
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sirnaomics Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Sirnaomics Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2257)

**MAJOR TRANSACTION
GRANT OF DRAG-ALONG RIGHT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless the context otherwise requires, capitalized terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A notice convening the EGM of Sirnaomics Ltd. to be held at 10:00 a.m. on Monday, December 30, 2024 at Meeting Room 06-07, INNO2, 2/F, Building 17W, 17 Science Park West Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong, at which, among other things, the above proposals will be considered, which are set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

December 9, 2024

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DEFINITIONS

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

“Affiliate(s)”	the Affiliate of a person refers to any other person that, at any time during the Term, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person. The term “control” refers to the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise, and the terms “controlled by” and “under common control with” have correlative meanings
“Articles of Association”	the articles of association of the Company, as amended, supplemented and restated from time to time
“Assigned Patent(s)”	comprising (i) the patents and patent applications listed in Schedule A, (ii) all patents issuing from the patent applications listed in Schedule A, (iii) all continuations, continuations-in-part, divisions, extensions, substitutions, reissues, re-examinations, and renewals of any of the foregoing in clauses (i) and (ii); and (iv) any patents issuing from any applications filed within ten (10) years after the Effective Date that claim domestic benefit or foreign priority from any of the patents or patent applications identified in Schedule A or from which any of the patents or patent applications identified in Schedule A claim domestic benefit or foreign priority
“associate(s)”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“China”, “mainland China” or the “PRC”	the People’s Republic of China, but for the purpose of this circular and for geographical reference only, except where the context requires, references in this circular to “China”, “mainland China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan

DEFINITIONS

“Companies Act”	the Companies Act (As Revised) of the Cayman Islands
“Company”	Sirnaomics Ltd., an exempted company incorporated in the Cayman Islands with limited liability on October 15, 2020, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2257)
“Core Product”	STP705, the designated “core product” of the Company as defined under Chapter 18A of Listing Rules
“Director(s)”	director(s) of the Company
“Effective Date”	date of delivery by US Sirnaomics to Sagesse Bio of evidence reasonably satisfactory to Sagesse Bio of the approval by an EGM of the Patent Assignment and License Agreement, the Subscription Arrangements and the Transactions
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held at 10:00 a.m. on Monday, December 30, 2024 at Meeting Room 06-07, INNO2, 2/F, Building 17W, 17 Science Park West Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong, notice of which is set out on pages EGM-1 to EGM-2 of this circular and any adjournment thereof
“EU”	the European Union
“Field of Use”	the development, marketing, sale, and licensing of products and services that employ the STP 705 nanoparticle formulation (consisting of the two current duplex siRNAs, one targeting only TGFbeta and the other targeting only Cox2, or of one of those siRNAs targeting TGFbeta or Cox2 only, formulated in nanoparticles with the H3K4b polypeptide), to destroy, reduce, dismantle, or remodel adipose tissue in any area of the body, including but not limited to adipose tissue associated with genetic disorders, metabolic disturbances, or simple fat pockets, such tissue being visceral, subcutaneous, or cavities

DEFINITIONS

“Fund”	TradArt Flagship Investment SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands on August 6, 2021
“Gore Range”	Gore Range Capital LLC, a limited liability company formed under the laws of Delaware, U.S. on July 16, 2015, an Independent Third Party and one of the co-founders of Sagesse Bio (through Gore Range Fund as a direct shareholder thereof)
“Gore Range Fund”	Gore Range Capital Fund II LLC, a venture capital fund formed under the laws of Delaware, U.S. managed by Gore Range as the sole manager
“Governmental Authority”	any federal, state, national, supranational, local, or other government, whether domestic or foreign, including any subdivision, department, agency, instrumentality, authority (including any regulatory authority), commission, board, or bureau thereof, or any court, tribunal, or arbitrator
“Group” or “Sirnaomics”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Improvement”	any modification of or any improvement or enhancement to the Know-How or to the technology that is the subject of the Assigned Patents or Licensed Patents, conceived, made, or reduced to practice within ten (10) years after the Effective Date
“Independent Third Party(ies)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Investment Manager”	TradArt Asset Management Co., Limited, a company incorporated under the laws of Hong Kong on July 14, 2021 with limited liability, licensed for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Know-How”	solely to the extent related to the use of the Assigned Patents or Licensed Patents in the Field of Use, any and all know-how, technology, inventions, discoveries, ideas, processes, methods, designs, plans, instructions, specifications, formulas, testing and other protocols, settings, and procedures, and other scientific or technical confidential or proprietary information, all to extent owned or developed by US Sirnaomics on or before the Effective Date
“Latest Practicable Date”	November 30, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Licensed Patent(s)”	comprising (i) the patents and patent applications listed in Schedule B, (ii) all patents issuing from the patent applications listed in Schedule B, (iii) all continuations, continuations-in-part, divisions, extensions, substitutions, reissues, re-examinations, and renewals of any of the foregoing in clauses (i) and (ii), (iv) any patents issuing from any applications filed within ten (10) years after the Effective Date that claim domestic benefit or foreign priority from any of the patents or patent applications identified in Schedule B or from which any of the patents or patent applications identified in Schedule B claim domestic benefit or foreign priority, and (v) any patents and patent applications owned by or licensed to US Sirnaomics that are necessary for practicing inventions disclosed in the Assigned Patents in the Field of Use

DEFINITIONS

“Licensed Product”	any product (a) the manufacture, use, offer for sale, sale, or importation of which by Sagesse Bio would, in the absence of a license granted under, or ownership of, a Licensed Patent, an Assigned Patent, or an Improvement, infringe a Valid Claim; or (b) that incorporates or embodies any Know-How or any Improvement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum”	the memorandum of association of the Company, as amended, supplemented and restated from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Other Sagesse Stockholders”	the stockholders (direct or indirect) of Sagesse Bio in addition to US Sirnaomics and Gore Range (through Gore Range Fund), each being a founder, director or executive management of Sagesse Bio
“Outside Date”	December 31, 2024
“Patent Assignment and License Agreement”	a patent assignment and license agreement entered into between US Sirnaomics and Sagesse Bio, in relation to, among other things, patents assignment and licenses to Sagesse Bio
“Phase II clinical trial(s)”	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
“PRC”	the People’s Republic of China, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Pre-IPO Equity Incentive Plan”	the pre-IPO equity incentive plan adopted by the Company on January 21, 2021
“Qualified Financing”	an equity or debt financing by investors (other than Gore Range and its Affiliates) at a minimum pre-financing valuation of US\$60 million (whether in a single transaction or a series of related transactions). Upon completion of a Qualified Financing, the value of the Company’s majority equity position in Sagesse Bio would have a value of approximately US\$36 million
“R&D”	research and development
“RNAimmune”	RNAimmune, Inc., a company incorporated under the laws of Delaware, U.S. on May 5, 2016, a non-wholly owned subsidiary of the Company
“RSU Scheme”	the restricted share unit scheme adopted by the Company on April 22, 2022
“Sagesse Bio”	Sagesse Bio, Inc., a corporation incorporated under the laws of Delaware, U.S. on July 17, 2024
“Sagesse Bio Non-voting Shares”	shares of Class B Common Stock of Sagesse Bio of US \$0.00001 par value per share, the holders of which shall not be entitled to vote on any matter of Sagesse Bio
“Sagesse Bio Voting Shares”	shares of Class A Common Stock of Sagesse Bio of US\$0.00001 par value per share, the holders of which shall be entitled to cast one (1) vote in person or by proxy for each share standing in such holder’s name on all matters upon which stockholders of Sagesse Bio are entitled to vote or to which stockholders are entitled to give consent

DEFINITIONS

“Schedule A”	comprising (i) a patent titled “methods for inducing adipose tissue remodeling using RNAi therapeutics” registered in the United States with the publication number of US2023/0365969; (ii) a patent titled “application of nucleic acid preparation in remodeling or finishing adipose tissue” registered in the PRC with the publication number of CN116350650A; and (iii) a patent titled “methods for inducing adipose tissue remodeling using RNAi therapeutics” registered in the EU with the publication number of WO2023092142A8
“Schedule B”	comprising (i) a patent titled “combinations of TGF β and COX-2 inhibitors and methods for their therapeutic application” registered in the United States with the patent number of US 9,642,873; and (ii) a patent titled “pharmaceutical compositions and methods of use for activation of human fibroblast and myofibroblast apoptosis” registered in the United States with the patent number of US 11,697,813
“Segregated Portfolio”	SP1 of TradArt Flagship Investment SPC, a segregated portfolio of the Fund
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.001 each
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on June 28, 2022
“Share Subscription Agreement”	the share subscription agreement entered into between the Company and Dr. Poon Hung Fai (潘洪輝) on October 2, 2024, in respect of the subscription of 17,527,696 Shares by Dr. Poon Hung Fai

DEFINITIONS

“Stockholder Agreement”	the stockholder agreement entered into between US Sirnaomics, Gore Range and the Other Sagesse Stockholders, in relation to certain arrangements therebetween as stockholders of Sagesse Bio
“STP705”	the designated “core product” of the Company as defined under Chapter 18A of Listing Rules
“Subscription Agreement”	the subscription agreement entered into between US Sirnaomics and Sagesse Bio, in relation to the subscription of 2,400,000 Sagesse Bio Non-voting Shares by US Sirnaomics
“Subscription Arrangements”	comprising the Subscription Agreement and the Stockholder Agreement, entered into as part of the considerations for the patent assignments and licenses under the Patent Assignment and Licensing Agreement
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks, as amended, supplemented or otherwise modified from time to time
“Term”	from the Effective Date to, on a Licensed Product-by-Licensed Product and country-by-country basis, the expiration of the last-to-expire Valid Claim of a Licensed Patent in such country, unless otherwise terminated pursuant to the Patent Assignment and License Agreement
“Transactions”	the transactions contemplated under the Patent Assignment and License Agreement and the Subscription Arrangements
“United States”, “U.S.”, “US” or “USA”	the United States of America
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States

DEFINITIONS

“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 and one of the co-founders of Sagesse Bio
“Valid Claim”	a claim of an unexpired issued or granted Licensed Patent, as long as the claim has not been admitted by US Sirnaomics or otherwise caused to be invalid or unenforceable through reissue, disclaimer, or otherwise, or held invalid or unenforceable by a Governmental Authority of competent jurisdiction from whose judgment no appeal is allowed or timely taken
“Valuation Report”	the valuation report in respect of the valuation of the fair value of the Assigned Patents prepared by the Valuer
“Valuer”	AVISTA Valuation Advisory Limited (艾華迪評估諮詢有限公司), an independent valuer engaged by the Company to conduct valuation of the fair value of the Assigned Patents
“%”	per cent

LETTER FROM THE BOARD



Sirnaomics Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2257)

Executive Director

Dr. Poon Hung Fai

Non-executive Directors

Dr. Yang Lu (*alias* Patrick Lu) (*Chairman*)

Mr. Mincong Huang

Mr. Jiankang Zhang

Independent non-executive Directors

Dr. Cheung Hoi Yu

Ms. Monin Ung

Ms. Shing Mo Han, Yvonne (*alias* Mrs. Yvonne Law)

Registered office

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Principal place of business in Hong Kong

46/F, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

December 9, 2024

To the Shareholder(s)

Dear Sir or Madam,

**MAJOR TRANSACTION
GRANT OF DRAG-ALONG RIGHT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated August 1, 2024, August 22, 2024, September 30, 2024, October 31, 2024 and November 29, 2024, respectively, in relation to, among other things, the proposed Patent Assignment and License Agreement and the Subscription Arrangements. The purpose of this circular is to provide you with, among other things, (i) further details of the Patent Assignment and License Agreement, the Subscription Arrangements and the

LETTER FROM THE BOARD

transactions contemplated thereunder; (ii) a letter from the Board containing its opinion and recommendations to the Shareholders in respect of, among other things, the Patent Assignment and License Agreement, the Subscription Arrangements and the transactions contemplated thereunder; (iii) the financial information of the Group; (iv) other general information required to be disclosed under the Listing Rules; and (v) a notice convening the EGM.

THE PATENT ASSIGNMENT AND LICENSE AGREEMENT

The principal terms of the Patent Assignment and License Agreement are as follows:

Date

August 1, 2024 (before trading hours)

Parties

The parties to the Patent Assignment and License Agreement shall comprise: (i) US Sirnaomics, as the assigner and licensor; and (ii) Sagesse Bio, as the assignee and licensee.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed in this circular, Sagesse Bio and its ultimate beneficial owner(s) are Independent Third Parties of the Company. For further details of Sagesse Bio, please refer to the section headed "Information about the Parties — Sagesse Bio" as below.

