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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024; AND CHANGE IN USE OF PROCEEDS

The board (the "**Board**") of directors (the "**Director(s)**") of SinoMab BioScience Limited (中國抗體製藥有限公司) (the "**Company**" together with its subsidiaries, the "**Group**") hereby announces the audited consolidated annual results of the Group for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures of the year ended 31 December 2023. The consolidated financial statements of the Group for the Reporting Period, including the accounting principles adopted by the Group, have been reviewed by the audit committee of the Company (the "**Audit Committee**") and audited by the Company's auditor. Unless otherwise specified, figures in this announcement are prepared under the Hong Kong Financial Reporting Standards ("**HKFRSs**").

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group.

BUSINESS HIGHLIGHTS

We are a biopharmaceutical company dedicated to the research and development, production and commercialisation of novel drugs for the treatment of immunological diseases.

During the Reporting Period, we achieved significant progress with respect to the Group's clinical trial programs, pipeline development and preparation of commercialisation, including the following:

- Our flagship product, SM03 (Suciraslimab), *a potential global first-in-class anti-CD22 monoclonal antibody* — Biologics License Application ("**BLA**") for the treatment of rheumatoid arthritis ("**RA**") was undergoing the final review stage by the National Medical Products Administration of the People's Republic of China ("**PRC**") (the "**NMPA**"). Two necessary inspections required by the NMPA, Clinical Sites inspection and Good Manufacturing Practice ("**GMP**") inspection at our Haikou production base were completed in January 2024. Phase 3 extension study had been completed in December 2024 with 93 patients, with results expected to be available in the third quarter of 2025. As at the date of this announcement, the available clinical data continues to demonstrate an enduring efficacy of Suciraslimab, as evidenced by its continuously increasing response rate over time. This suggests a long-term sustainable benefit of using Suciraslimab when compared to the use of conventional biologics treatments, which are often associated with therapeutic resistance over time.

- Our key product, SM17, *a global first-in-class humanised monoclonal antibody targeting the receptor for IL-25* — Our study results were published in leading international journals. Study results of SM17 pre-clinical work were published in *Allergy*, an official journal of the European Academy of Allergy and Clinical Immunology (EAACI), in April 2024, demonstrating SM17 to be as effective as JAK1 inhibitor in treating atopic dermatitis ("**AD**") in mice. Results from pre-clinical models and Phase 1 clinical study of SM17 on healthy participants were also published in *Frontiers in Immunology* in December 2024.

  Our bridging Phase 1a clinical trial for the treatment of AD was completed in China in May 2024 and a proof-of-concept Phase 1b clinical trial was initiated with the first patient successfully dosed on 5 June 2024. The last patient was enrolled on 4 December 2024. A total of 32 patients enrolled in this Phase 1b study, with enrolled participants completing their scheduled visits as planned. The study is expected to undergo database lock (DBL) in early April 2025, followed by the release of top-line data shortly thereafter.

- Intellectual property — Along with our rapid advancement in research and development ("**R&D**"), we have made great progress on intellectual property. As of 31 December 2024, the number of granted invention patents and invention patents pending approval owned by the Group has more than doubled since the beginning of the Reporting Period. The increase was mainly attributable to the new inventions for the Group's pre-clinical drug candidates.

FINANCIAL HIGHLIGHTS

- Loss for the year decreased by RMB58.0 million from RMB243.1 million for the year ended 31 December 2023 to RMB185.1 million for the year ended 31 December 2024, which was mainly attributed to (i) a decrease in laboratory consumables and experiment costs in R&D after acceptance of the BLA for Suciraslimab in September 2023 and the Phase 1 clinical trial for SM17 conducted in China since November 2023 is comparatively smaller in scale than that in the U.S., and (ii) a decrease in employment costs of R&D employees and administrative employees.

- As at 31 December 2024, total funding available to use including cash and cash equivalents, pledged and restricted deposits and structured deposit is RMB141.4 million, compared to RMB233.1 million as at 31 December 2023.

- Net cash from financing activities for the Reporting Period was approximately RMB73.3 million, which was mainly due to the net proceeds from new shares subscription and increase in net bank borrowings.

- The completion of the fifteen subscription agreements in January 2024 raised net proceeds of approximately of HKD73.2 million.

- The Board does not recommend payment of a final dividend for the Reporting Period.

BUSINESS OVERVIEW

Since our establishment, our unwavering commitment to innovation, differentiation, and strategic growth continues to drive us forward, positioning us as a leader in the development of transformative therapies.

During the first half of 2024, our flagship product, Suciraslimab, a potential global first-in-class anti-CD22 monoclonal antibody ("**mAb**"), had successfully completed two major regulatory inspections, the Clinical Sites inspection and Good Manufacturing Practice ("**GMP**") inspection, and is now awaiting the final market approval for the treatment of rheumatoid arthritis ("**RA**") from the National Medical Products Administration ("**NMPA**"). Upon the grant of marketing approval, the Company would reach a significant milestone in our journey, leading the Company into the next commercialisation chapter of its drug innovation journey. Our Phase 3 extension study of Suciraslimab had been completed in December 2024, with results expected to be available in the third quarter of this year. Our existing available data continues to demonstrate an enduring efficacy of Suciraslimab, as evidenced by its continuously increasing response rate over time. This suggests a long-term sustainable benefit of using Suciraslimab when compared to conventional biologics treatments, which are often associated with therapeutic resistance over time. In parallel, we are actively exploring different therapeutic applications of Suciraslimab, ensuring its potential to address a wider range of conditions and benefit more patients globally. For example, Suciraslimab was demonstrated to show promise as a therapeutic for Alzheimer's disease through a dual mechanism of action, simultaneously promoting amyloid-beta clearance and exerting anti-inflammatory effects. These findings were recently published in the *Journal of Neuroinflammation*.

In the meantime, we continue to make great progress in the development of SM17 during the Reporting Period, a global first-in-class, humanised mAb targeting the receptor of interleukin 25 (IL-25) with the potential for treating AD, asthma, idiopathic pulmonary fibrosis (IPF) and other immunological disorders. During the Reporting Period, SM17 demonstrated a good safety profile and superiority over JAK1 inhibitors in safety and tolerability in our pre-clinical study and Phase 1 clinical trial performed in both U.S. and China. We are thrilled that our study results were published in leading international journals. On 9 April 2024, our study results of SM17 pre-clinical work, demonstrating SM17 to be as effective as JAK1 inhibitor in treating AD in mice, were published in *Allergy*, an official journal of the European Academy of Allergy and Clinical Immunology (EAACI). On 9 December 2024, our study results from pre-clinical models and Phase 1 clinical trial of SM17 on asthma, showing an outstanding profile in terms of safety, tolerability, and pharmacokinetic in healthy participants were published in *Frontiers in Immunology*. Our Phase 1b proof-of-concept study was initiated in China to explore the preliminary efficacy of SM17 in AD patients, the first patient was successfully dosed on 5 June 2024 and the last patient enrolment was completed on 4

December 2024, completing an enrollment of a total of 32 moderate to severe AD patients. The enrolled participants completed their scheduled visits as planned and the last subject last visit (LSLV) in this Phase 1b study was completed on 24 March 2025. The study is expected to undergo database lock (DBL) in early April 2025, followed by the release of top-line data shortly thereafter. With our strong Phase 1 data from clinical studies in the US and China, we are actively exploring collaboration opportunities with major pharmaceutical companies who share the same vision to further advance SM17's development.

By focusing on innovative mechanisms and tackling unmet clinical challenges, we strive to develop therapies that redefine standards in their respective fields. In addition to our efforts in advancing our flagship and key products, we are excited to add two new drug candidates into our product pipeline to address indications against a plethora of immunological diseases. The two new drug candidates, being an anti-CGC antibody and a bispecific antibody, have the potential to treat vitiligo, alopecia areata, and osteoporosis, respectively. Meanwhile, we have been actively participating in global healthcare conferences, including but not limited to, J.P. Morgan Healthcare conference and the BIO International Conference, where we received overwhelmingly positive feedback from potential partners, leading players in the pharmaceutical industry, and capital markets on our drug candidate, especially to our SM17 program. Our out-licensed key product SN1011 (in the field of treatment of renal diseases) had also made an advancement in its clinical study. Positive results were announced by Everest Medicines Limited in December 2024 of its ongoing Phase 1b/2a clinical trial of EVER001 (known as SN1011 in the Company's product pipeline) for the treatment of primary membranous nephropathy (pMN).

OUTLOOK

Amid a challenging global landscape, we remain confident in the future of Hong Kong's biotechnology sector. The Central Government's emphasis on advancing "new quality productive forces" earlier this year, coupled with the Hong Kong Government's steadfast commitment to establishing the city as a Health & Medical Innovation Hub, has led to the implementation of supportive policies in this area. We remain focused on our mission to develop and deliver life-changing therapies and dedicated to leverage our innovative strengths to drive further breakthroughs in drug development.

