an early-stage biotech company focused on RNA-editing therapeutic technologies. EDIRNA's Edit-to-Cure Therapeutics™ platform uses RNA-editing technologies to address the root cause of disease progression and to target diseases with high unmet clinical needs. EDIRNA is working to refine its overall business plan, its preclinical plans and strategies, and its initial disease targets, to accelerate its current preclinical work, to protect its intellectual property, and to enhance its operational capabilities.

EDIRNA has been operating at a net loss since its incorporation on February 18, 2022. The financial information of EDIRNA for the period from February 18, 2022 (date of incorporation) to December 31, 2022 (unaudited) is as follows:

	For the period from February 18, 2022 to December 31, 2022 (unaudited) (US\$)
Loss before taxation	102,232
Loss after taxation	102,232

The unaudited net liabilities of EDIRNA was approximately US\$384,321 as at June 30, 2023.

LISTING RULES IMPLICATIONS

Immediately prior to the exercise of the Stock Purchase Warrant, the Company holds a 43.6% interest and Dr. Michael V. Molyneaux, MD, MBA, an executive Director of the Company, holds an 18.8% interest in EDIRNA. As such, EDIRNA is a connected subsidiary of the Company under Rule 14A.16(1) of the Listing Rules and therefore is a connected person of the Company under Rule 14A.07(5) of the Listing Rules. Accordingly, the exercise of the Stock Purchase Warrant constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the exercise of the Stock Purchase Warrant exceed 0.1% but all are less than 5%, the exercise of the Stock Purchase Warrant is subject to the reporting and announcement requirements but is exempted from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated July 5, 2023, in relation to, among others, (i) the entering into a stock purchase agreement dated July 5, 2023, by and between the Company and EDIRNA, and a license and option agreement dated July 5, 2023, by and between US Sirnaomics and EDIRNA, and (ii) the issuance by EDIRNA of the Stock Purchase Warrant to the Company dated July 5, 2023
“Board”	the board of Directors
“Company”	Sirnaomics Ltd., an exempted company incorporated in the Cayman Islands with limited liability on October 15, 2020
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EDIRNA”	EDIRNA Inc., a company incorporated under the laws of Delaware, U.S. on February 18, 2022, a non-wholly owned subsidiary of the Company
“Field”	the field of therapeutic products and methods that seek to cure one or more Indications through posttranscriptional modification of the nucleotide sequence of an RNA molecule sequence at one or more positions
“Group” or “Sirnaomics”	the Company, along with US Sirnaomics and its other subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indication”	each of the following conditions in humans: (i) cancer, (ii) diseases in the liver, (iii) diseases in the eye, and (iv) diseases in the central nervous system, as amended
“Licensed Patents”	the Licensed Patents are directed to carrier peptides and peptide-based delivery systems for RNA molecules, as amended
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Series Seed Preferred Stock”	the series seed preferred stock in the share capital of EDIRNA with a par value of US\$0.00001 per share of Series Seed Preferred Stock
“Stock Purchase Warrant”	the stock purchase warrant issued by EDIRNA pursuant to which the holder thereof has the right to purchase, at its sole discretion, up to 157,232 shares of Series Seed Preferred Stock at US\$6.36 per share, amounting to a total consideration of up to US\$1,000,000, assuming that the Stock Purchase Warrant is exercised in full by the holder thereof
“Stockholders Agreement”	any agreement among EDIRNA and all or substantially all stockholders of EDIRNA required by the board of directors of EDIRNA to be executed by all or substantially all stockholders of EDIRNA, including, without limitation, a stockholders’ agreement, investors rights agreement, registration rights agreement, right of first refusal agreement, right of first offer agreement, drag along and tag along agreement, and voting agreement
“United States”, “U.S.” or “US”	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
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, September 4, 2023

As at the date of this announcement, the Board comprises Dr. Yang Lu (alias Patrick Lu), Dr. Xiaochang Dai, Dr. Michael V. Molyneaux and Dr. David Mark Evans 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.