Subject Matter

Pursuant to the Patent Assignment and License Agreement,

- (i) *Patent assignment.* Subject to the Patent Assignment and License Agreement, US Sirnaomics shall irrevocably convey, transfer, and assign to Sagesse Bio, and Sagesse Bio shall accept, all of US Sirnaomics' right, title, and interest in and to the Assigned Patents;
- (ii) *Patent license.* Subject to the Patent Assignment and License Agreement, US Sirnaomics, on behalf of itself and its Affiliates, shall grant to Sagesse Bio and its Affiliates during the Term an exclusive, fully-paid-up, perpetual, sublicensable right and license under the Licensed Patents to make, have made, use, offer to sell, sell, and import Licensed Products in the Field of Use worldwide and to use the Know-How solely in connection with the Licensed Products in the Field of Use; and

LETTER FROM THE BOARD

(iii) *Know-How disclosure.* US Sirnaomics shall disclose the Know-How to Sagesse Bio in such form and media as Sagesse Bio may reasonably request for use in the Field of Use.

(together, the “**Transfers**”)

For purpose of the Transfers pursuant to the Patent Assignment and License Agreement,

- (i) the Assigned Patents shall comprise: (i) the patents and patent applications listed in Schedule A, (ii) all patents issuing from the patent applications listed in Schedule A, (iii) all continuations, continuations-in-part, divisions, extensions, substitutions, reissues, re-examinations, and renewals of any of the foregoing in clauses (i) and (ii); and (iv) any patents issuing from any applications filed within ten (10) years after the Effective Date that claim domestic benefit or foreign priority from any of the patents or patent applications identified in Schedule A or from which any of the patents or patent applications identified in Schedule A claim domestic benefit or foreign priority;
- (ii) the Licensed Patents shall comprise: (i) the patents and patent applications listed in Schedule B, (ii) all patents issuing from the patent applications listed in Schedule B, (iii) all continuations, continuations-in-part, divisions, extensions, substitutions, reissues, re-examinations, and renewals of any of the foregoing in clauses (i) and (ii), (iv) any patents issuing from any applications filed within ten (10) years after the Effective Date that claim domestic benefit or foreign priority from any of the patents or patent applications identified in Schedule B or from which any of the patents or patent applications identified in Schedule B claim domestic benefit or foreign priority, and (v) any patents and patent applications owned by or licensed to US Sirnaomics that are necessary for practicing inventions disclosed in the Assigned Patents in the Field of Use; and
- (iii) the Know-How shall comprise, solely to the extent related to the use of the Assigned Patents or Licensed Patents in the Field of Use, any and all know-how, technology, inventions, discoveries, ideas, processes, methods, designs, plans, instructions, specifications, formulas, testing and other protocols, settings, and procedures, and other scientific or technical confidential or proprietary information, all to extent owned or developed by US Sirnaomics on or before the Effective Date.

LETTER FROM THE BOARD

Consideration

- (i) *Milestone payments.* Sagesse Bio shall make to US Sirnaomics milestone payments of up to US\$33 million subject to fulfillment of certain conditions as below, comprising the following three one-time payments:
- (a) an amount (not to exceed US\$3 million) equivalent to ten percent (10%) of the total amount raised by Sagesse Bio and its Affiliates, payable to US Sirnaomics within ten (10) business days following the closing of a Qualified Financing (the “**Qualified Financing Milestone Payment**”);
 - (b) an amount equal to US\$10 million, payable to US Sirnaomics within ten (10) business days following the approval of Sagesse Bio’s first new drug application (NDA) in the United States; and
 - (c) an amount equal to US\$20 million, payable to US Sirnaomics within ten (10) business days following the achievement of gross revenues from the sale of Licensed Products in excess of US\$100 million during a period of twelve (12) months, as reflected in unaudited financial statements of Sagesse Bio prepared in the ordinary course of business in accordance with U.S. generally accepted accounting principles and consistent with past practice, by Sagesse Bio, its Affiliates and any sublicensee granted, in whole or in part, a license or a sublicense under the Assigned Patents, Licensed Patents, Improvements or Know-How by Sagesse Bio pursuant to the Patent Assignment and License Agreement (the “**Sales Milestone Payment**”); and
- (ii) *Subscription arrangements.* In order to co-develop the Assigned Patents and Licensed Patents for the Field of Use and to save R&D cost in alleviation of the Group’s financial burden, Sagesse Bio and US Sirnaomics shall enter into the Subscription Arrangements, pursuant to which Sagesse Bio shall issue to US Sirnaomics 2,400,000 Sagesse Bio Non-voting Shares, constituting a 60% majority of the issued and outstanding share capital of Sagesse Bio after subscription of shares in Sagesse Bio by the relevant parties.

Please refer to the section headed “the Subscription Arrangements” below in this circular for further details of the share subscription.

(together, the “**Consideration**”)

The milestone payments of up to US\$33 million in cash to be received by the Group under the Consideration will be used to support the R&D activities of the Group, as well as for the Group’s general working capital purpose.

LETTER FROM THE BOARD

Reasons for the consideration payment arrangements

The consideration payment arrangements described above were reached through arms' length negotiations and discussions with Gore Range and Sagesse Bio, where US Sirnaomics will receive a 60% economic equity interest in Sagesse Bio and subsequent milestone payments (the "**Payment Arrangements**"), instead of any upfront consideration payment.

The Directors are of the view that the Payment Arrangements are fair and reasonable and in the interests of the Company and its Shareholders as a whole on the following basis:

- (i) considering the limited liquidity of Sagesse Bio as an early-stage biotech venture, the Payment Arrangements (a) minimize the upfront financial burden on Sagesse Bio to facilitate a smooth initiation of the drug development process (Gore Range and Sagesse Bio will assume the early development costs of Sagesse Bio to alleviate the Group's financial burden); (b) allow Sagesse Bio to devote its financial resources (including the funding from Gore Range and any future investment Sagesse Bio may obtain) into its operational needs and the development of drug product candidates, which will also make Sagesse Bio more attractive to potential investors; and (c) accelerate the process of the clinical studies, therefore enhancing the probability that the Group receives the milestone payments and realizes the potential economic value of its equity interests in Sagesse Bio;
- (ii) the Payment Arrangements are in line with the commonly accepted practice in the biotech industry as well as the customary practice of Gore Range, an internationally renowned venture capital investment entity in the skin health businesses that has been working closely with portfolio companies and industry leaders worldwide for the past decade, for similar early-stage biotech ventures that they have invested in; and
- (iii) in lieu of an upfront payment, the Company has been able to secure a significant portion (60%) of the economic equity interest in Sagesse Bio through arm's length negotiation, enabling the Company to receive substantially greater economic value in Sagesse Bio in the mid-to-long term future as the development of the drug candidate progresses. The Group does not have voting rights with its shares for the purpose of providing Sagesse Bio with greater operational flexibility, and retains all other rights attributable to the shares in Sagesse Bio (including dividend and liquidation rights). For more details of the rights attached to such shares, please refer to the section headed "the Subscription Arrangements — Sagesse Bio Voting Shares and Sagesse Bio Non-voting Shares".

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Basis of Consideration

According to the Company's accounting policy, expenditure on research activities is recognized as an expense, and an internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the recognition criteria have been demonstrated. As of the date of this circular, the R&D expenditure incurred by the Group on the assets underlying the Transfers had not been capitalized as the recognition criteria had not yet been met. Therefore, the book value of the assets underlying the Transfers is nil.

The Company has engaged the Valuer to prepare the Valuation Report as set out in Appendix II of this circular. The Consideration was determined after arm's length negotiations between the relevant parties to the Patent Assignment and License Agreement with reference to (i) the appraised fair value of the Assigned Patents as at August 1, 2024 (the "**Valuation Date**"), which amounts to approximately USD514,000 according to the Valuation Report; (ii) the Know-How of the Licensed Patents and the Assigned Patents relating to the Sagesse Bio product candidate, SGY-101; (iii) the development cost of the potential drug candidate in the Field of Use in relation to the assets underlying the Transfers, which may require substantial amount of R&D expenses (the expected R&D expenses for Phase II of the Sagesse Bio product candidate is approximately USD35 million, with further R&D expenses for subsequent phases subject to the results from Phase II development) and will be provided initially by Gore Range and subsequently by Sagesse Bio through its own fundraising (and not by the Company at any stage) under the arrangements under the Transactions; (iv) the uncertainty underlying the successful development of an approved drug in the Field of Use based on the drug candidate; and (v) that the Transfers enable Sagesse Bio to finance and develop the assets underlying the Transfers for the Field of Use, upon the success of which the Company will be able to realize the value of its equity interest in Sagesse Bio and receive milestone payments subject to fulfillment of certain conditions. As of the Latest Practicable Date, the Company is not yet able to accurately appraise the potential value of the equity interest in Sagesse Bio due to it being a newly formed entity, with its value being subject to the uncertainty underlying the successful development of the drug candidates. The Consideration also does not take into account the fair value of the Licensed Patents, as (i) the Licensed Patents are still in the early stage of development, posing a relatively high level of uncertainty regarding the revenue generation and market acceptance in the future, and there is limited or no market transactions available for comparison, so the market approach and income approach are both considered inappropriate for the valuation; and (ii) the Know-How relating to the use of Licensed Patents in the Field of Use is a small subset of the Company's core technology specifically associated with fat reduction, and it is difficult to isolate this specific subset of the Licensed Patents for separate valuation.

LETTER FROM THE BOARD

The Directors have reviewed and enquired the Valuer's qualifications and experience in relation to the performance of the valuation. The Directors believe, upon making reasonable enquiries, that the Valuer is a professional valuation company experienced in performing valuation. Based on the information provided by the Valuer and after making reasonable enquires, the Directors are of the view that the Valuer possesses the necessary competence and independence in preparing the Valuation Report.

According to the Valuation Report prepared by the Valuer for the valuation of the Assigned Patents, the Valuer has adopted the cost approach to estimate the fair value of the Assigned Patents as of the Valuation Date. The selection of valuation methodology and valuation details are as follows:

(I) Selection of Valuation Approach and Principal Factors

There are generally three accepted approaches which have been considered by the Valuer in the valuation of the Assigned Patents, namely, the income approach, the market approach and the cost approach.

Considering the Assigned Patents are still in its early stage of development, which poses a relatively high level of risk and uncertainty regarding revenue generation and market acceptance in the future, the income approach is considered to be inappropriate as improper assumptions will impose significant impact on the value.

In addition, the market approach is also considered to be inappropriate given there is limited or no market transaction available for comparison as of the Valuation Date upon due research conducted by the Valuer. Without these financial data, the Assigned Patents are unable to be benchmarked to the market price from the comparable transactions in determining the value of the Assigned Patents.

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for potential accrued depreciation arising from obsolescence. As such, the cost approach was adopted by the Valuer based on the principle that the sum of the associated cost to develop the Assigned Patents under the hypothetical scenario as of the Valuation Date represents its value.

According to the Valuation Report, the cost of recreating the Assigned Patents as of the Valuation Date includes pre-clinical costs, patents application fees and other associated cost including but not limited to labor costs and rent expenses. Notably, no depreciation adjustment was made due to its stage of development and the short time period between the development completion (i.e. 2021) and the Valuation Date.

LETTER FROM THE BOARD

(II) Valuation Assumptions

During the valuation process, a number of general assumptions have also been made by the Valuer to arrive at the valuation result, including but not limited to:

- (1) there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the R&D of the Assigned Patents;
- (2) there will be no material change in the cost structures or cost components in developing the Assigned Patents;
- (3) the Assigned Patents are not subject to obsolescence or material technological depreciation;
- (4) the historical costs data provide a reasonable estimate of the actual costs incurred in developing the Assigned Patents; and
- (5) there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.

(III) Valuation Result

The valuation result of the Assigned Patents is determined to be USD514,000. Details of the valuation are outlined in the Valuation Report in Appendix II to this circular.

Given the above, the Directors are satisfied that the methodology and the principal bases and assumptions adopted for the preparation of the Valuation Report are appropriate, and therefore are of the view that the appraised value of the Assigned Patents serves as a fair and reasonable reference to the fair value of the Assigned Patents as at the Valuation Date. The Directors are therefore of the view that the Consideration and the basis of determination thereto is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Escrow Arrangement

The signature pages to the Patent Assignment and License Agreement, undated and signed by all the parties thereto, shall be held in escrow by US Sirnaomics and Sagesse Bio and their respective legal counsels, and shall be dated, released and effective upon delivery by US Sirnaomics to Sagesse Bio of evidence reasonably satisfactory to Sagesse Bio of the approval by

LETTER FROM THE BOARD

an EGM of the Patent Assignment and License Agreement, the Subscription Arrangements and the Transactions. If evidence of such approval is not delivered to Sagesse Bio on or before the Outside Date, the Patent Assignment and License Agreement shall be void *ab initio* and has no force or effect.