Our expanding pipeline underscores our dedication to scientific excellence and strategic growth. We are confident that our efforts will continue to yield meaningful results, driving long-term value for our stakeholders and improving the lives of patients around the world. Looking ahead to 2025, we will focus on achieving three interconnected milestones, obtaining regulatory approval for Suciraslimab, strategic out-licensing or forging collaboration of SM17, and to amplify our global footprint.

BUSINESS REVIEW

The Group is principally engaged in research and development of pharmaceutical products.

The operating performance and the progress of the Group's clinical projects during the year under review and future prospects are contained in the sections headed "Business Overview" and "Outlook" above as well as in this sub-section.

The Group has no immediate plan for material investments or capital assets, other than as disclosed in the above section headed "Business Overview" and this sub-section.

A brief review on the business operation and clinical projects currently undertaken by the Group is set out below.

Overview

We are the first Hong Kong-based listed biopharmaceutical company dedicated to the research, development, manufacturing and commercialisation of therapeutics, primarily first-in-class monoclonal antibody ("**mAb**")-based biologics, for the treatment of immunological diseases. We strive to become a leading global biopharmaceutical company for the development of novel drugs to fulfil unmet medical needs through our Hong Kong-based innovative research and development ("**R&D**") team and PRC-based manufacturing capabilities. We have been dedicated to R&D since our inception, and have built a pipeline of mAb-based biologics and new chemical entities addressing a plethora of immunological diseases. Our vision is to become a global leader in the innovation of therapeutics for immunological and other debilitating diseases.

Our flagship product, SM03 (Suciraslimab), is a potential global first-in-class anti-CD22 mAb for the treatment of rheumatoid arthritis ("**RA**") and other immunological and neuro-immunological diseases, such as systemic lupus erythematosus ("**SLE**"), Sjogren's syndrome ("**SS**"), mild cognitive impairment ("**MCI**") due to Alzheimer's disease, as well as Alzheimer's disease. As announced by the Company on 26 April 2023, Suciraslimab met its primary endpoint in a Phase 3 clinical study for the treatment of RA in China. Our Biologics Licence Application ("**BLA**") was accepted by the National Medical Products Administration of the People's Republic of China ("**PRC**") (the "**NMPA**") in September 2023 for approval for commercialisation of Suciraslimab which will usually happen 12 to 18 months after the BLA submission if no additional information is requested by the NMPA. Clinical sites inspection and Good Manufacturing Practice ("**GMP**") inspection at our Haikou production base, the two necessary procedures required as part of the BLA approval process, were completed in January 2024.

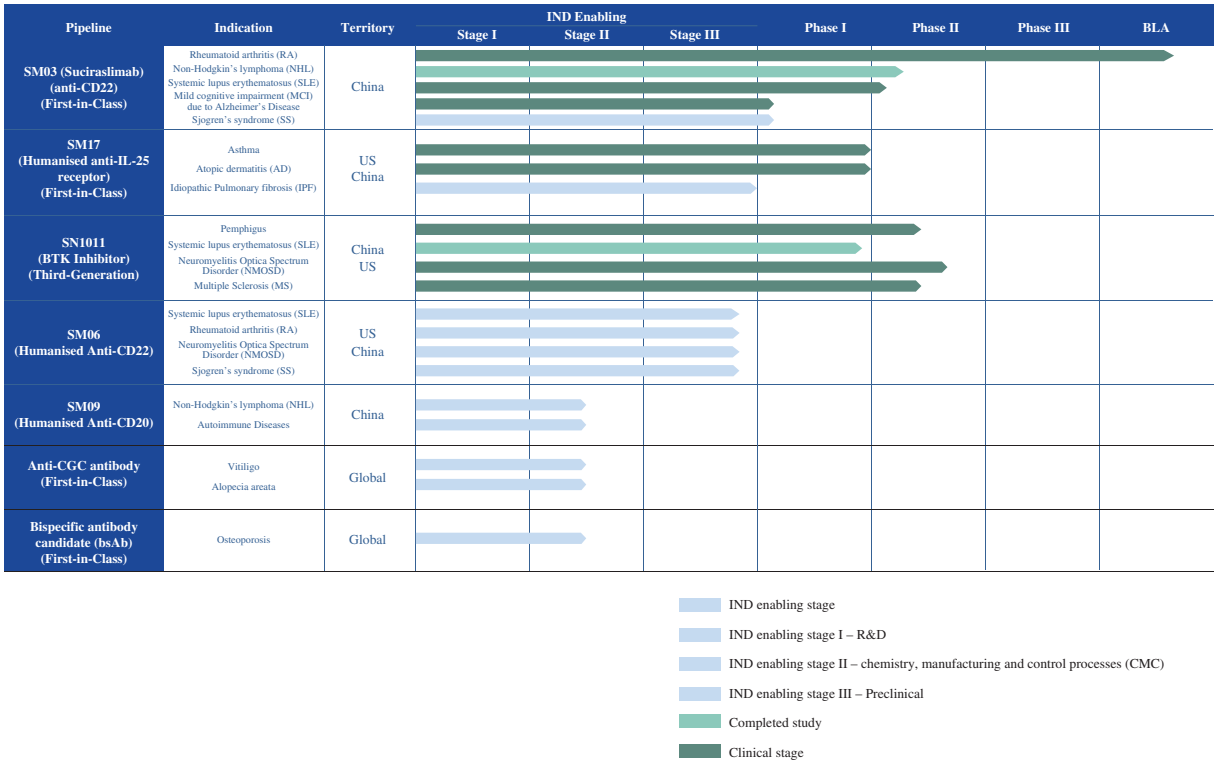
Our key product, SM17, is a global first-in-class, humanised mAb targeting the receptor for IL-25. The compound has the potential for treating atopic dermatitis ("**AD**"), asthma, idiopathic pulmonary fibrosis ("**IPF**") and other immunological disorders. R&D work of SM17 was carried out in both the U.S. and China. SM17 obtained the Investigational New Drug ("**IND**") application for the treatment of asthma from the U.S. Food and Drug Administration ("**FDA**") in March 2022. The clinical report for the U.S. first-in-human Phase 1 clinical study was obtained in the first quarter of 2024, data from which demonstrated an overall favourable safety, tolerability and pharmacokinetics ("**PK**") profile for SM17. In April 2024, study results of SM17 pre-clinical work, demonstrating SM17 to be as effective as JAK1 inhibitor in treating AD in mice, were published in *Allergy*, an official journal of the European Academy of Allergy and Clinical Immunology (EAACI). In China, SM17 obtained the IND approvals for the treatment of asthma and AD from the NMPA on 11 August 2023 and 8 September 2023, respectively. The first patient was successfully dosed in a Phase 1b clinical trial for the treatment of moderate to severe AD patients on 5 June 2024 and the last patient enrollment was completed on 4 December 2024. A total of 32 patients enrolled in this Phase 1b study, with enrolled participants completing their scheduled visits as planned. The study is expected to undergo database lock (DBL) in early April 2025, followed by the release of top-line data shortly thereafter.

Another key product, SN1011, is a third-generation, covalent reversible Bruton's tyrosine kinase ("**BTK**") inhibitor. SN1011 was designed to exhibit high selectivity with prolonged but controlled drug exposure to achieve superior efficacy and good safety profile for the potentially long-term treatment of patients with chronic immunological disorders. SN1011 obtained four IND approvals from the NMPA for the treatment of SLE, pemphigus, multiple sclerosis ("**MS**") and neuromyelitis optica spectrum disorders ("**NMOSD**"). In 2021, we entered into a license agreement with Everest Medicines Limited ("**Everest Medicines**", as licensee), to out-license the right to develop and commercialise SN1011 globally for the treatment of renal diseases. In December 2024, positive results in preliminary analysis were announced by Everest Medicines of its ongoing Phase 1b/2a clinical trial of EVER001 (known as SN1011 in the Company's product pipeline) for the treatment of primary membranous nephropathy (pMN) in China.

Our other drug candidate, SM06, is a second-generation, humanised anti-CD22 antibody derived from Suciraslimab with a similar mechanism of action. Our in-house in vitro studies demonstrated SM06 to have potentially enhanced efficacy in enacting immunomodulatory effects. The compound is at the IND enabling stage, and is currently in the process of optimisation for clinical studies.

Progress of clinical projects

Product pipeline



Flagship product

SM03 (Suciraslimab)

Our self-developed SM03 (Suciraslimab) is a potential global first-in-class anti-CD22 mAb for the treatment of rheumatoid arthritis (RA), other immunological and neuro-immunological diseases, such as systemic lupus erythematosus (SLE), Sjogren's syndrome (SS), mild cognitive impairment (MCI) due to Alzheimer's disease, as well as, Alzheimer's disease. Suciraslimab adopts a novel mechanism of action, which differentiates itself from the current treatments available in the market.

