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SinoMab BioScience Limited

中國抗體製藥有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 3681)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

On 13 May 2025 (after trading hours), the Company entered into twenty-six (26) Subscription Agreements with twenty-six Subscribers, all being Independent Third Parties, whereby the Subscribers conditionally agreed to subscribe for and the Company conditionally agreed to issue an aggregate of 112,810,817 Subscription Shares at the Subscription Price of HK\$1.10 each.

The Subscription Shares represent (i) approximately 10.33% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.37% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the issue of the Subscription Shares). As the Subscription Shares will be issued pursuant to the General Mandate, the Subscription Agreements and the transactions contemplated thereunder are not subject to the approval of the Shareholders.

The Subscription Price was arrived at an arm's length negotiations between the Company and each of the Subscribers with reference to the recent trading performance of the Shares, the business prospects and financial position of the Group and the current market conditions. The Subscription Price of HK\$1.10 per Subscription Share represents (i) a discount of approximately 11.29% to the closing price per Share of HK\$1.240 as quoted on the Stock Exchange on 13 May 2025, being the date of the Subscription Agreements; and (ii) a discount of approximately 19.94% to the average closing price per Share of HK\$1.374 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements.

The Company will apply to the Listing Committee for the listing of, and permission to deal in the Subscription Shares on the Stock Exchange.

Upon Completion, the aggregate gross proceeds of the Subscriptions will amount to HK\$124,091,911 and the aggregate net proceeds, after the deduction of all relevant fees and expenses, will be approximately HK\$123,956,911, representing a net Subscription Price of approximately HK\$1.099 per Subscription Share. The Company intends to utilise the net proceeds from the Subscriptions in the manner set out in the paragraph headed “REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS” of this announcement.

Shareholders and potential investors should note that completion of each of the Subscriptions is subject to fulfillment of the conditions under the relevant Subscription Agreement. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

On 13 May 2025 (after trading hours), the Company entered into twenty-six (26) Subscription Agreements with twenty-six (26) Subscribers, pursuant to which the Company has conditionally agreed to issue and the Subscribers have conditionally agreed to subscribe for an aggregate of 112,810,817 new Shares at the Subscription Price of HK\$1.10 per Subscription Share.

The terms of each of the Subscription Agreements are identical except for the name and details of the Subscribers.

THE SUBSCRIPTION AGREEMENTS

The principal terms of the Subscription Agreements are set out below.

Date: 13 May 2025 (after trading hours)

Parties to the Subscription Agreements:

- (1) the Company; and
- (2) the Subscribers.

The Subscription Shares

The Subscription Shares in aggregate represent (i) approximately 10.33% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.37% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the issue of the Subscription Shares).

The Subscription Price

The Subscription Price is fixed at HK\$1.10 per Subscription Share, which represents:

- (i) a discount of approximately 11.29% to the closing price per Share of HK\$1.240 as quoted on the Stock Exchange on 13 May 2025, being the date of the Subscription Agreements; and
- (ii) a discount of approximately 19.94% to the average closing price per Share of HK\$1.374 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements.

The net Subscription Price, after deduction of all relevant fees and expenses, is estimated to be approximately HK\$1.099.

The Subscription Price was arrived at an arm's length negotiations between the Company and each of the Subscribers with reference to the recent trading performance of the Shares, the business prospects and financial position of the Group and the current market conditions.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

Condition precedent to the Completion of Subscription Agreements

Completion of each Subscription Agreement is conditional upon the approval of the listing of, and permission to deal in, the relevant Subscription Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally or subject to conditions which are acceptable to the Company).

The above-mentioned condition is not waivable by any Party. In the event that the said condition is not fulfilled by 5:00 p.m. (Hong Kong time) on 30 May 2025 (or such later time and/or date as may be agreed by the Parties in writing), all rights, obligations and liabilities of the Parties shall cease and determine and neither of the Parties shall have any claim against the other save for any antecedent breach.

Completion of the Subscriptions

Subject to the fulfillment of the condition precedent in the Subscription Agreements, Completion of each Subscription Agreement will take place on the fifth (5th) Business Day after the date of fulfillment of the above condition or such other date as may be agreed amongst the Parties.

Completion of the Subscriptions are subject to fulfilment of the condition precedent in the Subscription Agreements and the Subscriptions may or not may proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Ranking of the Subscription Shares

The Subscription Shares, when issued, will rank *pari passu* in all respects with the existing Shares in issue at the date of issue of the Subscription Shares.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM, pursuant to which the Directors are authorised to allot and issue up to 218,351,023 Shares, being 20% of the number of issued Shares as at the date of the AGM, which was 1,091,755,119 Shares.

As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares. As such, the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval at a general meeting of the Company.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

INFORMATION ON THE COMPANY AND THE SUBSCRIBERS

The Company is a company incorporated in Hong Kong with limited liability. The Group is principally engaged in research and development of pharmaceutical products.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, all the Subscribers are individuals (including employees of the Company) with extensive investment experience in capital market and/or professional investors and/or professionals/scientists in biopharmaceutical industry procured by the Company. Each of the Subscribers is an Independent Third Party of the Company.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Directors consider that the Subscriptions represent a good opportunity for the Company to raise capital to meet the Company's funding needs and strengthen the shareholding base of the Company. The Board is of the view that the terms of the Subscription Agreements and the transactions contemplated thereunder are on normal commercial terms agreed upon after arm's length negotiations between the parties, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Upon Completion, the aggregate gross proceeds of the Subscriptions will amount to HK\$124,091,911 and the aggregate net proceeds, after the deduction of all relevant fees and expenses, will be approximately HK\$123,956,911, representing a net Subscription Price of approximately HK\$1.099 per Subscription Share.