Termination

The Patent Assignment and License Agreement may be terminated:

- (i) by Sagesse Bio, with respect to the license of the Licensed Patents at any time without cause, and without incurring any additional obligation, liability, or penalty, by providing at least sixty (60) days prior written notice to US Sirnaomics; or
- (ii) by US Sirnaomics, with respect to the license of the Licensed Patents, on written notice to Sagesse Bio: (A) if the Qualified Financing Milestone Payment has not been paid by Sagesse Bio to US Sirnaomics (1) within ten (10) business days following the closing in full of a Qualified Financing or (2) by January 15, 2026, if a Qualified Financing has not closed in full on or before December 31, 2025, whichever occurs first, unless Sagesse Bio elects, in its sole discretion, to pay the maximum Qualified Financing Milestone Payment of US\$3 million; or (B) if an investigational new drug (IND) application for a Licensed Product is not filed by Sagesse Bio with the U.S. Food and Drug Administration (FDA) on or before June 30, 2026 (provided that any delay in such filing is not caused by any material failure or delay on the part of US Sirnaomics), or (C) if the gross revenues from the sale of Licensed Products do not exceed US\$100 million during a period of twelve (12) months before the end of the seventh (7th) year following NDA approval, unless Sagesse Bio elects, in its sole discretion, to pay the Sales Milestone Payment without first achieving such gross revenues threshold, provided further, however, that in respect of each event described in the above clauses (A), (B), and (C), Sagesse Bio does not cure the respective failure within sixty (60) days after receiving written notice thereof; or
- (iii) by either of Sagesse Bio or US Sirnaomics, with respect to the license of the Licensed Patents on written notice to the other party if the other party materially breaches the Patent Assignment and License Agreement and fails to cure such breach within sixty (60) days after receiving written notice thereof; or
- (iv) by either of Sagesse Bio or US Sirnaomics, with respect to the license of Licensed Patents and effective immediately, if the other party (i) is dissolved or liquidated or takes any corporate action for such purpose; (ii) becomes insolvent; (iii) files or has filed against it a petition for voluntary or involuntary bankruptcy or otherwise becomes

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subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency Law; (iv) makes or seeks to make a general assignment for the benefit of its creditors; or (v) applies for or has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

Upon termination by US Sirnaomics under (ii), (iii) or (iv) above, or by Sagesse Bio under (i) above, (1) the license to the Licensed Patents shall terminate and US Sirnaomics shall assume any sublicenses thereunder entered into by Sagesse Bio (whilst continuing to have ownership over the Licensed Patents), (2) Sagesse Bio, at US Sirnaomics's request, shall assign and transfer to US Sirnaomics any and all of the Assigned Patents and improvements thereto and US Sirnaomics shall assume any licenses thereunder entered into by Sagesse Bio, and (3) US Sirnaomics, at Sagesse Bio's request, shall forfeit all rights, titles, and interests in Sagesse Bio Non-voting Shares.

THE SUBSCRIPTION ARRANGEMENTS

In order to co-develop the Assigned Patents and the Licensed Patents for the Field of Use and to save R&D cost in alleviation of the Group's financial burden, Sagesse Bio and US Sirnaomics shall enter into the Subscription Arrangements.

The principal terms of the Subscription Arrangements, comprising the Subscription Agreement and the Stockholder Agreement, are as follows:

Date

August 1, 2024 (before trading hours)

Parties

The parties to the Subscription Agreement comprise (i) US Sirnaomics, as the subscriber; and (ii) Sagesse Bio, as the target.

The parties to the Stockholder Agreement comprise (i) US Sirnaomics, (ii) Gore Range Fund; and (iii) the Other Sagesse Stockholders. For details of the parties, please refer to the section headed "Information about the Parties" below.

Among the Other Sagesse Stockholders, Dr. Michael V. Molyneaux ("**Dr. Molyneaux**") was a former Director within the past 12 months of entering into the Subscription Arrangements and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As such, (a) as Dr. Molyneaux held only 8.125% of the voting power of Sagesse Bio as of the date of this

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circular, Sagesse Bio does not constitute an associate of Dr. Molyneaux and therefore is not a connected person of the Company; and (b) while Dr. Molyneaux is a party to the Stockholder Agreement in the capacity as an existing shareholder of Sagesse Bio, as the Stockholder Agreement only contains stipulations in relation to the corporate governance of Sagesse Bio and the rights of its shareholders, entering into the Stockholder Agreement by its nature does not constitute a transaction under Chapter 14A of the Listing Rules. Nevertheless, as part of the Transactions, the material terms of the Stockholder Agreement are disclosed in this circular.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, all of Sagesse Bio, the Other Sagesse Stockholders and their respective ultimate beneficial owner(s) are Independent Third Parties of the Company.

Subject Matter

Pursuant to the Subscription Arrangements,

- (i) *Share subscription.* As part of the formation of Sagesse Bio as a joint venture, Sagesse Bio shall issue, and US Sirnaomics shall subscribe for, 2,400,000 Sagesse Bio Non-voting Shares, constituting a 60% majority of the issued and outstanding share capital of Sagesse Bio after subscription of shares in Sagesse Bio by the relevant parties, while Gore Range (through Gore Range Fund) and the Other Sagesse Stockholders shall hold the Sagesse Bio Voting Shares;
- (ii) *Board composition and designation.* The size of the board of directors of Sagesse Bio shall be set and remain at four (4) directors, among which (i) the first shall serve concurrently as the chief executive officer of Sagesse Bio, the replacement of which may be elected by holders of the Sagesse Bio Voting Shares and, where there is no such replacement, be designated from time to time by Gore Range; (ii) the second and the third shall be designated from time to time by Gore Range; and (iii) the fourth shall be designated from time to time by US Sirnaomics. Dr. Yang Lu (*alias* Patrick Lu), the chairman of the Board, president and chief scientific officer of the Company, will be the initial individual designated by US Sirnaomics to serve as the fourth director of Sagesse Bio;
- (iii) *Board observer.* Each of Gore Range and US Sirnaomics shall be entitled to designate one board observer, who is entitled to receive notice of board meetings, together with any supporting materials, at the same time as the directors of Sagesse Bio and shall be permitted to participate in the deliberations of the board, but shall not have voting rights;

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- (iv) *Drag-along right.* In the event that the holders of at least 80% of the Sagesse Bio Voting Shares then outstanding (the “**Selling Investors**”) approve certain transactions of sale of shares (including, among others, a transaction or series of related transactions in which an individual, firm, corporation, partnership, association, limited liability company, trust or any other entity (each a “**Person**”), or a group of related Persons, acquires from shareholders of Sagesse Bio shares representing more than 50% of the outstanding voting power thereof (the “**Stock Sale**”), each of Sagesse Bio and the shareholders thereof shall agree, among other things: (i) to vote in favor of such transaction where shareholder’s approval is required; (ii) to sell the same proportion of shares beneficially held by such shareholder as is being sold by the Selling Investors to the Person to whom the Selling Investors propose to sell their shares, where such transaction is a Stock Sale; and (iii) to execute and deliver all related documentation and take such other action in support of such transaction as shall reasonably be requested by Sagesse Bio or the Selling Investors (the “**Drag-along Right**”). Apart from the foregoing, other customary drag-along rights are also prescribed under the Subscription Arrangements; and
- (v) *Restrictions on sales of control.* No shareholder of Sagesse Bio shall be a party to any Stock Sale unless (a) all shareholders of Sagesse Bio are allowed to participate in such transaction(s), and (b) the consideration received pursuant to such transaction is allocated among the parties thereto pro rata based on the number of shares held by each such holder. Notwithstanding the foregoing, Gore Range shall be entitled to sell their shares, debt or other interests in Sagesse Bio after providing 30-days’ prior written notice to the other shareholders and giving them the opportunity to purchase the shares at the same value. Save as disclosed herein or otherwise provided under the Subscription Arrangements, as of the date of this circular, the subsequent sale of the shares in the Sagesse Bio is not subject to any restrictions.

The exercise of each of the Drag-along Right and restrictions on sales of control is not at the discretion of the Company, and the Company would be bound to dispose its equity interest in Sagesse Bio. Taking into account that (i) the Drag-along Right shall not be exercisable unless at least 80% of the Sagesse Bio Voting Shares approve the Stock Sale, which is a high threshold requiring the consensus of multiple parties (i.e. Gore Range and most of the Other Sagesse Stockholders); (ii) the holders of Sagesse Bio Voting Shares will also have an interest to obtain the highest return on their shares in Sagesse Bio under the Stock Sale, which is in alignment with the Group’s interest as the Sagesse Bio Voting Shares carry the same economic benefits in Sagesse Bio as the Sagesse Bio Non-voting Shares; and (iii) the Group’s board representation, board observer and information access enables the Group to raise any concerns to the relevant stakeholders in the event of a potential Stock Sale, the Directors consider that the Company’s interests in Sagesse Bio would be adequately protected and that the terms and conditions (including the selling price) of a potential Stock Sale would be in the interests of the Company and the shareholders as a whole.

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The Drag-along Right constitutes an option under Rule 14.72(1) of the Listing Rules, and pursuant to Rule 14.73 of the Listing Rules, the grant of the Drag-along Right by the Group will be treated as a transaction of the Group. Pursuant to Rule 14.74(1) of the Listing Rules, as the exercise of the Drag-along Right is not at the discretion of the Group, the grant of the Drag-along Right by the Group to the Selling Investors will be classified as if the Drag-along Right had been exercised. As, on the grant of the Drag-along Right, the actual monetary value of the exercise price, the value of the underlying assets and the profit and loss attributable to such assets have not been determined, the grant of the Drag-along Right by the Group will be classified as at least a major transaction according to Rule 14.76(1) of the Listing Rules, and is therefore subject to the announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules. Accordingly, the grant of the Drag-along Right will be considered under Resolution (b) as set out under "Notice of Extraordinary General Meeting", together with the transactions contemplated under the Subscription Arrangements.

Should the Drag-along Right subsequently be exercised by the Selling Investors requiring the Group to sell its shares in Sagesse Bio, the Company will comply with the relevant requirements of the Listing Rules applicable to such disposal.

After subscription of shares in Sagesse Bio by the relevant parties and completion of the formation of Sagesse Bio as a joint venture, the issued and outstanding share capital of the Sagesse Bio shall be 4,000,000 shares and beneficially owned as to 60%, 20% and 20% by US Sirnaomics, Gore Range (through Gore Range Fund) and Other Sagesse Stockholders, respectively. The financial results, assets and liabilities of Sagesse Bio will not be consolidated into the accounts of the Group after subscription of shares in Sagesse Bio by the relevant parties.

Corporate Governance Measures of Sagesse Bio

The Directors consider that the corporate governance measures of Sagesse Bio would be in the best interests of the Company and its shareholders as a whole for the following reasons:

- (i) the board members of Sagesse Bio are either accomplished and reputable experts within the skin health industry, or world-renowned dermatology and aesthetic medicine experts. In addition to being under a fiduciary duty to Sagesse Bio and its shareholders (including the Company) when making decisions relating to Sagesse Bio, each of the board members of Sagesse Bio would be incentivized to achieve the best interests of Sagesse Bio to ensure their reputations within the industry, and the Directors consider that streamlining the decision-making process of Sagesse Bio would ensure its effective operation;

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- (ii) US Sirnaomics has one board seat of Sagesse Bio and all board decisions of Sagesse Bio are made by majority vote;
- (iii) in addition to board representation, US Sirnaomics will also have a board observer seat in Sagesse Bio, which will ensure that the information relating to the board decisions of Sagesse Bio will be transparent to the Company, enabling the Company to take appropriate actions (if necessary) in order to maintain and protect its interests in Sagesse Bio;
- (iv) the current measures will smoothly enable Sagesse Bio to achieve Qualified Financing or carry out other fund-raising activities thereby accelerating the commercialization of the drug candidates; and
- (v) as a safeguard, the Patent Assignment and License Agreement may be terminated by US Sirnaomics should Sagesse Bio not reach certain business benchmarks, with US Sirnaomics retaining the rights to regain ownership of its Assigned Patents, and continuing to have ownership over its Licensed Patents, as set out in detail under “the Patent Assignment and License Agreement — Termination” above.

Escrow Arrangement

The signature pages to the Subscription Agreement and the Stockholder Agreement, undated and signed by all the parties thereto, shall be held in escrow by US Sirnaomics and Sagesse Bio and their respective legal counsels, and shall be dated, released and effective upon delivery by US Sirnaomics to Sagesse Bio of evidence reasonably satisfactory to Sagesse Bio of the approval by an EGM of the Patent Assignment and License Agreement, the Subscription Arrangements and the Transactions. If evidence of such approval is not delivered to Sagesse Bio on or before the Outside Date, the Subscription Agreement and the Stockholder Agreement shall be void *ab initio* and have no force or effect.