On 26 April 2023, the Company announced that Suciraslimab met its primary endpoint in a Phase 3 clinical study for the treatment of RA in China. The Phase 3 clinical study is a randomised, multi-centre, double-blind, placebo-controlled study to confirm the clinical efficacy and safety in patients with moderate-to-severe active RA who had an inadequate response to methotrexate (MTX). According to the assessment of the top-line data, Suciraslimab was effective in suppressing disease activity and alleviating symptoms of active RA patients receiving methotrexate therapy. Suciraslimab Phase 3 clinical trial for RA completed its enrollment of 530 patients, exceeding the original target of 510 patients, on 31 December 2021. The Phase 3 extension study had been completed in December 2024 with 93 patients, with results expected to be available in the third quarter of 2025. The extension study allows the Company to have a prolonged

observation on both the efficacy and safety profile of Suciraslimab. As at the date of this announcement, clinical data collected for the extension study demonstrated an enduring efficacy of Suciraslimab with its continuously increasing response rate over time, suggesting a long-term sustainable benefit of using Suciraslimab when compared to the use of conventional biologics treatments which are often associated with therapeutics resistance over time.

Our BLA for Suciraslimab for the treatment of RA was accepted by the NMPA in September 2023 for approval for commercialisation of Suciraslimab which will usually happen 12 to 18 months for novel drugs after the BLA submission if no additional information is requested by the NMPA. Clinical site inspection and GMP inspection which are the necessary inspection procedures for BLA required by the NMPA were completed in January 2024. We expect Suciraslimab to be our first commercially available drug candidate.

Upon the successful commercial launch of Suciraslimab, clinical development in other indications, including SLE, MCI due to Alzheimer's disease and Alzheimer's disease will be further advanced to broaden the therapeutic uses of Suciraslimab for addressing other unmet medical needs.

Key Products

SM17

SM17 is a global, first-in-class, humanized, IgG4-κ monoclonal antibody which is capable of modulating Type II allergic reaction by targeting the receptor of a critical "alarmin" molecule interleukin 25 (IL-25). SM17 could suppress T helper 2 (Th2) immune responses by binding to IL-25 receptor (also known as IL-17RB) on Type 2 Innate Lymphoid cells (ILC2s), and Th2 cells, blocking a cascade of responses induced by IL-25, and suppressing the release of the downstream Th2 cytokines such as IL-4, IL-5, IL-9 and IL-13. IL-25 is classified as "alarmin" which is overexpressed in biopsy tissues of patients with asthma, atopic dermatitis (AD) and idiopathic pulmonary fibrosis (IPF). Our in-vitro studies clearly demonstrated that SM17 can suppress IL-25 induced type 2 immunity and the underlying mechanism supports its potential benefits in treating allergic and autoimmune diseases, such as AD, asthma and IPF.

When we evaluated SM17 in two murine asthma models induced by ovalbumin or house dust mite, blockage of IL-25 signaling pathway by SM17 offered protection against airway resistance and type 2 immune response in the lungs. SM17 also significantly reduced immune cell infiltration into the lung and serum levels of IgE. In another 1-Fluoro-2, 4-dinitrobenzene (DNFB) driven murine atopic dermatitis model, SM17 administration could attenuate epidermal thickening and improve skin condition by suppressing Th2 immune responses and immune cell infiltration into the skin layers. We expect that targeting upstream mediators of the Th2 inflammatory cascade, such as the receptor for IL-25, will have a broader effect on reducing airway resistance as well as skin inflammation.

R&D work of SM17 was carried out in both the U.S. and China. In the U.S., an IND application for asthma was submitted in February 2022 and approved by the FDA in March 2022. The first healthy subject was successfully dosed in a first-in-human Phase 1 clinical trial (NCT05332834) in the U.S. in June 2022. The Phase 1 clinical study consisting of single ascending dose ("**SAD**") and multiple ascending dose ("**MAD**") cohorts to evaluate its safety, tolerability and PK profile in healthy subjects was completed with the Last Subject Last Visit (LSLV) completed in September 2023. The total number of healthy subjects enrolled in this Phase 1 study was 77. The clinical report was obtained in the first quarter of 2024, data from which demonstrated an overall favourable safety, tolerability and PK profile for SM17. Study results of SM17 pre-clinical work, demonstrating SM17 to be as effective as JAK1 inhibitor in treating AD in mice, were published in *Allergy*, an official journal of the European Academy of Allergy and Clinical Immunology (EAACI), on 9 April 2024. Results from pre-clinical models and Phase 1 clinical study of SM17 on healthy participants were also published in *Frontiers in Immunology*, on 9 December 2024.

In China, an IND application for asthma was submitted in May 2023 and was approved by the NMPA on 11 August 2023, while another IND application for AD was submitted in June 2023 and was approved by the NMPA on 8 September 2023. A bridging Phase 1a clinical trial to evaluate the safety, tolerability and PK profile in Chinese population was completed in China in May 2024. Results indicated that SM17 to have good tolerability and safety profile and comparable PK profile as in Caucasian population. A proof-of-concept Phase 1b clinical trial was initiated to evaluate the preliminary efficacy of SM17 in moderate to severe AD patients in China. The first patient of Phase 1b study was dosed on 5 June 2024 and the last patient was enrolled on 4 December 2024, completing an enrollment of a total of 32 moderate to severe AD patients. The enrolled participants completed their scheduled visits as planned and the last subject last visit (LSLV) in this Phase 1b study was completed on 24 March 2025. The study is expected to undergo database lock (DBL) in early April 2025, followed by the release of top-line data shortly thereafter.

The compound has the potential for treating AD, asthma, IPF and other immunological disorders.

Please also refer to the Company's announcements dated 16 February 2022, 14 March 2022, 15 June 2022, 22 May 2023, 12 June 2023, 14 August 2023, 11 September 2023, 27 November 2023 and 11 June 2024 for further information about the latest R&D progress of SM17.

SN1011

SN1011 is a third generation, covalent reversible BTK inhibitor designed to exhibit high selectivity with prolonged but controlled drug exposure to achieve superior efficacy and good safety profile for the potentially long-term treatment of systemic lupus erythematosus (SLE), pemphigus, multiple sclerosis (MS), neuromyelitis optica spectrum disorder (NMOSD) and other rheumatology or neuro-immunological diseases. SN1011 differentiates from existing BTK inhibitors currently available in the market, such as Ibrutinib, in terms of mechanism of action, affinity, selectivity and safety.

The Phase 1 study (first-in-human) in Australia was conducted in 2019 while Phase 1 study (first-in-human) in China was conducted and completed in 2021. The studies have demonstrated a good safety and PK profile. SN1011 obtained four IND approvals from the NMPA for the treatment of SLE, pemphigus, MS and NMOSD on 27 August 2020, 23 June 2021, 19 April 2022 and 22 August 2022, respectively. Please also refer to the Company's announcements dated 14 November 2019, 29 January 2020, 29 June 2020, 1 September 2020, 15 January 2021, 24 June 2021, 23 July 2021, 7 February 2022, 20 April 2022, 9 June 2022 and 23 August 2022 for further information about the latest R&D progress of SN1011.

Other drug candidates

SM06

SM06 is a second-generation anti-CD22 antibody that is humanised using our proprietary framework-patching technology. SM06 is a humanised version of SM03 (Suciraslimab) with a similar mechanism of action. Our in-house *in-vitro* studies demonstrated SM06 to have potentially enhanced efficacy in enacting immunomodulatory effects. We are currently in the process of optimising the chemistry, manufacturing and control processes (CMC) for SM06.

SM09

SM09 is a framework-patched (humanised) anti-CD20 antibody that targets an epitope different from that of other market-approved anti-CD20 antibodies such as rituximab, obinutuzumab and ofatumumab for the treatment of non-Hodgkin's lymphoma (NHL) and other auto-immune diseases.

Anti-CGC Antibody

Anti-CGC antibody is an in-house developed, humanised anti-yc antibody. Our in-vitro assays suggested that our antibody could suppress inflammation and autoimmunity driven B, T and NK cell activation. Animal studies demonstrated that our antibody could be a potential therapeutic agent for the treatment of vitiligo, alopecia areata and possibly other autoimmune diseases through the modulation of immune cell expansion, autoreactivity and tissue infiltration. We are currently in the process of CMC optimisation and toxicology studies for our antibody.

Bispecific Antibody Candidate (bsAb)

Bispecific antibody candidate is a novel, bispecific antibody targeting Receptor activator of the nuclear factor kappa-B ligand (RANKL) and sclerostin for bone-related indications. bsAb processes differential mechanisms of action tailored for the treatment of osteoporosis. Our in-house in vitro and in vivo studies demonstrated our candidate to have enhanced efficacy over market-approved antibodies such as Denosumab and Romosozumab. We are currently in the process of CMC optimisation and testing its toxicity in non-human primates.

Collaboration

We are committed to collaborating with our partners to develop the most innovative therapies to address unmet medical needs in the area of immunological diseases. Given our strong in-house research and development capabilities, we have established global collaboration relationships with reputable companies and scientific research institutions.

LifeArc is a UK-based medical research charity, whose mission is to pioneer new ways to turn great science into great patient impact. We have been entrusted by LifeArc to further develop and commercialise SM17 in all fields and worldwide. According to public information, LifeArc provides intellectual property identification, technology development, early stage drug discovery and antibody humanisation services for academia, biotechnology and pharmaceutical organisations and charities, aiming to propel promising medical researches into viable and accessible patient treatments.