The Company intends to use the net proceeds to (i) 45% for R&D and clinical programmes and potential global cooperations of SM17, especially for the subcutaneous bridging study and Phase 2 clinical study of Atopic dermatitis in China, for the trial expense, related production cost and related employment cost; (ii) 20% for pre-clinical research, clinical trials, related production, preparation for registration filings and related employment cost of new drug candidates not currently in our pipeline to diversity our product portfolio, as well as for IND enabling of new drug candidates, especially for pre-clinical studies, production cost and related employment cost; and (iii) 35% for general working capital. The net proceeds of the Subscriptions are expected to be utilized by the end of 2026.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activity within the 12-month period prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 1,091,755,119 Shares in issue. Assuming there will be no further changes in the issued share capital of the Company between the date of this announcement and immediately prior to the issue of the Subscription Shares in full, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after Completion of the Subscriptions, are set out as below for illustration purposes only:

Name of Shareholders	As at the date of this announcement		Immediately after Completion of Subscriptions	
	No. of Shares	Appropriate %	No. of Shares	Appropriate %
Mr. Jing QIANG ¹	72,823,636	6.67	72,823,636	6.05
Apricot Entities ²	193,546,413	17.73	193,546,413	16.07
Hainan Haiyao Co., Ltd. (海南海藥股份有限公司) ³	158,882,115	14.55	158,882,115	13.19
Skytech Technology Limited ⁴	129,729,200	11.88	129,729,200	10.77
Public Shareholders				
Subscribers	—	—	112,810,817	9.37
Other Public Shareholders	<u>536,773,755</u>	<u>49.17</u>	<u>536,773,755</u>	<u>44.56</u>
Total	<u><u>1,091,755,119</u></u>	<u><u>100.00</u></u>	<u><u>1,204,565,936</u></u>	<u><u>100.00</u></u>

Notes:

- 46,711,640 Shares of which were held through his wholly owned company, Grogene Technology Limited (格擎生物科技有限公司). Mr. Jing QIANG is the spouse of Dr. Wenyi LIU, a former non-executive Director.
- Shares held by Apricot Capital (上海杏澤投資管理有限公司) and Shanghai Yueyi Investment Centre (Limited Partnership)* (上海月溢投資中心(有限合夥)) are through Apricot Oversea Holdings Limited and West Biolake Holdings Limited (collectively, the “**Apricot Entities**”), which are ultimately controlled by Dr. Wenyi LIU, a former non-executive Director. Dr. Wenyi LIU is the spouse of Mr. Jing QIANG.

3. Pursuant to a share charge where Hainan Haiyao Co., Ltd (海南海藥股份有限公司) (“**Hainan Haiyao**”) charged 158,882,115 Shares to China Citic Bank Co., Ltd., Haikou Branch (“**China Citic Bank**”), China Citic Bank had a security interest in 158,882,115 Shares which were beneficially owned by Hainan Haiyao.
4. Skytech Technology Limited is a company wholly owned by Dr. Shui On LEUNG, an executive Director and the chairman of the Company.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 14 June 2024 in which the Shareholders had approved, among other matters, the grant of the General Mandate
“Board”	the board of Directors
“Company”	SinoMab BioScience Limited (中國抗體製藥有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscriptions in accordance with the terms of the Subscription Agreements
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate of the Company granted to the Directors by way of passing an ordinary resolution at the AGM to, inter alia, allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the AGM, pursuant to which a maximum of 218,351,023 Shares may fall to be allotted and issued as at the date of this announcement
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual or a company which is not a connected person of the Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Parties” or “Party”	the named parties to the Subscription Agreements or any of them
“PRC”	the People’s Republic of China, for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	twenty-six (26) subscribers under the Subscription Agreements, collectively, the Subscribers, and “Subscriber” means any one of them
“Subscription(s)”	subscription(s) of Subscription Shares by the Subscribers at the Subscription Price pursuant to the Subscription Agreements
“Subscription Agreement(s)”	the subscription agreement(s) dated 13 May 2025 and entered into between the Company and the Subscribers, collectively, the Subscription Agreements, and “Subscription Agreement” means any one of them
“Subscription Price”	the subscription price of HK\$1.10 per Subscription Share
“Subscription Shares”	a total of 112,810,817 new Shares to be issued by the Company to the Subscribers under the Subscription Agreements
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong SAR, 13 May 2025

As at the date of this announcement, the executive directors of the Company are Dr. Shui On LEUNG and Mr. Shanchun WANG, the non-executive directors of the Company are Dr. Haigang CHEN, Mr. Xun DONG, Ms. Xiaosu WANG and Dr. Jianmin ZHANG and the independent non-executive directors of the Company are Mr. George William Hunter CAUTHERLEY, Mr. Ping Cho Terence HON, Dr. Chi Ming LEE and Mr. Dylan Carlo TINKER.