Sagesse Bio Voting Shares and Sagesse Bio Non-voting Shares

Both the Sagesse Bio Voting Share(s) and Sagesse Bio Non-voting Share(s) are common stock of Sagesse Bio. Other than the Sagesse Bio Voting Shares carry voting rights (whereas the Sagesse Bio Non-voting Shares do not carry any voting rights), the two classes of shares of Sagesse Bio rank *pari passu*, including with respect to dividend and liquidation rights.

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REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The strategic goal of Sagesse Bio is to deliver innovative and life changing therapies to patients with an initial emphasis on focal fat destruction. As RNAi therapeutic candidate is moving into medical aesthetic product development for body contouring, the joint expertise and resources from both Sirnaomics and Gore Range form a strong foundation for a tremendous growth potential of Sagesse Bio with its accelerated product development speed.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Patent Assignment and License Agreement and the Subscription Arrangements are conducted in the ordinary and usual business of the Company, are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole for the following reasons:

- *Market recognition from reputable and established industry practitioners:* Gore Range is an industry leader with a well-established track record in successful investments in early-stage skin health businesses, with teams consisting of experienced healthcare investors, renowned advisors and domain-expert practitioners. The collaboration with Gore Range is recognition of the Group's standing as a leading biopharmaceutical company and technological capabilities on an international level, which will enable the Group to expand its business to medical aesthetic solutions and beyond, enhance the Group's industry reputation and diversify its product portfolio and unlock further opportunities. For details of Gore Range and Gore Range Fund, please refer to the section headed "Information about the Parties — Gore Range and Gore Range Fund";
- *Collaboration with experienced business partners and progressing to Phase II clinical trials:* The Transactions will enable the Group to develop a close working relationship with Gore Range which will bring multiple strategic benefits to the Group, such as by achieving further technological innovations through cooperation with cutting-edge experts, which is fundamental to the Group's long-term development. Gore Range will advance the Group's core product for focal fat reduction, which is IND-enabled and Phase I clinical study completed for focal fat reduction, and currently Phase II clinical trials completed (for other indications). Sagesse Bio will promptly begin a Phase II clinical evaluation of its product candidate, SGY-101 (Sirnaomics STP705) for focal fat reduction, with comprehensive scientific and technical support from the Group. Accordingly, the Group will also be able to leverage its technologies and partner with an experienced management team and clinical team with abundant resources and know-how to incubate novel clinical stage RNAi technologies for medical aesthetics beyond the pre-clinical stage, with the potential to become breakthrough therapies and innovative medical aesthetics solutions that will fundamentally improve patient lives;

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- *Business and financial performance of the Group:* Through the potential and business opportunity with Gore Range and Sagesse Bio, the Transactions are expected to significantly enhance the Group's financial returns, including to receive milestone payments and more importantly the Group's equity position in Sagesse Bio. The immediate income will include the Qualified Financing Milestone Payment of US\$3 million. Moreover, the Group's equity position in Sagesse Bio may enable the Group to obtain substantial financial returns in the future should Sagesse Bio go public, or if the Group realizes part or all of its interests in Sagesse Bio.
- *Alleviation of the Group's financial burden:* Under the Transactions' arrangements, Gore Range and Sagesse Bio will assume further development costs for the relevant drug candidates and will introduce financing from third party investors to support its further operation, alleviating the Group's financial burden of developing these drug candidates by itself. In addition, through collaboration with highly regarded industry professionals, the Transactions would reveal the potential of the Group's products and relevant technologies for other drug candidates, unlocking potentially similar opportunities with other professionals in the industry to co-develop the Group's other promising drug candidates by exploiting outside financial resources rather than relying on the Group's own resources.

Looking beyond, the Group's long-term relationship with Gore Range aims to leverage both parties' extensive expertise with the ambition to expand its global footprint. The Transactions not only demonstrate the Group's unwavering commitment to business sustainability but also showcase the Group's visionary perspective that extends beyond the immediate present. This relationship signifies the Group's determination to create a lasting influence and its aspiration to explore new horizons of growth and innovation.

FINANCIAL EFFECT OF THE TRANSACTIONS

Upon completion of the Transactions, the issued and outstanding share capital of the Sagesse Bio shall be beneficially owned as to 60%, 20% and 20% by US Sirnaomics, Gore Range (through Gore Range Fund) and Other Sagesse Stockholders, respectively. The financial results, assets and liabilities of Sagesse Bio will not be consolidated into the accounts of the Group after subscription of shares in Sagesse Bio by the relevant parties.

Subject to the final audit, it is expected that the Group will realize no loss and may realize gains of up to US\$33 million subject to the fulfillment of conditions under the milestone payment arrangements as described above on the Transactions.

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RISKS IN RELATION TO THE TRANSACTIONS

Risks relating to the realization of potential equity interest in Sagesse Bio and the Payment Arrangements

The Group had made the strategic decision to obtain only contingent milestone payments and an economic equity interest in Sagesse Bio (in lieu of any upfront payment) due to various business considerations, as further described under “The Patent Assignment and License Agreement — Consideration”. The realization of the potential value of the equity interest in Sagesse Bio and payment of the milestone payments will depend on a number of milestones, including the receipt of regulatory approvals in relation to the relevant drug candidates, commercial manufacturing capabilities, and successful launch and continuance of commercial sales of the relevant drug candidates, if and when approved.

If Sagesse Bio does not achieve one or more of the aforementioned milestones as expected, in a timely manner or at all, Sagesse Bio could experience significant delays or difficulties in commercializing the drug candidates. As clinical trials are capital-intensive and may require years of effort to be completed, the outcomes of clinical trials are inherently uncertain and may not be favorable. In addition, Sagesse Bio may encounter unexpected difficulties, such as delays in obtaining regulatory approvals, complexities of analytical testing technology, shortages of material supplies and outbreaks of epidemics, which may result in failure in obtaining approvals for and commercializing the relevant drug candidates. Such failure would materially and adversely affect the business, financial condition, results of operations and prospects of Sagesse Bio, and lead to the Group not being able to realize any financial returns from its equity interest in Sagesse Bio or to obtain the stipulated milestone payments under the Patent Assignment and License Agreement, which may have a material adverse effect on the Group’s competitive position, business, financial condition and results of operation.

Risks relating to the exercise of the Drag-along Right

Pursuant to the Drag-along Right granted by the Group, should the Selling Investors approve certain transactions of a Stock Sale, the Group may also be bound to dispose of all or a portion of its equity interest in Sagesse Bio under the Subscription Arrangements, as further described under “The Subscription Arrangements — Subject Matter”. As the equity interest in Sagesse Bio held by the Group does not carry any voting rights, the exercise of the Drag-along Right is not at the discretion of the Group. Therefore, despite the alignment of interest between Gore Range Fund, the Other Sagesse Stockholders, and the Group, as well as the Group’s rights of board representation, board observer and information access, which enable the Group to raise any concerns to the

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relevant stakeholders in the event of a potential Stock Sale, the Group may be bound to dispose of all or a portion of its equity interest in Sagesse Bio at a price, amount or time inconsistent with the expectations of the Group or not being in the best interest of the Group.

In addition, upon completion of the disposal pursuant to the Drag-along Right, the Group may lose its rights of board representation, board observer and information access under the Subscription Arrangements, and may therefore lose influence over Sagesse Bio to a certain extent. However, the Group will retain its rights to the milestone payments, as well as rights to the Licensed Patents (including any sublicenses thereunder) and the Assigned Patents (including any improvements thereto) under the Patent Assignment and License Agreement, which is expected to remain in effect in the event of the Drag-along Right being exercised.

The Company may not be able to ultimately develop and market its Core Product STP705 successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

INFORMATION ABOUT THE PARTIES

The Company and US Sirnaomics

Sirnaomics is an RNA therapeutics biopharmaceutical company that focuses on the discovery and development of innovative drugs for indications with unmet 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, a polypeptide nanoparticle RNAi platform and GalNAc RNAi platform, GalAhead™, Sirnaomics has established an enriched drug candidate pipeline. STP122G, which represents the first drug candidate utilizing the Company's GalAhead™ mxRNA technology, is currently in Phase I development. STP237G is the first dual-targeted drug based on a GalAhead™ muRNA technology and is in the late stage of preclinical development. The Company has also had multiple successes with oncology applications through its clinical programs for STP705 and STP707. With the establishment of its manufacturing facility in China, Sirnaomics is undergoing a transition from a biotech company to a biopharma corporation. Learn more at: www.sirnaomics.com.

US Sirnaomics is incorporated under the laws of Delaware, U.S. and is a wholly owned subsidiary of the Company. It is principally engaged in the development and commercialization of RNAi therapeutics.

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Sagesse Bio

As at the date of this circular, Sagesse Bio is owned beneficially as to 50% by Gore Range Fund, and as to 50% by the Other Sagesse Stockholders. None of the Other Sagesse Stockholders owns beneficially more than 15% of the shares of Sagesse Bio. For details of the Other Sagesse Stockholders, please refer to the section headed “— the Other Sagesse Stockholders” below.

After subscription of shares in Sagesse Bio by the relevant parties pursuant to the Transactions, the share capital of Sagesse Bio will be owned beneficially as to 60%, 20% and 20% by US Sirnaomics, Gore Range (through Gore Range Fund) and the Other Sagesse Stockholders, respectively, while the voting power of Sagesse Bio will be owned as to 50% and 50% by Gore Range (through Gore Range Fund) and the Other Sagesse Stockholders, respectively.

Sagesse Bio combines the strength of Sirnaomics’ leadership in RNAi-based technology and product development for focal fat reduction and Gore Range’s world leading expertise in skin health industry and financial resources, to accelerate clinical development of its innovative products for addressing a fast-growing aesthetic medicine market. Sagesse Bio will rapidly advance Sirnaomics lead compound that is IND-enabled and currently in Phase II clinical trials for other indications. Initial indications of interest include body contouring and fat reduction. The founders, board of directors, and newly established executive management team of the company are comprised of a group of well-accomplished senior executives from skin health industry, world-renowned clinicians in dermatology and aesthetic medicine, and leading experts in RNAi medicine. The strategic goal of Sagesse Bio is to become a world-leading aesthetic medicine company with innovative technologies and aesthetic products.

Under the arrangement of the Transactions, Sagesse Bio will initiate a clinical evaluation immediately after the Transactions’ taking effect for its leading product candidate, SGY-101, with scientific and technical support from Sirnaomics, receiving assignment and licensing of certain relevant intellectual property rights for the licensed product.

Gore Range and Gore Range Fund

Gore Range Fund, a venture capital fund, is a limited liability company formed under the laws of Delaware, U.S. Gore Range, a limited liability company formed under the laws of Delaware, U.S., is the sole manager of and holds all of the voting power of Gore Range Fund. As of the date of this circular, Gore Range Fund has over forty (40) investors, none of whom holds more than 18% of the equity interest of, and none holds any voting power in, Gore Range Fund.

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Ethan Rigel, MBA, an Independent Third Party, is the sole owner, the sole managing member and the founder of Gore Range and one of the premier investors within the skin health industry. He is one of the leading co-founders of Sagesse Bio and currently serves as a director and the treasurer of Sagesse Bio. Mr. Rigel is a board member of HCEquared, a pharmaceutical services and medical education company founded over 20 years ago with a focus on dermatology and aesthetic medicine. He has more than 15 years of investing experience, investing more than US\$900 million in companies with a combined enterprise value of greater than US\$2,000 million across dozens of investments.

Gore Range is focused on investments in the skin health businesses. Gore Range's approach is simple: "we invest in what we know". Over the course of their respective careers, the Gore Range team has built domain expertise and extensive networks across multiple areas of healthcare. Through Gore Range, capabilities are channeled to focus on the largest organ and the most visible manifestation of personal identity: the skin. At Gore Range, the hands-on approach of operationally focused private equity is blended with the early-stage guidance needed in venture capital. Formed in 2015, Gore Range works closely with portfolio companies and industry leaders to bring skin health innovations to market. To accomplish this mission, Gore Range leverages its team of experienced healthcare investors, leaders, and practitioners to bring strategic, financial and scientific expertise to its investments.

Gore Range is responsible for initial funding and building the executive management team and advisory board of Sagesse Bio. In addition, with its well-built domain expertise and extensive networks in the skin health industry, Gore Range is able to provide a hands-on approach for Sagesse Bio's fundraising and business development challenges.

The Other Sagesse Stockholders

The Other Sagesse Stockholders comprise Dinosaur Valley LP, Red Kangaroo Holdings LP, Frederick Beddingfield, Jon Meneese, Dr. Molyneaux and Mark Nestor, each being an Independent Third Party (except for Dr. Molyneaux as detailed in the section headed "Listing Rules Implications" below).