Everest Medicines Limited ("**Everest Medicines**") is a listed biopharmaceutical company (stock code: 1952.HK) that integrates discovery, licensing, clinical development, commercialisation and manufacturing of potentially novel or differentiated therapies to address critical unmet medical needs in initially Asia Pacific markets, and eventually around the world. In 2021, we entered into a licence agreement with Suzhou Sinovent Pharmaceuticals Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司), (now known as Evopoint Biosciences Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司)), together with the Company as licensor, and Everest Medicines II (HK) Limited, a wholly owned subsidiary of Everest Medicines, as licensee, to out-license the right to develop and commercialise SN1011 globally for the treatment of renal diseases. In December 2024, Everest Medicines announced positive results in preliminary analysis of its Phase 1b/2a clinical trial of EVER001 (known as SN1011 in the Company' product pipeline) for the treatment of primary membranous nephropathy.

* *for identification purposes only*

Production

We have a production base in Haikou, Hainan. We are also constructing our second production base in Suzhou, Jiangsu.

Haikou Production Base

We carry out our manufacturing activities at our Haikou production base, where we manufacture our drug candidates for pre-clinical research, clinical trials and future large-scale commercial production. The Haikou production base occupies a total operational area of approximately 19,163 square metres with a production capacity of 1,200 litres. The plant has an operational area consisting of a clean area for processing, a controlled-not-classified (CNC) area for supporting activities, utility rooms, quality control laboratories, warehouse and administrative offices and R&D laboratories for on-going and new product development projects. GMP inspection at our Haikou production base (a necessary requirement for BLA approval) was completed in January 2024.

Suzhou Production Base

As part of our commercialisation plan, we purchased a piece of land of 43,158 square metres in Suzhou Dushu Lake Higher Education Town, China in June 2020. The land is used for constructing the Group's second production base, and the total floor area would be approximately 75,000 square metres. The new production base is designed as commercial-scale manufacturing facilities. The construction works were completed in late 2024. Completion inspection is expected to be approved in early 2025 for the grant of Real Estate Ownership Certificate.

Intellectual property

Core technology of main drugs (products)

For SM03 (Suciraslimab), the Group has four invention patents granted and registered in the PRC, one of which is also applicable to SM06, and four invention patents which are granted and registered in the United States, all of which are also applicable to SM06.

For SN1011, the Group has one invention patent granted and registered in the United States, one invention patent granted and registered in the European Union and one invention patent granted and vested in Australia.

For SM09, the Group has two invention patents granted and registered in the PRC, three invention patents granted and registered in the United States, and one in each of various jurisdictions, including the European Union, India, Singapore and Japan.

During the Reporting Period, the Group filed one Patent Cooperation Treaty ("**PCT**") application for SM18, one PCT application for Suciraslimab and one PCT application for SM32. In addition, one invention patent was granted and registered in the PRC while three invention patents for Suciraslimab and SM06 and one invention patent for SM17 were entering into the national phase during the Reporting Period.

As at 31 December 2024, the Group had six pending patent applications in the United States, seven pending patent applications in the PRC, six pending patent applications in the European Union, and three pending PCT patent applications.

Well-known or famous trademarks

The Company conducts its business under the brand name of "SinoMab" ("**中國抗體**"). As at the end of the Reporting Period, the Company had various registered trademarks in Hong Kong and the PRC, with multiple trademark applications pending approval in the PRC.

Patents

Item	**As at 31 December 2024**	As at 31 December 2023
Number of invention patents owned by the Group*	**91**	35

* *including patent pending and granted patent.*

R&D personnel

Education level	**Number at the end of the Reporting Period**	**Number at the beginning of the Reporting Period**
PhD	**6**	7
Master	**24**	27
Undergraduate or below	**10**	25
Total number of R&D personnel	**40**	59

The above number of R&D personnel does not include our employees in manufacturing, quality assurance or quality control for the clinically related operation.

Future and prospects

We strive to become a leading global biopharmaceutical company for the development of novel drugs to fulfil unmet medical needs through our Hong Kong-based innovative R&D team, and PRC-based manufacturing capabilities. Our vision is to become a global leader in the innovation of therapeutics for immunological and other debilitating diseases.

Our portfolio of drug candidates encompasses the entire immunological field which, we believe, will enable us to provide comprehensive treatment options for field-wide indications to patients. We believe our dedication, experience and achievements in the field of immunology have expedited the process, and elevated the industry standard, for the discovery and development of novel therapeutics against a variety of immunological diseases. We have accumulated significant experience in the discovery of new treatment modalities for immunological diseases, which will allow us to better capture a substantial share of the immunological disease market. We believe that our strategic specialisation and dedicated focus on immunological diseases are effective ways to differentiate ourselves from our peers. By specialising in innovative treatments of immunological diseases, we seek to solidify our leading position in the field, thereby creating a higher barrier to entry for our peers to compete with us in the development of first-in-class drug candidates.

Further, our product pipeline is backed by our established full-spectrum platform integrating in-house capabilities across the industry chain, from our strong and independent target identification, drug candidate development, pre-clinical research, clinical trials, clinical production, quality control, quality assurance, regulatory approval and commercial-scale production up to the commercialisation stage, as well as all other processes in the discovery and development of our drug candidates. We believe that this full-fledged capability is matched by only a few biopharmaceutical companies in the Greater China region. With a diverse and expanding product pipeline, we believe that we are well positioned to become an industry leader in the development of treatments for immunological diseases.

The Group will continue to focus on exploring international partnership for our pipeline product, especially for our SM17, anti-CGC antibody and bispecific antibody candidate, the advancement of our flagship product SM03 (Suciraslimab) towards commercialisation, further develop our existing product pipeline, discover and develop novel drugs for the treatment of immunological diseases by leveraging our R&D capabilities, expand our production scale to support our product commercialisation and strengthen our global presence through leveraging our position as a Hong Kong-based biopharmaceutical company.

Apart from continuously expanding our product pipeline and advancing our clinical development, we will also continue to actively explore strategic collaboration opportunities. We have developed a pipeline of pre-clinical, clinical and pre-registration stage first-in-class assets addressing various inflammatory and immunological diseases. To maximise the commercial values of our assets as well as to accelerate the development of our innovative drug candidates, we are open to collaboration, partnerships and licensing agreements with partners worldwide.

Clinical development plan

We will continue to advance clinical trials for SM03 (Suciraslimab) for RA and other autoimmune diseases. Upon BLA approval and the subsequent successful commercial launch of Suciraslimab, clinical development in other indications, including SLE, MCI due to Alzheimer's disease and Alzheimer's disease will be further advanced to broaden its therapeutic uses for addressing other unmet medical needs. Regulatory pathways to extrapolate the clinical indications of neuro-immunological diseases for Suciraslimab will also be sought. The initiation of an IND application and proof-of-concept Phase 2 clinical study for SLE in China is also in our plan.

In respect of SM17, the first-in-human Phase 1 clinical trial in the U.S. was completed in 2023. The Last Subject Last Visit (LSLV) was completed in September 2023 and the total number of healthy subjects enrolled in the Phase 1 clinical trial was 77. The clinical report was obtained in the first quarter of 2024 which demonstrated an overall favourable safety, tolerability and PK profile for SM17. Two additional IND submissions, for the treatment of asthma and AD were filed with the NMPA in the first half of 2023 and were subsequently approved by the NMPA on 11 August 2023 and 8 September 2023, respectively. The first cohort of healthy subjects was successfully dosed in a Phase 1a clinical trial in China on 25 November 2023 and the Last Subject Last Visit (LSLV) was completed in May 2024. A Phase 1b clinical trial in China for the treatment of moderate to severe AD patients was initiated with the first patient successfully dosed on 5 June 2024 and the last patient was enrolled on 4 December 2024, completing an enrollment of a total of 32 patients. The enrolled participants completed their scheduled visits as planned and the last subject last visit in this Phase 1b study was completed on 24 March 2025. The study is expected to undergo database lock (DBL) in early April 2025, followed by the release of top-line data shortly thereafter. The Phase 1b clinical trial aims to explore the preliminary efficacy of SM17 in moderate to severe AD patients, as well as to study safety, tolerability and PK profile of SM17. We also plan to submit IND applications in both the U.S. and China for the treatment of IPF with SM17.

Pre-clinical R&D

We have built a pre-clinical R&D platform for studying pathogenesis of autoimmune diseases, as well as exploring and identifying treatments for them. Our internal R&D team will continue to discover novel mechanisms for treatments of multiple autoimmune disease areas for rheumatology, neuro-immunology, respiratory and dermatology. Our R&D team possesses the capability of generating pre-clinical pharmacology internally and is developing in-depth collaboration with well-known clinical KOLs from our on-going clinical programs. By utilising established business and cooperation relationship with vendors and partners, the Company is in the process of generating and collecting the IND-enabling data package for our products under pre-clinical development, such as SM06, and will thereafter conduct pre-clinical studies to test their efficacies, safety and PK/pharmacodynamics, and fulfil other regulatory requirements.

Our SM06 is currently at the IND enabling stage and is in the process of optimisation for clinical trials. We will advance the first IND application process, aiming for a bio-better product development for known indications based on the good therapeutic potential of Suciraslimab, as well as further exploration into other immunological diseases.

The Company continues to optimise production and pre-clinical research for SM09. The Company will engage the NMPA and/or the FDA to initiate clinical trials upon completion of these pre-clinical researches.

Our anti-CGC antibody and bispecific antibody candidates are currently in the process of CMC optimisation and toxicology studies.

Novel drug targets identification

The Company has been actively exploring novel targets identification and has developed a strong team of R&D talents with a mix of resources that instill an innovative culture at all levels. Led by the Chief Executive Officer of the Company, who also undertakes the function of the Chief Scientific Officer, the research team has established five strategic in-house platforms, namely, the "B-cell Therapeutic Platform", "Alarmins-pathway Therapeutic Platform", "Selective-T Cell Therapeutic Platform", "Neurological Disease Platform" and "Antibody Framework-Patching Humanisation Platform" that allow the Company to continuously identify novel drug targets and develop new antibody candidates, broadening and enriching our product pipelines for other autoimmune diseases with unmet medical needs.

Production

As previously reported, the Group purchased a piece of land of 43,158 square metres in Suzhou Dushu Lake High Education Town in China in June 2020. The land is used for constructing the Group's second production base, and the total floor area would be of approximately 75,000 square metres. This new Suzhou campus consists of commercial manufacturing facilities, a pilot plant, an R&D centre, a quality control centre, a clinical study centre and an administration building. The construction works were completed in late 2024. Completion inspection is expected to be approved in early 2025 for the grant of Real Estate Ownership Certificate.

Commercialisation and Partnerships

As of the Reporting Period, we have established a marketing team, and plan to continue to expand the sales and marketing team. In addition, we are actively exploring and identifying opportunities for collaboration and/or partnership, including but not limited to licensing in or licensing out, to enhance our sales and business development capabilities.

MARKET OVERVIEW

Rheumatoid Arthritis (RA)

According to Frost & Sullivan, the global market for autoimmune disease drugs is expected to increase from US$120.5 billion in 2020 to US$163.8 billion in 2030, at a compound annual growth rate (CAGR) of 3.1%. The overall scale of existing patients with autoimmune diseases in China is huge. According to "*Rheumatoid Arthritis in China: A National Report of 2020*" issued by the National Clinical Research Center for Dermatologic and Immunologic Diseases in October 2021, there are about 5 million RA patients in China. With the continuous improvement of the diagnosis and treatment rate of autoimmune diseases in China and the continuous progress of related medical technologies, the market size of RA in China is expected to expand rapidly. According to Frost & Sullivan, the RA therapeutics market in the PRC is expected to reach RMB32.8 billion by 2024 and RMB83.3 billion by 2030, or at a CAGR of 16.8%. The biologics market share in the RA therapeutics market in PRC is expected to increase from 43.4% in 2024 to 59.8% in 2030. We have been focusing on the R&D of mAb drugs in the field of autoimmune diseases for more than 20 years and our existing product pipeline covers all indications in the field of autoimmune diseases. We are one of a few biopharmaceutical companies in China with full-fledged capability that integrates all-industry functionalities, including R&D, production and commercialisation. Once Suciraslimab receives NMPA marketing approval, leveraging the first-mover advantage of the first-in-class status of Suciraslimab and its competitive

advantage in its better safety profile over existing and potential market competitors, coupled with our targeted sales and marketing strategy and execution, we believe that we can successfully launch Suciraslimab, which will be an important milestone in the development of the Group.

Atopic Dermatitis (AD)

As a long-standing chronic disease, new cases of AD are growing rapidly globally with broad market potential. Patients with AD have an increasing all-cause mortality rate and disease-specific mortality rate in diseases, such as infections, respiratory diseases, gastrointestinal diseases, and oncological diseases. Currently approved therapies for AD, including biologics, can significantly improve eczema area and severity index and patient's quality of life. However, there is still an unmet medical need for patients showing irresponsiveness to those approved therapies. According to Frost & Sullivan, there were approximately 65.7 million AD patients in China in 2019 with an expected growth to 81.7 million in 2030, of which 30% being moderate-to-severe patients. The AD medicine market in China was valued at US$600 million in 2019, and has reached US$1.5 billion in 2024, further increasing to US$4.3 billion in 2030. According to a report by Grand View Research, Inc., the global market size for AD is estimated to reach US$27.7 billion by 2030. We believe the mechanism of action of SM17 by targeting upstream of the Th2 inflammatory cytokine pathway, such as IL-25 receptor, will have broad effects on skin inflammation, implicating a great potential for SM17 to be a differentiating, safer and more effective product for the treatment of AD.

Asthma

The number of asthma patients worldwide is increasing year by year, and a large patient base is in urgent need of effective therapeutic drugs. According to Frost & Sullivan, the number of asthma patients worldwide is expected to increase to approximately 860 million in 2030, of which 78.1 million will be in China, a country with a higher growth rate than that for the global patient population. Severe, uncontrolled asthma patients are at risk of recurrent asthma exacerbations and hospitalisations, and uncontrolled severe asthma is associated with increased mortality/morbidity, diminished quality of life and increased health expenditures. Current approved therapies for severe asthma, including biologics, can reduce asthma exacerbations to a certain extent. However, there is still an unmet medical need for additional effective therapies, particularly for patients who do not respond to current treatments. We believe the mechanism of action of SM17 by targeting upstream of the Th2 inflammatory cytokine pathway, such as IL-25 receptor, will have broad effects on airway inflammation, which is expected to provide a new therapeutic channel with efficacy and safety for asthma diseases and bring relief and treatment to asthma patients.

Strategic in-house platforms for establishing strong pipeline

We are armed with several innovative technological and therapeutic platforms, allowing us to identify novel antibody candidates that are specific for novel targets and have the potential to achieve therapeutic effects via novel mechanisms of actions:

B-cell Therapeutic Platform

The Company was established with an initial focus on developing therapeutics that target B cells. As more and more data was accumulated and the functions of these B cell antigens/targets and the roles of B cells played in the immune system were better understood, B cell's potentials for treating autoimmune diseases has become prominent — forming our bases for "B cell therapy approach". There are possibilities of use in combination of our different products developed on our B cell therapeutic platform in the future. These antigens and targets include:

a. CD22 — our SM03 (Suciraslimab) and SM06, anti-CD22 antibody, were developed under our B-cell therapeutic platform.

b. CD20 — our SM09, a novel, framework-patched, humanised anti-CD20 antibody, was developed under our B-cell therapeutic platform.

c. BTK — our SN1011, a third generation covalent reversible BTK inhibitor, was developed to maximise the therapeutic benefits of B cell therapy.

Alarmins-pathway Therapeutic Platform

The immune system is an interplay between different cell lineages and factors; but the majority of which include B cells, T cells and cytokines. Albeit our good coverage on B cell specific targets, there are other areas we need to fill in order to address other immune related ailments. While most cytokines are well studied, and products against which have been approved, there emerges a new class of factors known as alarmins that are upstream of the immune pathway and have not been well studied. These alarmins play crucial roles in autoimmune diseases involving the respiratory tract and dermatological tissues such as asthma, AD, IPF, and so on.

IL-25 is one of the three alarmins that targets a particular receptor called IL-17RB. Our SM17 is a humanised, IgG4-κ monoclonal antibody targeting the receptor for IL-25 (also known as IL-17RB), which was developed under our alarmins-pathway therapeutic platform.

Selective-T Cell Therapeutic Platform

Our pipeline covers B cells, alarmins/cytokines, and another major piece in the immunotherapy portfolio — T cells. The T-cell associated receptor is not well researched in the biopharma area as its function is promiscuous. We have developed a platform to isolate antibodies that have selective binding to T-cell associated receptors, resulting in the identification of a battery of antibodies with differentiated functionality covering a wide range of immunological diseases. Our anti-CGC antibody, humanised anti-yc antibody, was developed under our selective T-cell therapeutic platform.

Neurological Disease Platform

In 2019, there was a paper published in the journal *Nature* that demonstrated that anti-CD22 antibody would have therapeutic effects on degenerative neurological disease in a murine model. We researched the possibility of using SM03 (Suciraslimab) for treating MCI due to Alzheimer's disease and Alzheimer's disease and found that CD22 is significantly expressed in microglia and other neurological cells.

The discovery that our anti-CD22 antibody can induce the internalisation of Aβ protein has led to the development of bispecific antibodies that target anti-inflammatory cell surface antigens and Aβ protein for treating Alzheimer's disease and other neurological diseases. Product candidates are descendants of the SM03 (Suciraslimab)/SM06 lineage.

Antibody Framework-Patching Humanisation Platform

Most antibodies are produced in a murine background, and antibody humanisation (a genetic engineering approach) is needed to convert the murine sequence into human sequence without affecting the affinity and specificity of the original antibody (parent antibody). We employ a novel approach known as "framework-patching" to introduce "human-ness" in a functional perspective (functional humanisation). Our SM06 and SM09 antibodies were humanised using this novel, proprietary technology unique to the Company.