Dinosaur Valley LP

Dinosaur Valley LP ("**DVLP**") is a limited partnership formed under the laws of Texas, U.S., and is managed by Schatz Holdings, LLC, a Texas (U.S.) limited liability company ("**Schatz**"), as its sole general partner. All equity interests in Schatz and all partnership interests in DVLP are beneficially owned by Humberto C. Antunes and his immediate family members. Upon the Effective Date, DVLP will hold 2.5% of the shares of, and 6.25% of the voting power of, Sagesse Bio.

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Mr. Antunes was the former chairman and chief executive officer of Galderma/Nestle Skin Health, and is an internationally renowned executive in the skin health industry. He is one of the co-founders of Sageesse Bio and currently serves as the secretary of Sageesse Bio.

Red Kangaroo Holdings LP

Red Kangaroo Holdings LP (“**RKH**”) is a limited partnership formed under the laws of Texas, U.S., and is managed by Volpino Holdings, LLC, as Texas (U.S.) limited liability company (“**Volpino**”), as its sole general partner. All equity interests in Volpino and all partnership interests in RKH are beneficially owned by Ethan Rigel. Upon the Effective Date, RKH will hold 2.5% of the shares of, and 6.25% of the voting power of, Sageesse Bio.

For further details about Ethan Rigel, please refer to the section headed “ — Gore Range and Gore Range Fund” as above.

Other Individual Stockholders

Frederick Beddingfield, M.D., Ph.D., is an internationally renowned dermatologist and expert in biopharma and the aesthetics industry. He has led the development of global leading brands such as BOTOX[®], JUVEDERM[®], LATISSE[®] and KYBELLA[®]. He previously served as the chief medical officer of Allergan Medical and Kythera Biopharmaceuticals, and as the chief executive officer of Sienna Bio and Kira Pharmaceuticals. He currently serves on the board of directors of Cytrellis Biosystems, and serves as a director of and the chairperson of the board of Sageesse Bio.

Jon Meneese is a seasoned marketing and sales executive with over 20 years of experience leading U.S. and global teams at Galderma, Alcon, and Syneos Health. He currently serves as the president, chief executive officer and a director of Sageesse Bio, and will lead its development of SGY-101 for targeted fat reduction in both medical dermatology and aesthetic medicine.

Dr. Molyneaux, M.D., MBA, is the former chief medical officer and a former director of the Company. He has over 10 years’ experience as a biotech executive including leadership roles in multiple biotech companies managing medical affairs, clinical operations, and regulatory affairs. Upon completion of the Transactions, Dr. Molyneaux will act as a medical advisor to Sageesse Bio and assist in clinical development activities to further advance SGY-101 program for focal fat reduction.

Mark Nestor, MD, M.D., Ph.D., is the director of the Center for Clinical and Cosmetic Research in Aventura, Florida, U.S. and a voluntary professor at the Department of Dermatology and Cutaneous Surgery and the Department of Surgery, Division of Plastic Surgery at the

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University of Miami Miller School of Medicine, U.S. Upon completion of the Transactions, Mark Nestor will serve as the medical advisor for Sagesse Bio and its development of SGY-101 for targeted fat destruction in both medical dermatology and aesthetic medicine.

Upon the Effective Date, each of Frederick Beddingfield, Jon Meneese, Dr. Molyneaux and Mark Nestor will hold 2.875%, 5%, 3.25%, and 3.25% of the shares of, and 7.19%, 12.5%, 8.125%, and 8.125% of the voting power of, Sagesse Bio.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Transactions exceeds 25% but all are less than 75%, the Transactions constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, among the Other Sagesse Stockholders, Dr. Molyneaux was a former Director within the past 12 months of entering into the Subscription Arrangements and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As such, (a) as Dr. Molyneaux held only 8.125% of the voting power of Sagesse Bio as of the date of this circular, Sagesse Bio does not constitute an associate of Dr. Molyneaux and therefore is not a connected person of the Company; and (b) while Dr. Molyneaux is a party to the Stockholder Agreement in the capacity as an existing shareholder of Sagesse Bio, as the Stockholder Agreement only contains stipulations in relation to the corporate governance of Sagesse Bio and the rights of its shareholders, entering into the Stockholder Agreement by its nature does not constitute a transaction under Chapter 14A of the Listing Rules.

As of the date of this circular, Dr. Molyneaux was interested in 41,762 Shares of the Company. As Dr. Molyneaux is an existing shareholder of Sagesse Bio and one of the Other Sagesse Stockholders, Dr. Molyneaux and his close associates shall abstain from voting on the relevant resolutions approving the Patent Assignment and License Agreement, the Subscription Arrangements and the Transactions at the EGM.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as disclosed herein, no other Shareholder has any material interest in the Patent Assignment and License Agreement, the Subscription Arrangements or the Transactions and is required to abstain from voting on the relevant resolution(s) at the EGM.

LETTER FROM THE BOARD

NOTICE OF THE EGM

Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM to consider and, if appropriate, to approve, among others, the ordinary resolutions relating to the proposals for the execution and implementation of the Patent Assignment and License Agreement and the Subscription Arrangements.

FORM OF PROXY

A form of proxy for use at the EGM is enclosed herewith. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the EGM will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it has in the same manner.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, December 23, 2024 to Monday, December 30, 2024, both dates inclusive, during which period no transfer of Shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, 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 Friday, December 20, 2024.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the ordinary resolutions in relation to the Patent Assignment and License Agreement, the Subscription Arrangements and the transactions contemplated thereunder to be proposed at the EGM are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favor of such resolutions at the EGM.

As the Transactions contemplated under the Patent Assignment and License Agreement and the Subscription Arrangements are subject to the terms and conditions thereunder, such Transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

GENERAL

Your attention is also drawn to the appendices to this circular.

Yours faithfully,
By order of the Board
Sirnaomics Ltd.
Yang (Patrick) Lu
Chairman and Non-executive Director

I. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the years ended December 31, 2021, 2022 and 2023 and for the six months ended June 30, 2024 are set out in the following documents which have been published on the websites of the Stock Exchange at <http://www.hkexnews.hk/>, and the website of the Company at <http://www.sirnaomics.com/>:

- Prospectus of the Company dated December 20, 2021:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1220/2021122000007.pdf>

- 2021 Annual Report (for the financial information of the Group for the year ended December 31, 2021):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042700677.pdf>

- 2022 Annual Report (for the financial information of the Group for the year ended December 31, 2022):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042700045.pdf>

- 2023 Annual Report (for the financial information of the Group for the year ended December 31, 2023):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042900349.pdf>

- 2024 Interim Report (for the financial information of the Group for the six months ended June 30, 2024):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0930/2024093000268.pdf>

II. INDEBTEDNESS

As at October 31, 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group had financial indebtedness as follows:

	<i>US\$'000</i>
Bank borrowing — current	51
Bank borrowing — non-current	357
Financial liabilities at fair value through profit or loss	32,040
Lease liabilities — current	617
Lease liabilities — non-current	7,199
Total	<u>40,264</u>

Bank borrowings

As at October 31, 2024, the Group had unsecured and guaranteed bank borrowings with carrying amount of US\$408,000.

Financial liabilities at fair value through profit or loss

The Group had series seed and series A preferred shares issued by RNAimmune that were recognized as financial liabilities at fair value through profit or loss. As at October 31, 2024, the carrying amount of the Group's financial liabilities at fair value through profit or loss was US\$32,040,000, which were unsecured and unguaranteed.

Lease liabilities

As at October 31, 2024, the Group's lease liabilities with carrying amount of US\$7,816,000 were secured by the Group's rental deposits and unguaranteed.

Save as disclosed above, and apart from intra-group liabilities and normal trade payables in the normal course of business, as at October 31, 2024, the Group did not have any material debt securities issued and outstanding, and authorized or otherwise created but unissued, term loans, other borrowings, bank overdrafts, loans or other similar indebtedness, material liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

III. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration (1) the financial resources available to the Group; (2) our entering into the Share Subscription Agreement under the general mandate granted to the Directors to raise gross proceeds of approximately HK\$58.9 million as announced on October 3, 2024, which has been completed on December 2, 2024; (3) our commitment in continual exploration of additional funding through equity and debt financing as well as business development opportunities on our pipeline assets; (4) restructuring initiatives to streamline the organizational structure, enhance operational efficiency, and align its resources more effectively with the Group's strategic objectives; (5) our effort to recover the potential loss in relation to the fund subscriptions (as disclosed in the announcement of the Company dated July 8, 2024); and (6) RNAimmune, our non-wholly owned subsidiary, will continue to seek equity and other alternative financing to finance its own operations and meet its own financial obligations without relying on the additional financing support from the Group, the Group will have sufficient working capital for its requirements for at least 12 months from the date of this circular.

IV. NO MATERIAL ADVERSE CHANGE

Reference is made to the interim report of the Company for the six months ended June 30, 2024 as published on September 30, 2024 (the "**2024 Interim Report**"). During the years ended December 31, 2022 and 2023, the Group subscribed for the Segregated Portfolio, a segregated portfolio of the Fund and classified as financial asset at FVTPL, at subscription amounts of US\$15.0 million and US\$5.0 million (exclusive of transaction costs), respectively. As at December 31, 2023, the Group had financial asset at FVTPL of US\$20.0 million. As disclosed in the announcement of the Company dated July 8, 2024, the Directors were informed by the Investment Manager that, due to the potential default by the issuer of a private debt in which the Fund invested, the net asset value of the Fund was expected to incur a substantial adverse change (the "**Matter**"). On August 15, 2024, the Investment Manager provided the Company with a statement of capital account of the Segregated Portfolio for the quarter ended June 30, 2024, which provided that the capital account balance as at June 30, 2024 amounted to US\$1,935,000, representing the cash remaining in the bank account of the Segregated Portfolio. Pursuant to the Group's accounting policy, the Group recorded a loss on fair value of financial asset at FVTPL of US\$18,108,000 for the six months ended June 30, 2024. As at the date of this circular, the investigation of the Matter is on-going.

Save as disclosed above, the Directors are not aware of any material adverse change in the financial or trading position of the Group since December 31, 2023, being the date to which the latest published audited annual financial statements of the Company were made up.

V. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Reference is made to the interim report of the Company for the six months ended June 30, 2024. 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 U.S. With its proprietary delivery technologies: Polypeptide Nanoparticle Formulation and the 2nd generation of GalNAc conjugates, the Group has established an enriched drug candidate pipeline covering oncology, viral infection, liver-metabolic diseases and medical aesthetics. Sirnaomics is 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.

As disclosed in the 2024 Interim Report, as of June 30, 2024, the Group had cash and cash equivalents of US\$7,736,000, net current liabilities of US\$22,972,000 and net liabilities of US\$17,829,000. The Group intends to continue to expand our competitive advantages and become a global leader by focusing on the following key business priorities and initiatives:

The Group selectively pursues synergistic collaboration opportunities to maximize our potential. Our strategy and business development team actively explores global and local partnership and cooperation opportunities with other industry players, specifically for our lead product STP705. Such partnerships and cooperation are expected to help accelerate the development of multiple preclinical and clinical assets. The Transactions present an excellent opportunity for the Group to partner with a world class industry leader in the medical aesthetics business, providing both validation on the Group's technological capabilities on an international level and financial and operational support in advancing our core product for focal fat reduction. With such partnership, the Group has a higher chance of success in advancing our core product for focal fat reduction to the market and hence better enhance our Group's financial returns.

The partnership is expected to further solidify the Group's industry reputation and diversify its product portfolio and unlock further opportunities in the global arena during a period of financial difficulties.

STRICTLY CONFIDENTIAL

The Board of Directors

December 9, 2024

Sirnaomics Ltd.

46/F, Hopewell Centre
183 Queen's Road East,
Wan Chai,
Hong Kong

Dear Sirs/Madams,

Re: Valuation of the Fair Value of the Assigned Patents owned by Sirnaomics, Inc.

In accordance with your instructions, AVISTA Valuation Advisory Limited (“**AVISTA**” or “**we**”) has conducted valuation in connection with the fair value of the patents (the “**Assigned Patents**”) assigned to Sageesse Bio, Inc. (“**Sageesse Bio**”) for Sirnaomics Ltd. (the “**Company**”, “**Sirnaomics**” or “**you**”) as of 1 August 2024 (the “**Valuation Date**”). We understand that the Company entered into an agreement in relation to the transfer of the Assigned Patents and the licensing of certain other patents between Sirnaomics, Inc. and Sageesse Bio, Inc. (the “**Proposed Transaction**”).

It is our understanding that this appraisal is strictly addressed to the directors of the Company (the “**Directors**”) and used for the Proposed Transaction solely for your internal reference purpose. This report (the “**Report**”) does not constitute an opinion on the commercial merits and structure of the Proposed Transaction. We are not responsible for unauthorized use of the Report.

We accept no responsibility for the realisation and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this Report. We assumed that financial and other information provided to us are accurate and complete.

This Report presents the summary of the business appraised, describes the basis of analysis and assumptions and explains the analysis methodology adopted in this appraisal process to calculate the value.

BASIS OF ANALYSIS

We have appraised the fair value of the Assigned Patents.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Our valuation is prepared in compliance with the requirements of International Valuation Standards published by The International Valuation Standards Council. This standard contains guideline on the basis and valuation approaches used in business valuation.

COMPANY AND TRANSACTION BACKGROUND

Sirnaomics is listed on the Main Board of the Hong Kong Stock Exchange in 2021 (SEHK:2257). It is mainly engaged in the discovery and development of innovative drugs for indications with unmet medical needs by using ribonucleic acid (“RNA”) interference technology.

Sagesse Bio was founded by the Company, through a wholly owned subsidiary, and Gore Range Capital LLC (“Gore Range”). It primarily engages in the clinical development to destroy or remodel undesirable pockets of fat by combining the expertise of Gore Range in skin health industry and the RNAi-based technology of the Company.

The details of the Assigned Patents are summarized in the following table:

#	Descriptions	Publication Number	Registered Location
1	a patent titled “methods for inducing adipose tissue remodeling using RNAi therapeutics”	US2023/0365969	the United States (the “US”)
2	a patent titled “application of nucleic acid preparation in remodeling or finishing adipose tissue”	CN116350650A	China
3	a patent titled “methods for inducing adipose tissue remodeling using RNAi therapeutics”	WO2023092142A8	the European Union (the “EU”)

We understand that the Company intends to transfer the Assigned Patents to Sagesse Bio as the Proposed Transaction. The Proposed Transaction constitutes a major transaction for the Company and is, therefore, subject to the reporting, announcement, circular and shareholders’

approval requirements under Chapter 14 of the Rules Governing the Listing of Securities on Main Board made by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As such, the Company engaged us as an independent valuer to assess the fair value of the Assigned Patents as of the Valuation Date.

SCOPE OF WORK

In conducting this valuation exercise, we have

- Co-ordinated with the Company’s representatives to obtain the required information and documents for our valuation;
- Gathered the relevant information of the Assigned Patents, including the legal documents, application letters, etc. made available to us;
- Discussed with the Company to understand the history, business model, operations, business development plan, etc. of the Assigned Patents for valuation purpose;
- Carried out research in the sectors concerned and collected relevant market data from reliable sources for analysis;
- Studied the information of the Assigned Patents made available to us and considered the bases and assumptions of our conclusion of value;
- Selected an appropriate valuation method to analyze the market data and derived the estimated fair value of the Assigned Patents; and
- Compiled this Report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should have been provided to us. We relied on such data, records and documents in arriving at our opinion of value and had no reason to doubt the truth and accuracy of the information provided to us by the Company and their authorized representatives.

ECONOMIC OVERVIEW

Overview of the United States's Economy

In 2024Q2, the United States experienced accelerated economic growth, surpassing market forecast. According to the Bureau of Economic Analysis (“**BEA**”), the annualized real gross domestic product (“**GDP**”) growth rate was 2.8% in 2024Q2, doubling the 1.4% growth rate recorded in the previous quarter and exceeding the market estimate of 2.1%.

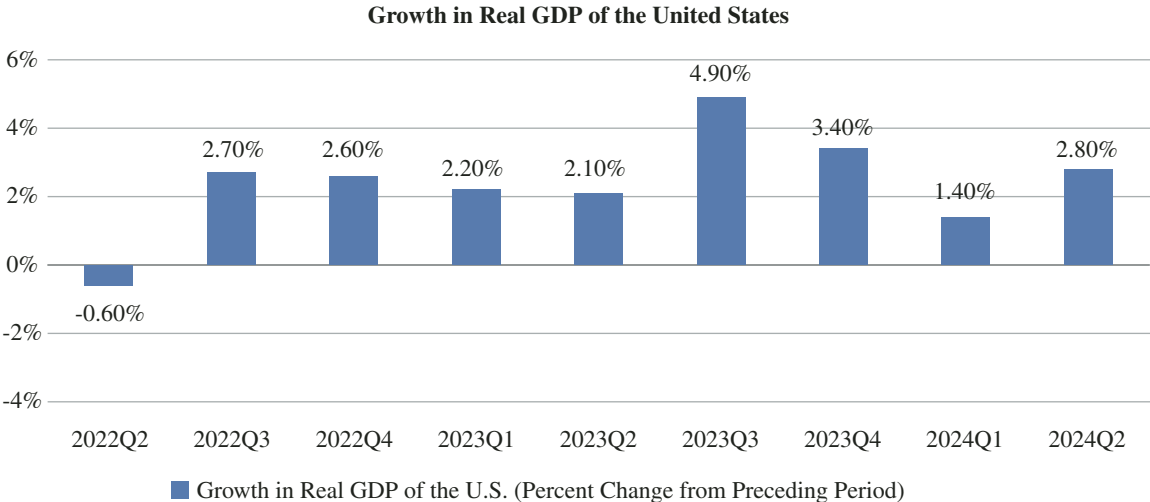
One of the primary drivers of the economic expansion was the strong performance of private consumption. With wages growing faster than inflation, consumer spending increased. According to the Bureau of Labor Statistics (“**BLS**”), wages and salaries for civilian workers rose by 4.2% year-on-year (“**y-o-y**”) in 2024Q2, outpacing the inflation rate of 3.0%. This wage growth enhanced household purchasing power and boosted private consumption. The BEA reported that personal consumption expenditure (“**PCE**”), a key measure of consumer spending, increased by 2.5% y-o-y in 2024Q2, up from 2.2% y-o-y growth in 2024Q1.

In addition to improved private consumption, investment activity continued to grow from the previous quarter. Gross private domestic investment (“**GPDI**”), a key measure of business investment in the economy, grew by 5.8% y-o-y in 2024Q2, surpassing the 5.0% growth rate recorded in 2024Q1.

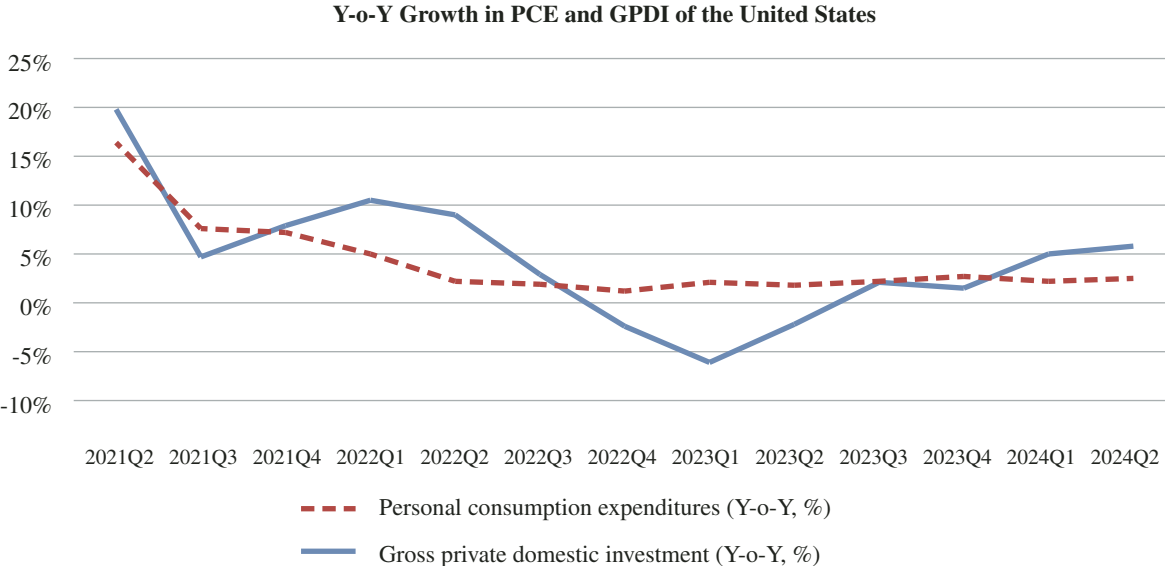
In 2024Q2, the Federal Open Market Committee (“**FOMC**”) maintained the target federal funds rate (“**FFR**”) within the range of 5.25% to 5.50%, a policy that has been in place since 2023Q3. This resulted in an effective FFR of 5.33%. Consequently, the money supply (“**M2**”) experienced a y-o-y growth of 1.1%.

The latest Consumer Price Index (“**CPI**”) data published by the BLS revealed a slight decrease in the monthly inflation rate, dropping from 3.5% in March 2024 to 3.0% in June 2024. Meanwhile, core inflation, which excludes volatile food and energy prices, declined from 3.8% to 3.3% over the same period. The deceleration in CPI this quarter was largely attributed to falling gas prices and easing shelter costs, despite ongoing inflationary pressures from the housing market.

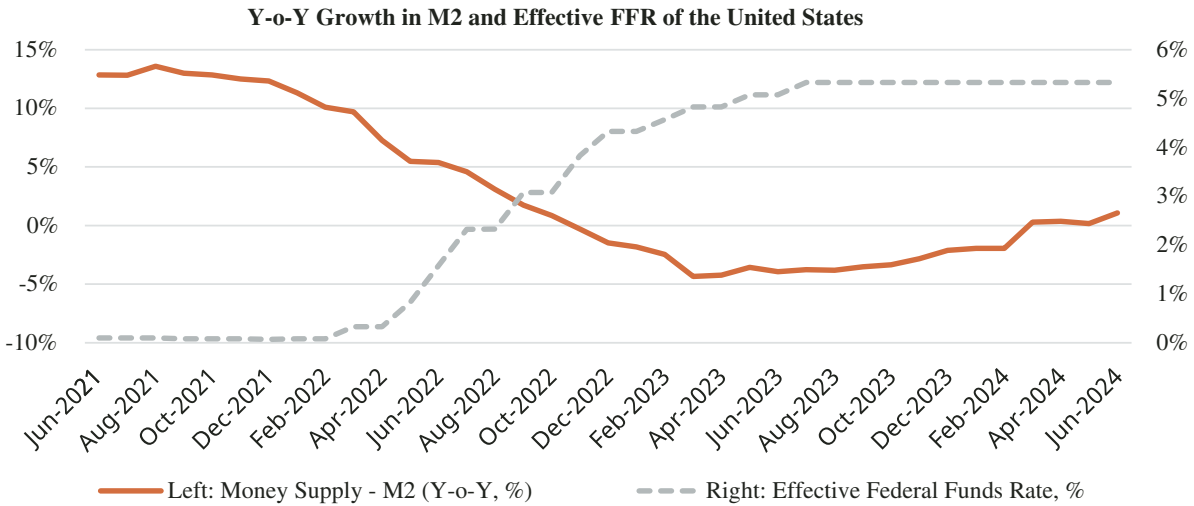
Supported by increases in consumer spending and investment activity, the stronger-than-expected GDP growth in 2024Q2 reflects a robust recovery from the slowdown observed in 2024Q1. The International Monetary Fund (“**IMF**”) reported that the GDP per capita of the U.S was USD 81,632 in 2023. It is estimated to increase by 4.6% to USD 85,373 in 2024 and reach USD 100,580 by 2029, representing a compound annual growth rate (“**CAGR**”) of 3.3% from 2024 to 2029.