RISK FACTORS

R&D risk of new drugs

Classified as technical innovations, the R&D of new drugs is characterised by long R&D cycles, significant investment, high risks and a low success rate. From laboratory research to obtaining approval, new drugs have to go through a lengthy process linked by complicated stages, including pre-clinical studies, clinical trials, registration and marketing of new drugs and after-sales supervision. Any of the above stages is subject to the risk of failure.

The Company will strengthen its forward-looking strategic research, and determine the direction of new drug R&D according to the needs of clinical drug use. The Company will also formulate reasonable new drug technology solutions, continuously increase the investment in R&D of new drugs, and uphold the principle of prudence in launching R&D projects for new drugs. In particular, the Company implements phase-based assessments on product candidates in the course of R&D. If it is found that the expected result cannot be achieved, the subsequent R&D of such product candidates will be terminated at once, so as to minimise the R&D risk of new drugs.

Market competition risk

The R&D and commercialisation of new drugs is highly competitive. The Company's recent drug candidates and any new drugs that may be sought for R&D and commercialisation in the future will face competition from pharmaceutical companies and biotechnology companies around the world. The Company's commercial opportunity could be reduced or eliminated if our competitors develop and commercialise drugs that are safer, are more effective or have fewer side effects than the drugs we have developed. The Company's competitors may also obtain approval from the NMPA or FDA sooner than the Company obtaining approval for its drugs, such that the competitors may establish a strong market position before the Company is able to enter the market. The Company will maintain its market competitiveness with its rapid advancement in R&D and clinical trials of drugs, corroborant efficacy and stable production process.

Quality control risk of drugs

The quality and safety of drugs not only concern the health of drug users but also arouse wide public concern. Due to various factors, drugs are subject to quality control risks in all stages, including R&D, manufacturing, distribution and use. Therefore, risk control runs through the entire process of drug development, manufacturing, distribution, and use. The Company will secure necessary resources, strengthen training in risk management, and improve various rules and regulations, so as to ensure strict compliance with the GMP standards and control the quality risk of drugs.

Risk of not making profit in short run

One of the most prominent characteristics of the biopharmaceutical industry is a long profit cycle. Generally, a biopharmaceutical enterprise at the R&D stage takes a longer time to reach profitability. As an early-stage biopharmaceutical enterprise, the Company is under a period of making significant R&D investment. With the further supplement of product pipelines, as well as rapid advancement in domestic and international clinical trials for drug candidates, the Company will continue to make significant R&D investment. Our future profit will depend on the marketing progress of drug candidates and the sale of marketed drugs. In addition, significant R&D investment, business promotion costs and operation costs create more uncertainties over making profits. Therefore, the Company is subject to the risk of not making a profit in the short run.

Risk of industry regulations and policies

In view of the various reforms in the medical industry, encouragement of innovation and reduction in drug prices by pharmaceutical enterprises have become an inevitable trend. The Company will adapt to changes in external policies and strive to enhance R&D, in order to respond to challenges through innovation. The Company will also adhere to legal compliance by adapting its business activities to changes in regulatory policies, thereby preventing policy risks.

In the face of industry and policy risks, the Company will adapt to changes in external policies by continuous improvement in capabilities of innovation and sustainable development, increased R&D investment, accelerated clinical trials and launching of innovative drugs, in order to respond to challenges through innovation. On this basis, the Company will further expand its production capacity and reduce the unit cost of its products, so as to address the trend of price reduction of drugs.

Foreign exchange risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

In response to the foreign exchange risk, the Company seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position to reduce the impact of the foreign exchange risk on the Company.

FINANCIAL REVIEW

Other income and gains

Our other income and gains consist primarily of bank interest income, changes in fair value on financial assets at fair value through profit or loss and government grants. Total other income and gains were approximately RMB7.6 million for the Reporting Period, representing a decrease of approximately RMB3.1 million from the year ended 31 December 2023, mainly due to a decrease in government grants of approximately RMB2.4 million.

R&D costs

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Laboratory consumable and experiment costs	**42,289**	75,505
Employment costs	**32,519**	41,016
Others	**19,945**	18,888
	94,753	135,409

Our R&D costs mainly include laboratory consumables, experiment costs, employment costs of R&D employees, depreciation of right-of-use assets relating to leases of research facilities and depreciation of research and testing equipment.

For the years ended 31 December 2024 and 2023, we incurred R&D costs of approximately RMB94.8 million and RMB135.4 million, respectively. The decrease in R&D cost during the Reporting Period was mainly attributable to (i) a decrease in laboratory consumable and experiment cost of approximately RMB33.2 million after acceptance of BLA for SM03 (Suciraslimab) in September 2023 and the Phase 1 clinical trial for SM17 conducted in China since November 2023 is comparatively smaller in scale than that in the U.S., and (ii) a decrease in employment costs of R&D employees of approximately RMB8.5 million mainly due to simplification of our clinical team for better efficiency.

Administrative expenses

Our administrative expenses primarily consist of employee costs of administrative personnel, depreciation of right-of-use assets relating to leases of office space, depreciation and amortisation, rental and property management fees, consulting and auditing fees, legal and other professional advisory service fees, office expenses, transportation costs and others.

For the years ended 31 December 2024 and 2023, our total administrative expenses were approximately RMB67.7 million and RMB97.6 million, respectively. The decrease was mainly due to (i) a decrease in non-cash share-based payments of approximately RMB13.0 million, and (ii) a decrease in depreciation and amortisation expenses of approximately RMB6.5 million in the Reporting Period.

Other expenses

For the year ended 31 December 2024, there was foreign exchange loss of approximately RMB9.5 million (2023: foreign exchange loss RMB12.8 million). During the Reporting Period, most of the Company's cash and cash equivalents were denominated in RMB. The majority of the exchange loss, which was caused by the difference of the functional currency of Hong Kong headquarters in HKD and the presentation currency of the Group in RMB, did not represent the Company's actual loss.

In addition, a one-off loss of approximately RMB12.6 million due to termination of purchase contracts for overall cost saving was incurred during the Reporting Period.

Liquidity and capital resources

The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet its future development demands for capital.

As at 31 December 2024, total funding available to use including cash and cash equivalents, pledged and restricted deposits and structured deposit is RMB141.4 million, compared to RMB233.1 million as at 31 December 2023.

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Cash and cash equivalents	**61,900**	203,664
Pledged and restricted deposits	**66,002**	29,439
Structured deposit (included in the financial assets at fair value through profit or loss)	**13,523**	–
Total funding available to use	**141,425**	233,103

The net decrease of approximately RMB91.7 million was mainly due to (i) the net proceeds from issue of shares of approximately RMB54.8 million; (ii) the increase in net bank borrowings of approximately RMB30.6 million, offset by (iii) spending on capital expenditures of approximately RMB41.5 million and (iv) the net cash used in operating activities of approximately RMB130.8 million in the Reporting Period.

The following table sets forth a condensed summary of the Group's consolidated statement of cash flows for the years ended indicated and analysis of balances of cash and cash equivalents for the years ended indicated:

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Net cash flows used in operating activities	**(130,801)**	(133,847)
Net cash flows used in investing activities	**(94,482)**	(96,921)
Net cash flows from financing activities	**73,268**	82,267
Net decrease in cash and cash equivalents	**(152,015)**	(148,501)
Cash and cash equivalents at the beginning of year	**203,664**	342,887
Effect of foreign exchange rate changes, net	**10,251**	9,278
Cash and cash equivalents at the end of year	**61,900**	203,664

As at 31 December 2024, cash and cash equivalents were mainly denominated in United States dollars, Renminbi and Hong Kong dollars.

Bank borrowings and gearing ratio

As at 31 December 2024, the Group's outstanding borrowings of RMB419.3 million (31 December 2023: RMB391.4 million) were denominated in RMB. The effective interest rates of the bank borrowings as at 31 December 2024 ranged from 3.15% to 3.90% (31 December 2023: 3.30% to 4.05%) per annum.

As at 31 December 2024, the amount of unutilised banking facilities of the Group is approximately RMB321.9 million.

The Group monitored capital using gearing ratio. Gearing ratio is calculated using interest-bearing bank borrowing less cash and cash equivalents divided by total equity and multiplied by 100%. As at 31 December 2024, the gearing ratio was 185.3% (31 December 2023: 63.5%).

Pledge of assets

As at 31 December 2024, the Group had mortgaged its land use right and construction in progress with a carrying value of RMB334.3 million (2023: RMB323.6 million), and pledged deposit of RMB45.0 million (2023: RMB5.0 million) for the purpose of securing bank loans. In accordance with the agreement with the bank, the maximum mortgage amount of land use right and construction in progress is RMB158.4 million.

Significant investment held and disposed

The Group did not have any significant investment which accounted for more than 5% of the Group's total assets as at 31 December 2024.

Use of proceeds from global offering

On 12 November 2019, the Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing**") and the Company raised net proceeds of HK$1,272.8 million ("**Net Proceeds**").

As at 31 December 2024, the unutilised balance of Net Proceeds was approximately HK$43.6 million. In respect of the use of proceeds in the Company's prospectus dated 31 October 2019 (the "**Prospectus**") and subsequent change in use of proceeds as disclosed in the announcements dated 22 July 2020, 14 August 2020, 21 March 2022, 20 March 2023, 25 March 2024 and 19 August 2024, the Board resolved to change the use of unutilised Net Proceeds.