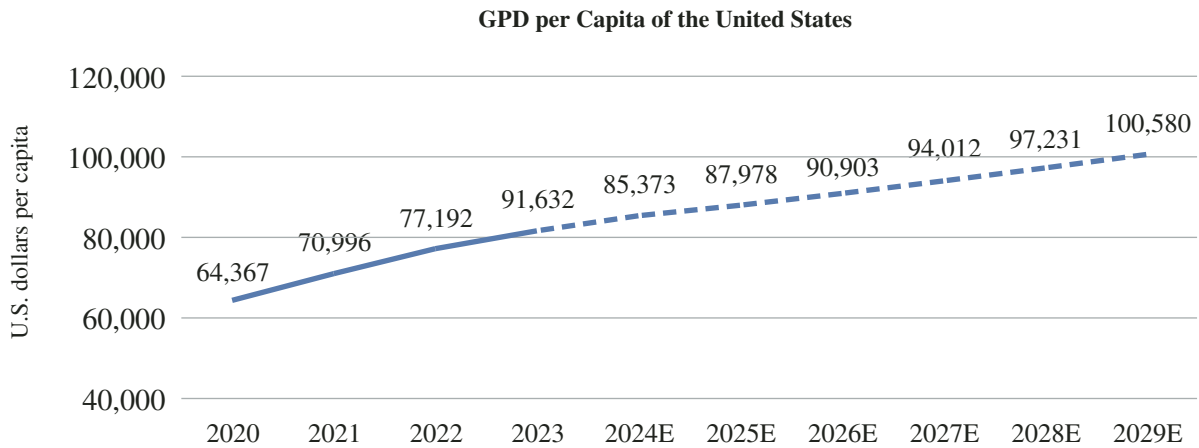
Source: BEA



Source: BEA



Source: BEA, the Federal Reserve Board



Source: IMF

INDUSTRY OVERVIEW

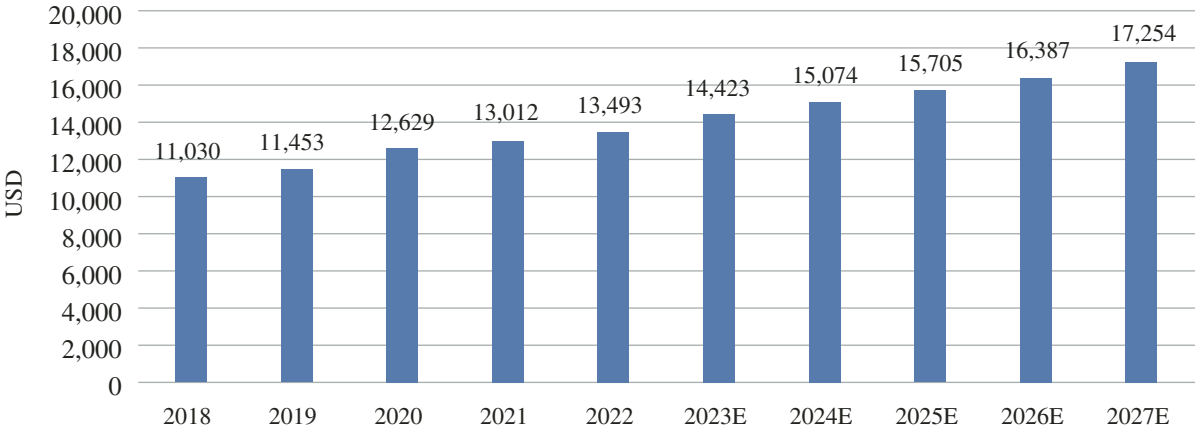
Overview of the United States’s RNA Therapeutics Industry

The national health expenditure in the US has shown a stable growth in recent years. According to Centers for Medicare & Medicaid Services (“CMS”), the national health expenditure per capita in the US increased from USD 11,030 in 2018 to USD 13,493 in 2022, representing a CAGR of 5.2% between the period. It is expected that the national health expenditure per capita will gradually reach USD 17,254 by 2027, mainly attributing to the increasing population, the expected increasing demand in the use of healthcare services and the cost of adopting advanced biotechnologies.

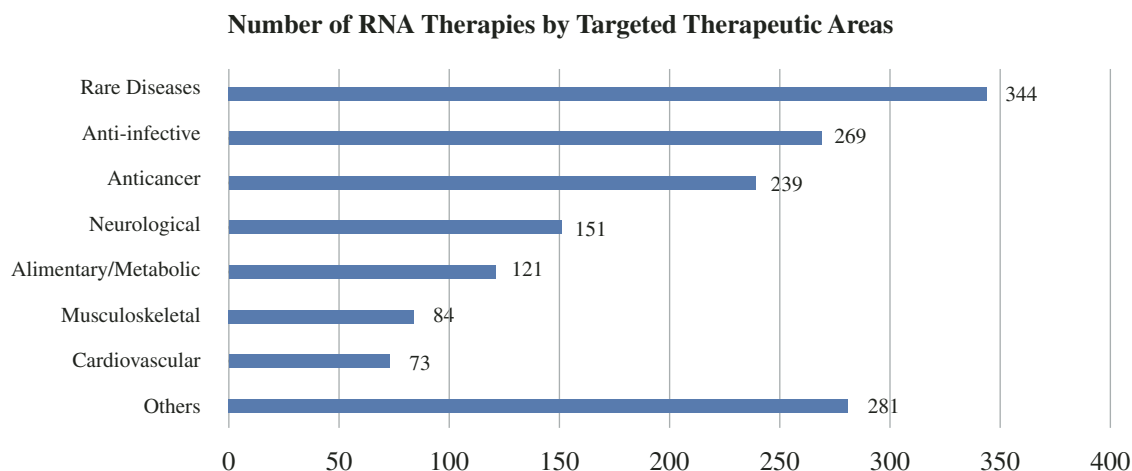
Meanwhile, RNA therapeutics is still in its early stage of development and remains one of the rapidly emerging sectors in biotechnology. According to American Society of Gene + Cell Therapy (“ASGCT”), more than 70% of the RNA therapies developed in the US are still in the pre-clinical stage. In term of the number of RNA therapies approved by the Food and Drug Administration (“FDA”), a total of 23 RNA therapies were approved by the FDA since 2013, including 2 new RNA therapies on myelodysplastic syndrome and respiratory syncytial virus prophylaxis approved in the second quarter of 2024. Among different therapeutic areas, rare diseases ranked the top of the targeted therapeutic area by RNA therapies according to ASGCT, with 344 RNA therapies being developed in areas such as dystrophy, pancreatic cancer and Huntington’s disease, followed by anti-infective and anticancer indications, with 269 and 239 RNA therapies focusing on the abovementioned areas, respectively.

It is believed that RNA technology has a huge potential in the future as compared to the conventional drugs. According to National Center for Biotechnology Information, instead of binding to the active site of a protein to alter the function on therapeutic response, RNA technology is not limited to the encoded proteins and able to target any gene in the genome to block or alter activities, ultimately halting or reversing disease progression. Such technologies also provide higher flexibility and faster process on editing the nucleotide sequence, as well as creating fewer negative effects compared to traditional chemotherapy and radiation treatments.

National Health Expenditure per Capita in the US



Source: CMS



Source: ASGCT

LIMITATIONS OF THE REPORT

The Report is addressed strictly to the Directors for their internal reference only. Accordingly, the Report may not be used nor relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the respective shareholders of the Company).

The Report does not constitute an opinion on the commercial merits and structure of the Proposed Transaction. The Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Transaction. We are not required to and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the Proposed Transaction and such remain the sole responsibility of the Directors and the management of the Company (the “**Management**”).

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to us or relied upon by us, whether written or verbal, in the Report, especially for the historical cost incurred by the Assigned Patents provided by the Management. No representation or warrant, expressed or implied, is made and we accept no responsibility concerning the accuracy, completeness or adequacy of all such information.

A number of general assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Assigned Patents;

- There will be no material change in the cost structures or cost components in developing the Assigned Patents;
- The Assigned Patents are not subject to obsolescence or material technological depreciation;
- The historical costs data provide a reasonable estimate of the actual costs incurred in developing the Assigned Patents; and
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

VALUATION APPROACH

General Valuation Approaches

There are three generally accepted approaches to appraise the fair value of the Assigned Patents, namely Income Approach, Cost Approach and Market Approach. All three of them have been considered regarding the valuation of the Assigned Patents.

Income Approach

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The fundamental method for income approach is the discounted cash flow (“**DCF**”) method. Under the DCF method, the value depends on the present value of future economic benefits to be derived from ownership of the enterprise. Thus, an indication of the equity value is calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The future cash flow is discounted at the market-derived rate of return appropriate for the risks and hazards of investing in a similar business.

Cost Approach

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence (physical, functional or economical) present, taking into consideration past and present maintenance policy and rebuilding history.

Market Approach

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the comparable company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are comparable to the subject asset and then applies the result to a base of the subject asset.

Selected Valuation Approach

Each of the abovementioned approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature. In this appraisal, we applied the Cost Approach to estimate the fair value of the Assigned Patents due to the following reasons:

- Market Approach is not appropriate in current appraisal given there is limited or no market transaction available for comparison as of the Valuation Date. Without these financial data, the Assigned Patents are unable to be benchmarked to the market price from the comparable transactions in determining the value of the Assigned Patents. Thus, Market Approach is not applicable for this valuation.

- Income Approach is also considered inappropriate as plenty of assumptions were involved in formulating the financial projections of the Assigned Patents. Considering the Assigned Patents are still in its early stage of development, it poses a relatively high level of risk and uncertainty regarding revenue generation and market acceptance in the future. Given that improper assumptions will impose significant impact on the fair value, Income Approach is not adopted in this valuation.
- Fair value arrived from Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for potential accrued depreciation arising from obsolescence. Given both Market Approach and Income Approach are considered not appropriate, Cost Approach has been adopted in this appraisal based on the principle that the sum of the associated cost to develop the Assigned Patents under the hypothetical scenario as of the Valuation Date represents its value.

Valuation Methodology

In this appraisal, Cost Approach, particularly the replacement cost method, has been adopted to determine the value of the Assigned Patents. It considers the cost to reproduce of the subject asset with depreciation adjustments. The formula is as follows:

$$\text{Estimated Value} = \text{Replacement Cost} \times (1 - \text{Depreciation Rate})$$

Determination of Replacement Cost

The replacement cost of the Assigned Patents is determined with reference to the historical cost incurred by the Company that relevant to produce the Assigned Patents, which includes the pre-clinical research costs, patents application fees and other associated costs, such as relevant labour costs and rental expenses during the research and development period in 2020 and 2021. An inflation factor and an expected reasonable profit are then applied to reflect the inflation impact between the time of development and the Valuation Date and the expected return on the investment of the Assigned Patents, respectively. The formula is as follows:

$$\text{Replacement Cost} = \text{Historical Cost} + \text{Inflation Adjustment} + \text{Expected Reasonable Profits}$$

Where,

$$\text{Historical Cost} = \text{Pre-clinical Research Costs} + \text{Patents Application Fees} + \text{Other Associated Costs}$$

Pre-clinical research costs include the material cost of clinical samples and the service fee on non-good laboratory practice (“**non-GLP**”) biological services from external parties. Patents application fees consider all relevant costs necessarily to obtain the respective patents in the US, the EU and China, including but not limited to agency fees, application and printing expenses. Other associated costs related to the labour costs and rental expenses incurred during the development period in 2020 and 2021, which refers to the salary costs and office rents of the internal clinical team in the US.

Given the replacement cost is determined based on the historical cost incurred by the Company in producing the Assigned Patents, there is a price difference existed to re-produce the Assigned Patents as of the Valuation Date. Therefore, inflation adjustment factors, with reference to the historical CPI growth of the US, have applied to represent the associated inflation cost from the occurrence of the development cost to the Valuation Date.

Besides, a subject asset acquired from a third party would presumably reflect their costs associated with creating the subject asset as well as some forms of profit margin to provide a return on investment. Thus, an expected reasonable profit is added on top of the development cost. The reasonable profit is estimated by comparing to the historical average operating profits margin, which is calculated based on the sum of the cost of goods sold and the operating expenses in the similar industry.

Determination of Depreciation Rate

Depreciation rate reflects the deterioration and all relevant forms of obsolescence of the subject asset, whereas the depreciation rate of the Assigned Patents is mainly determined by the duration of the lifecycle of the Patents, the stage of development and the technological deterioration. Given the development completion date of that Assigned Patents is relatively close to the Valuation Date and is still in its early stage of development, no depreciation adjustment for obsolescence is required and the depreciation rate is determined to be nil as of the Valuation Date.

VALUATION RESULT

(in USD unless otherwise specified)

Total Development Cost ⁽¹⁾	404,994
Add: Inflation Adjustment ⁽²⁾	71,524
Adjusted Replacement Costs (Before mark-up)	476,518
Add: Expected Reasonable Profits ⁽³⁾	37,136
Adjusted Replacement Costs (After mark-up)	513,654
Less: Depreciation Adjustment	—
Estimated Value of the Assigned Patents	513,654
Estimated Value of the Assigned Patents (Rounded)	514,000

Notes:

- (1) The relevant historical development cost of the Assigned Patents as of the Valuation Date is provided by the Management.
- (2) Inflation adjustment represents the associated inflation cost from the occurrence of the development cost of the Assigned Patents to the Valuation Date. It is estimated by the historical consumer price index growth of the US between the period from Bloomberg.
- (3) Expected reasonable profits represents an asset acquired from a third party would presumably reflect their costs associated with creating the asset as well as some form of profit margin to provide a return on investment. The reasonable profit is estimated with reference to that of the 3-years historical average operating profits margin in terms of the sum of the cost of goods sold and the operating expenses in the similar industry with reference to the academic study “Cash Flow Estimation — Operating and Net Margins by Industry Sector” published by Aswath Damodaran. It suggested the 3-years historical average reasonable profits margin of the industry is approximately at 7.8%.

CONCLUSION OF VALUE

Based on our investigation and analysis method employed, it is our opinion that as of the Valuation Date, the fair value of the Assigned Patents is **USD 514,000 (FIVE HUNDRED AND FOURTEEN THOUSAND UNITED STATES DOLLARS ONLY)**.