Change in use of proceeds raised from the Listing

As a result of an enhanced procurement process of the Group, the current estimated expenditure on purchase of manufacturing equipment is less than the original estimation.

To optimize the use of the unutilised Net Proceeds, and considering the rapid expansion of our Group, the Board decided to reallocate HK$10.0 million from "For the purchase of manufacturing equipment, primarily for the production of SM03" under "*For the construction of our Suzhou production base primarily for the commercial-scale production of our core product SM03*" to "*For our working capital, expanding internal capabilities and other general corporate purposes*".

The Board considered the impact of the proposed change in the use of the proceeds on the Group's business and believes that, in view of the Group's operation and business development, the reallocation of the unutilised Net Proceeds will facilitate efficient allocation of financial resources and strengthen the future development of the Group, and it is appropriate and in the interests of the Company and its shareholders as a whole. Save for the above, there is no other change in the use of Net Proceeds.

To strive for better business performance of the Group, the Board will continuously assess the use of unutilised Net Proceeds and may revise or amend the plan for the use of the unutilised Net Proceeds where necessary in respond to the changing market conditions.

Use of proceeds	**Planned applications** *(Note 1)* *(HK$ million)*	**Revised allocation** *(HK$ million)*	**Utilised amount of Net Proceeds during the Reporting Period** *(HK$ million)*	**Actual utilisation up to 31 December 2024** *(HK$ million)*	**Unutilised Net Proceeds as at 31 December 2024** *(HK$ million)*	**Expected timeline for full utilisation of the unutilised Net Proceeds** *(Note 2)*
For the R&D and commercialisation of our drug candidates						
For the R&D and commercialisation of our core product, SM03, to fund clinical trials for SM03 including (i) ongoing and planned clinical trials in the PRC; (ii) additional clinical trials to be initiated in the PRC for additional indications; (iii) clinical trials in Australia and the United States; and (iv) New Drug Application registration filings and the commercial launch of SM03	250.9	250.9	18.7	250.9	–	N/A
To fund pre-clinical research, clinical trials, production, preparation for registration filings and potential commercial launches of the other drug candidates in our pipeline	299.4	299.4	1.7	294.7	4.7	By the end of 2025
To further advance our R&D programmes, expand our R&D team, build our commercialisation team, develop our proprietary technology and enhance our full-spectrum platform	52.4	52.4	–	52.4	–	N/A

Use of proceeds	Planned applications [Note 1] *(HK$ million)*	Revised allocation *(HK$ million)*	Utilised amount of Net Proceeds during the Reporting Period *(HK$ million)*	Actual utilisation up to 31 December 2024 *(HK$ million)*	Unutilised Net Proceeds as at 31 December 2024 *(HK$ million)*	Expected timeline for full utilisation of the unutilised Net Proceeds [Note 2]
For the discovery and development of new drug candidates not currently in our pipeline to diversify our product portfolio	99.9	99.9	5.0	97.0	2.9	N/A [Note 3]
For the construction of our Suzhou production base primarily for the commercial-scale production of our core product SM03						
For the purchase of laboratory equipment, primarily for the R&D of SM03 and potentially for the R&D of other products in our pipeline	75.8	75.8	25.1	75.8	–	N/A
For the purchase of manufacturing equipment, primarily for the production of SM03	59.7	49.7	20.0	34.1	15.6	By the end of 2025
For the construction of the Suzhou production base						
For the construction of additional R&D facilities and purchase of laboratory equipment to aid the ongoing R&D of SM03 for the treatment of rheumatoid arthritis, systemic lupus erythematosus, non-Hodgkin's lymphoma and other potential indications, R&D of SM03 at commercialisation to enhance craftsmanship for large-scale production, as well as the development of other products in our pipeline	87.6	87.6	–	87.6	–	N/A
For the construction of an upstream production facility and downstream purification facility	23.2	23.2	14.7	23.2	–	N/A
For the purchase of land from the Suzhou Dushu Lake Higher Education Town and other expenses related to the expansion of our Suzhou production base	107.9	107.9	3.4	107.9	–	N/A
For our working capital, expanding internal capabilities and other general corporate purposes	177.2	187.2	19.7	166.8	20.4	N/A
Collaboration with D2M Group	38.8	38.8	–	38.8	–	N/A
Total	1,272.8	1,272.8	108.3	1,229.2	43.6	

Notes:

(1) Planned applications as revised and disclosed in the Company's announcements dated 22 July 2020, 14 August 2020, 21 March 2022, 20 March 2023, 25 March 2024 and 19 August 2024.

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

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

(4) SM03 refers to SM03 (Suciraslimab), the flagship product of the Company.

Such utilisation of the Net Proceeds was in accordance with the planned applications as set out in the above. The unutilised portion of the Net Proceeds will be applied in a manner consistent with the above planned applications.

Use of proceeds from new share subscriptions under general mandate

2022 Share Subscriptions

On 16 November 2022, the Company completed an issue of 28,680,000 new ordinary shares at a subscription price of HK$1.78 per share and raised net proceeds of approximately HK$50,890,400 (the "**2022 Subscriptions**").

References are made to the Company's announcements dated 2 November 2022, 7 November 2022, 16 November 2022 and 20 March 2023.

Details of the planned applications of the net proceeds from the 2022 Subscriptions were disclosed in the Company's announcement dated 7 November 2022 and subsequently revised and disclosed in the Company's announcement dated 20 March 2023. The following table sets out the planned applications of the net proceeds and the actual usage up to 31 December 2024.

Intended use of the proceeds	Planned application *(HK$ million)*	Details of usage	Utilised amount of net proceeds during the Reporting Period *(HK$ million)*	Actual utilisation up to 31 December 2024 *(HK$ million)*	Unutilised net proceeds as at 31 December 2024 *(HK$ million)*	Expected timeline for full utilisation of the unutilised net proceeds *(Note 1)*
(i) For the R&D and commercialisation of our drug candidate	39.6	For the R&D and commercialisation of our core product, SM03, to fund clinical trials for SM03 including (i) ongoing and planned clinical trials in the PRC; and (ii) New Drug Application registration filings and the commercial launch of SM03.	1.4	33.3	6.3	By the end of 2025
(ii) Further advance the Company's R&D programmes, expand its R&D team, build its commercialisation team, develop its proprietary technology and enhance its full-spectrum platform	0.2	For R&D programmes of SN1011, especially for the Phase 2 clinical study for neuromyelitis optica spectrum disorder (NMOSD) in China, for the trial expense and related production cost.	–	0.2	–	N/A
	4.0	To fund the expansion of R&D team.	2.3	2.3	1.7	By the end of 2025
	2.0	To build the Company's commercialisation team, develop its proprietary technology and enhance the Company's full-spectrum platform.	2.0	2.0	–	N/A
(iii) For general working capital purpose	5.1	For the general working capital of the Group, including but not limited to staff employment cost and rental and property management fees.	–	4.5	0.6	By the end of 2025
Total	50.9		5.7	42.3	8.6	

Notes:

1. The expected timeline for utilisation of the unutilised net proceeds is based on the estimation made by the Group and is subject to change based on the future development and events which may be outside the Group's control.

2. SM03 refers to SM03 (Suciraslimab), the flagship product of the Company.

Such utilisation of the net proceeds was in accordance with the planned applications as set out in the above. The unutilised portion of the net proceeds will be applied in a manner consistent with the above planned applications.

2023 Share Subscriptions

The Company completed an issue of 48,322,093 new ordinary shares and 8,512,626 new ordinary shares at a subscription price of HK$1.29 per share on 12 January 2024 and 31 January 2024, respectively, and raised net proceeds of approximately HK$73,181,794 (the "**2023 Subscriptions**").

References are made to the Company's announcements dated 14 December 2023, 12 January 2024 and 31 January 2024. The following table sets out the planned applications of the net proceeds and the actual usage up to 31 December 2024.

Change in use of proceeds raised from 2023 Subscriptions

Given our strong Phase 1 data from clinical studies in the US and China, the Company decides to reallocate HK$11.0 million from the use of net proceeds raised from the 2023 Subscriptions from "For clinical trials of Suciraslimab for the treatment of mild cognitive impairment (MCI)" to "For clinical studies for SM17 for the treatment of atopic dermatitis" to enhance clinical studies for SM17.

The Board considered the impact of the proposed change in the use of proceeds on the Group's business and believes that, in view of the Group's business development, the reallocation of the untilised net proceeds would be appropriate and would facilitate efficient allocation of financial resources and strengthen the future development of the Group, and is therefore in the interests of the Company and its shareholders as a whole.

To strive for better business performance of the Group, the Board will continuously assess the use of untilised net proceeds and may revise or amend the plan for the use of the unutilised net proceeds where necessary in respond to the changing market condition.

Save for the above, there is no other change in the use of net proceeds.