The conclusion of the fair value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in Sirnaomics Ltd., Sagesse Bio, Inc. nor the value reported.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited

Vincent C B Pang
CFA, FCPA (HK), FCPA (Aus.), MRICS, RICS Registered Valuer
Managing Partner

Analysed and Reported by:

Leo L Lee

CFA

Associate Director

Jeffrey C F Lo

Senior Analyst

Note: Mr. Vincent Pang is a member of CFA Institute and CPA Australia, a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of Royal Institution of Chartered Surveyors (RICS) and a RICS registered valuer. He has over 20-year experience in financial valuation and business consulting in Hong Kong and China.

APPENDIX — GENERAL LIMITATIONS AND CONDITIONS

This Report was prepared based on the following general assumptions and limiting conditions:

- All data, including historical financial data, which we relied upon in reaching opinions and conclusions or set forth in the Report are true and accurate to our best knowledge. Whilst reasonable care has been taken to ensure that the information contained in the Report is accurate, we cannot guarantee its accuracy and we assume no liability for the truth or accuracy of any data, opinions, or estimates furnished by or sourced from any third parties which we have used in connection with the Report.
- We also assume no responsibilities in the accuracy of any legal matters. In particular, we have not carried out any investigation on the title of or any encumbrances or any interest claimed or claimable against the Assigned Patents appraised. Unless otherwise stated in the Report, we have assumed that the owner's interest is valid, the titles are good and marketable, and there are no encumbrances that cannot be identified through normal processes.
- The value opinion presented in this Report is based on the prevailing or then prevailing economic conditions and on the purchasing power of the currency stated in the Report as of the date of analysis. The date of value on which the conclusions and opinions expressed apply is stated in this Report.
- This Report has been prepared solely for the use or uses stated. Except for extraction of or reference to the Report by the Company, its financial advisor and/or its independent financial advisor for their respective work in relation to the Proposed Transaction, it is not intended for any other use or purpose or use by any third parties. We hereby disclaim that we are not liable for any damages and/or loss arisen in connection with any such unintended use.
- Prior written consent must be obtained from AVISTA Valuation Advisory Limited for publication of this Report. Except for disclosure in the Announcement and/or the Circular in relation to the Proposed Transaction, no part of this Report (including without limitation any conclusion, the identity of any individuals signing or associated with this Report or the firms/companies with which they are connected, or any reference to the professional associations or organisations with which they are affiliated or the designations awarded by those organisations) shall be disclosed, disseminated or divulged to third parties by any means of publications such as prospectus, advertising materials, public relations, news.

- We assume all applicable laws and governmental regulations are being complied with unless otherwise stated in this Report. We have also assumed responsible ownership and that all necessary licenses, consents, or other approval from the relevant authority or private organisations have been or to be obtained or renewed for any use that is relevant to value analysis in this Report.

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

II. DISCLOSURE OF INTERESTS**(a) Interests of Directors and Chief Executive**

As at the Latest Practicable Date, save as disclosed below and so far as is known to any Directors or chief executive of the Company, none of the Directors or chief executive of the Company had any interests or share positions in any of the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code:

Interests in Shares and underlying Shares

Name of Director or chief executive	Nature of interest	Number of Shares/ underlying Shares	Approximate percentage of interest in the Company ⁽¹⁾
Dr. Poon Hung Fai	Beneficial interest	17,527,696 (L)	20.00%
Dr. Yang Lu	Beneficial interest; Settlor of a discretionary trust ⁽²⁾	11,484,165 (L)	13.10%
Mr. Mincong Huang	Beneficial interest; Beneficiary of a trust ⁽³⁾	956,501 (L)	1.09%

Notes:

- (L) denotes long position.
- (1) The calculation is based on the total number of 87,638,480 issued Shares as at the Latest Practicable Date. Pursuant to the Share Subscription Agreement, the Company shall issue and allot 17,527,696 Shares to Dr. Poon. For further details, please refer to the announcement of the Company dated October 3, 2024. As of the date of this circular, the share subscription of 17,527,696 Shares has been completed.
- (2) Dr. Yang Lu (“**Dr. Lu**”) is the settlor of The Yang Lu Family Trust and the beneficiaries of The Yang Lu Family Trust are Zheng Joan Wang and Laura Yao Lu, being Dr. Lu’s spouse and daughter, respectively. Zheng Joan Wang and Laura Yao Lu are co-trustees of The Yang Lu Family Trust. Therefore, Dr. Lu is deemed to be interested in the 2,500,000 Shares held by The Yang Lu Family Trust. Under the SFO, the deemed interest of Dr. Lu consists of: (i) 2,500,000 Shares held by The Yang Lu Family Trust; (ii) 6,831,865 Shares beneficially owned by Dr. Lu; (iii) options granted to him to subscribe for 1,925,000 Shares under the Pre-IPO Equity Incentive Plan; (iv) 218,600 share options granted to him to subscribe for 218,600 Shares under the Share Option Scheme, subject to vesting conditions; and (v) 8,700 Shares underlying the 8,700 RSUs granted to him under the RSU Scheme, subject to vesting conditions.
- (3) Huang Family Capital Ltd owns 198,950 Shares and Soaring Star Ventures Limited owns 600,601 Shares. Huang Family Capital Ltd is wholly-owned by Soaring Star Ventures Limited and the Huang Family Trust is the beneficiary of Soaring Star Ventures Limited. Mr. Mincong Huang (“**Mr. Huang**”) is the beneficiary of the Huang Family Trust. Mr. Huang also owns 156,950 Shares. Accordingly, Mr. Huang is deemed to be interested in 956,501 Shares.

Interests in associated corporations

Name of Director or chief executive	Nature of interest	Associated corporations	Number of shares	Approximate percentage of shareholding in the associated corporation ⁽¹⁾
Mr. Huang	Beneficiary of a trust ⁽²⁾	RNAimmune, Inc.	1,851,851	8.92%

Notes:

- (1) The calculation is based on the total number of 20,759,256 common shares issued by RNAimmune, Inc. as at the Latest Practicable Date.
- (2) Huang Family Capital Ltd owns 1,851,851 common shares of RNAimmune, Inc. Mr. Huang is the director of Huang Family Capital Ltd. The Huang Family Trust is the beneficiary of Huang Family Capital Ltd and Mr. Huang is the beneficiary of the Huang Family Trust. Accordingly, Mr. Huang is deemed to be interested in 1,851,851 common shares of RNAimmune, Inc. held by Huang Family Capital Ltd.

(b) Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors and chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholders	Nature of interest	Number of Shares/underlying Shares	Approximate percentage of interest in the shareholding ⁽¹⁾
Yu ZENG	Interest in a controlled corporation ⁽²⁾	4,564,495 (L)	5.21%
Xialing YAN	Interest of spouse ⁽³⁾	4,564,495 (L)	5.21%
Jie LI	Interest in a controlled corporation ⁽²⁾	4,564,495 (L)	5.21%
Lele LI	Interest of spouse ⁽⁴⁾	4,564,495 (L)	5.21%
Shenzhen Qianhai Rotating Boulder Fund Management Co., Ltd. (“ Rotating Boulder Fund ”)	Interest in controlled corporations ⁽²⁾	4,564,495 (L)	5.21%
Shanghai Chongshi Enterprise Management Partnership (LP) (“ Shanghai Chongshi ”)	Beneficial Interest ⁽²⁾	4,564,495 (L)	5.21%

Notes:

(L) denotes long position.

(1) The calculation is based on the total number of 87,638,480 issued Shares as at the Latest Practicable Date. As of the date of this circular, the share subscription of 17,527,696 Shares by Dr. Poon has been completed.

- (2) Each of Rotating Boulder Fund (as general partner of Shanghai Chongshi), and Yu ZENG and Jie LI (each as a controlling shareholder of Rotating Boulder Fund) is deemed to be interested in the Shares held by Shanghai Chongshi under the SFO.
- (3) Xialing YAN is the spouse of Yu ZENG, and was therefore deemed to be interested in the Shares in which Yu ZENG was interested under the SFO.
- (4) Lele LI is the spouse of Jie LI, and was therefore deemed to be interested in the Shares in which Jie LI was interested under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

III. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As of the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

As of the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been, since December 31, 2023 (the date to which the latest published audited consolidated financial statements of the Company were made up), (i) acquired or disposed of by; (ii) leased to; or (iii) are proposed to be acquired or disposed of by; or (iv) are proposed to be leased to any member of the Group.

IV. SERVICE CONTRACTS OF DIRECTORS

The Company has entered into a service contract with each of the executive Director and non-executive Directors and a letter of appointment with each of the independent non-executive Directors. Each of the service contracts and the letters of appointment is for an initial fixed term of three years. All Directors are subject to retirement from office and re-election at the annual general meeting of the Company in accordance with the Memorandum and Articles of Association of the Company.

Save as disclosed above, none of our Directors has entered into, or has proposed to enter into, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

V. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and any of their close associate(s) had interest in a business which competes or may compete with the business of the Group, or may have any conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

VI. MATERIAL LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance were known to the Directors to be pending or threatened against any members of the Group.

VII. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) The Patent Assignment and License Agreement;
- (b) The Subscription Agreement;
- (c) The Stockholder Agreement; and
- (d) The Share Subscription Agreement.

VIII. EXPERT'S QUALIFICATION AND CONSENT

The following sets out the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
AVISTA Valuation Advisory Limited (艾華迪評估諮詢有限公司)	Independent valuer

As at the Latest Practicable Date, the abovementioned professional adviser had no interest, direct or indirect, in any member of the Group nor any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the abovementioned professional adviser had no interest, direct or indirect, in any assets which had been, since December 31, 2023, being the date of the latest published audited accounts of the Group, acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

The abovementioned professional adviser has given and has not withdrawn its written consent as to the issue of this circular with the inclusion herein of its letters and reference to its name in the form and context in which it appears.

IX. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Yuen Yun Ting. He is a member of the Hong Kong Institute of Certified Public Accountants and the Hong Kong Chartered Governance Institute.
- (b) The registered office of the Company is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (c) The head office and principal place of business of the Company in Hong Kong is situated at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The head office and principal place of business in the PRC is situated at Unit 415, A4 Building, No.218 Xinghu Street, Suzhou Industrial Park, Suzhou, PRC.

- (e) The head office and principal place of business in the U.S. is situated at 20511 Seneca Meadows Parkway, Suite 200, Germantown, MD 20876, U.S.
- (f) The principal share registrar of the Company is Maples Fund Services (Cayman) Limited at PO Box 1093, Boundary Hall Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (g) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (h) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

X. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.sirnaomics.com>) during the period of 14 days from the date of this circular:

- (a) The Patent Assignment and License Agreement;
- (b) The Subscription Agreement;
- (c) The Stockholder Agreement;
- (d) The Valuation Report as prepared by the Valuer, the text of which is set out in Appendix II of this circular;
- (e) The written consents referred to in the paragraph headed “VIII. Expert’s Qualification and Consent” in this appendix; and
- (f) The Share Subscription Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Sirnaomics Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2257)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Sirnaomics Ltd. (the “**Company**”) will be held at 10:00 a.m. on Monday, December 30, 2024 at Meeting Room 06-07, INNO2, 2/F, Building 17W, 17 Science Park West Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications the following as ordinary resolutions of the Company. Unless otherwise defined, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated December 9, 2024.

AS ORDINARY RESOLUTIONS

“THAT:

- (a) the patent assignment and license agreement (the “**Patent Assignment and License Agreement**”), the subscription agreement (the “**Subscription Agreement**”) and the stockholder agreement (the “**Stockholder Agreement**”, collectively with the Subscription Agreement, the “**Subscription Arrangements**”), the execution thereof and the implementation of the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the Drag-along Right (as defined in the circular of the Company dated December 9, 2024) granted by the Group under the Subscription Arrangements be and is hereby approved, ratified and confirmed; and
- (c) any director of the Company (the “**Director**”) or any other person authorized by the Directors be and is hereby authorized to sign, execute, perfect and deliver all such documents, instruments and agreements and do all such deeds, acts, matters and things as they consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the Patent Assignment and License Agreement and the Subscription Arrangements and the transactions contemplated thereunder.”

By order of the Board

Sirnaomics Ltd.

Yang (Patrick) Lu

Chairman and Non-executive Director

Hong Kong, December 9, 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. For the purpose of determining the identity of the shareholders entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, December 23, 2024 to Monday, December 30, 2024, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, 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 Friday, December 20, 2024.
2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. For the avoidance of doubt, holders of treasury shares of the Company (if any) are not entitled to vote at the EGM.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
5. Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the above meeting. On a poll, votes may be given either personally or by proxy.

As at the date of this notice, the Board comprises Dr. Poon Hung Fai as executive Director, Dr. Yang Lu (alias Patrick Lu), Mr. Mincong Huang and Mr. Jiankang Zhang as non-executive Directors, and Dr. Cheung Hoi Yu, Ms. Monin Ung and Ms. Shing Mo Han, Yvonne (alias Mrs. Yvonne Law) as independent non-executive Directors.