Use of proceeds	Planned application *(HK$ million)*	Revised allocation *(HK$ million)*	Utilised amount of net proceeds during the Reporting Period *(HK$ million)*	Actual utilisation up to 31 December 2024 *(HK$ million)*	Unutilised net proceeds as at 31 December 2024 *(HK$ million)*	Expected timeline for full utilisation of the unutilised net proceeds *(Note 1)*
For marketing and commercialisation, including establishment of a sales and marketing team, post commercialisation medical activities and marketing and academic promotion activities for Suciraslimab	25.6	25.6	2.0	2.0	23.6	By the end of 2025
For commercial production and post-launch site transfer for Suciraslimab	14.6	14.6	–	–	14.6	By the end of 2025
For BLA commercialisation application and extension study for Suciraslimab	11.0	11.0	1.1	1.1	9.9	By the end of 2025
For clinical trials of Suciraslimab for the treatment of mild cognitive impairment (MCI)	11.0	–	–	–	–	N/A
For clinical studies for SM17 for the treatment of atopic dermatitis	11.0	22.0	6.9	6.9	15.1	By the end of 2025
Total	73.2	73.2	10.0	10.0	63.2	

Note:

1. The expected timeline for utilisation of the unutilised net proceeds is based on the best estimation made by the Group and is subject to change based on the future development and events which may be outside the Group's control.

Such utilisation of the net proceeds was in accordance with the planned applications as set out in the above. The unutilised portion of the net proceeds will be applied in a manner consistent with the above planned applications.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with each of the Directors, all the Directors confirmed that they had complied with such code of conduct throughout the year ended 31 December 2024.

PRELIMINARY ANNOUNCEMENT OF AUDITED ANNUAL RESULTS

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement does not constitute the Company's statutory annual consolidated financial statements for both years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**") is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 to the Registrar of Companies in due course.

- The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified, included a reference to material uncertainty related to going concern to which the auditor drew attention by way of emphasis without qualifying its reports, and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential to providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules throughout the Reporting Period.

The Board is of the view that throughout the Reporting Period, the Company has complied with all code provisions as set out in the CG Code, save for the deviation as disclosed in this announcement.

Pursuant to code provision C.2.1 in the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Dr. Shui On LEUNG ("**Dr. Leung**") is currently both the chairman and the chief executive officer of the Company. The Board believes that Dr. Leung, being the founder and the chief executive officer of the Company, has extensive understanding of the Company's business. The joining of Mr. Shanchun WANG as the executive Director and President (China) of the Company who is responsible for overseeing and managing the Group's overall operation, including production and commercialisation, as well as clinical development, in China, has also greatly supported Dr. Leung in his focus on research & development, business development and strategic opportunity exploration and identification for the Group, and thus Dr. Leung is the Director best suited, among all Directors, to act as the chief executive officer. The Board further believes that the combined role of chairman and chief executive officer will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board require approval by at least a majority of the Directors; (ii) Dr. Leung and other Directors are aware of and have undertaken to fulfil their fiduciary duties as Directors, which require, amongst other things, that they act for the benefit and in the best interests of the Company as a whole and will make decisions for the Company accordingly; (iii) the balance of power and authority is protected by the operations of the Board, which consists of two executive Directors, four non-executive Directors and four independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategies and other key business, financial, and operational policies of the Company are made collectively after thorough discussions at both the Board and senior management levels. Therefore, the Board considers that it is in the best interests of the Group for Dr. Leung to take up both roles for business development and effective management, and the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances.

AUDIT COMMITTEE

The Audit Committee comprises four independent non-executive Directors, being Mr. Ping Cho Terence HON (Chairman), Mr. George William Hunter CAUTHERLEY, Dr. Chi Ming LEE and Mr. Dylan Carlo TINKER. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control and systems of the Group and overseeing the audit process and the relationship between the Company and its auditor.

The Audit Committee has reviewed alongside the management and external auditor the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the Reporting Period.

SCOPE OF WORK OF THE GROUP'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statements of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this annual results announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024 prepared in accordance with HKFRSs. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this annual results announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report on the Company's consolidated financial statements for the year ended 31 December 2024:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB185,141,000 during the year ended 31 December 2024 and the Group had net current liabilities of RMB18,161,000 as of 31 December 2024. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The aforesaid "note 2.1 to the consolidated financial statements" in the extract from the independent auditor's report is disclosed as note 2 to this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Friday, 13 June 2025. The notice of the AGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinomab.com) and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

FINAL DIVIDEND

The Board does not recommend payment of a final dividend for the Reporting Period.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 10 June 2025 to Friday, 13 June 2025, both days inclusive, during which no transfer of shares will be registered, in order to determine the holders of the shares of the Company who are entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers of the shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's 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, no later than 4:30 p.m. on Monday, 9 June 2025 (Hong Kong time, being the last share registration date).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
REVENUE	*4*	**2,026**	1,365
Cost of sales		**(1,483)**	(943)
Gross profit		**543**	422
Other income and gains	*4*	**7,621**	10,746
Research and development costs		**(94,753)**	(135,409)
Administrative expenses		**(67,716)**	(97,615)
Other expenses	*5*	**(22,175)**	(14,671)
Finance costs		**(8,661)**	(6,584)
LOSS BEFORE TAX		**(185,141)**	(243,111)
Income tax expense	*6*	**–**	–
LOSS FOR THE YEAR		**(185,141)**	(243,111)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*7*	**(0.17)**	(0.24)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(185,141)**	(243,111)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation to the presentation currency	**10,750**	9,961
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(174,391)**	(233,150)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**484,108**	463,914
Right-of-use assets		**66,614**	72,860
Intangible assets		**935**	1,844
Deposits		**801**	1,100
Other non-current assets	*9*	**15,305**	37,885
Total non-current assets		**567,763**	577,603
CURRENT ASSETS			
Prepayments, deposits and other receivables		**12,457**	6,087
Financial assets at fair value through profit or loss	*10*	**44,978**	30,993
Pledged and restricted deposits		**66,002**	29,439
Cash and cash equivalents		**61,900**	203,664
Total current assets		**185,337**	270,183
CURRENT LIABILITIES			
Other payables and accruals	*11*	**77,918**	101,395
Lease liabilities		**12,941**	4,663
Interest-bearing bank borrowings	*12*	**112,639**	66,588
Total current liabilities		**203,498**	172,646
NET CURRENT (LIABILITIES)/ASSETS		**(18,161)**	97,537
TOTAL ASSETS LESS CURRENT LIABILITIES		**549,602**	675,140
NON-CURRENT LIABILITIES			
Lease liabilities		**50,044**	54,750
Interest-bearing bank borrowings	*12*	**306,647**	324,807
Total non-current liabilities		**356,691**	379,557
Net assets		**192,911**	295,583
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**1,790,094**	1,725,211
Reserves		**(1,597,183)**	(1,429,628)
Total equity		**192,911**	295,583

NOTES

1. GENERAL

The Company was established in Hong Kong on 27 April 2001 with limited liability. On 12 November 2019, the shares were listed on the Main Board of the Stock Exchange. The registered address of the Company is located at Units 303 and 305 to 307, No. 15 Science Park West Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong. The principal activities of the Group are mainly research and development of pharmaceutical products.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

The Group had net current liabilities of RMB18,161,000 as at 31 December 2024 and incurred a net loss of RMB185,141,000 during the year ended 31 December 2024.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been undertaken to mitigate the liquidity pressure and to improve the Group's financial position of the Group:

(i) The Group is actively negotiating with external parties to obtain new sources of financing or strategic capital investments to finance the Group's working capital and improve the liquidity position;

(ii) The Group has been actively negotiating with banks for renewal and extension of existing bank borrowings;

(iii) The Group has planned to realise additional cash from disposal of certain financial assets of the Group; and

(iv) The Group has planned or implemented various measures to control administrative costs and research and development costs, such as further reprioritisation of pipelines and containment of employee costs.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from 31 December 2024. In the opinion of the directors of the Company taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations and commitment as and when they fall due within the next twelve months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding this, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The above amendments are not expected to have any significant impact on the Group's consolidated financial statements.

3.2 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

The directors of the Company anticipate that application of the new and revised HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contract with a customer	**2,026**	1,365

Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Type of goods		
Sales of capsules	**2,026**	1,365
Geographical market		
Mainland China	**2,026**	1,365
Timing of revenue recognition		
Goods transferred at a point in time	**2,026**	1,365

Notes:

(i) On 19 December 2022, the Company entered into a capsule sales agreement to sell the capsule which is the Bruton's tyrosine kinase ("**BTK**") inhibitor. In February 2023 and April 2024, the Company supplied capsules and recognised the corresponding revenue and costs separately.

(ii) The performance obligation is satisfied upon delivery of the capsule products.

An analysis of other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Other income and gains		
Bank interest income	**5,881**	6,176
Government grants	**571**	3,027
Fair value gain on financial instruments at fair value through profit or loss	**496**	111
Gain on disposal of items of property, plant and equipment	**83**	–
Rental income	**–**	662
Others	**590**	770
Total other income and gains	**7,621**	10,746

The government grants mainly represent grants received from the local governments for supporting research activities, clinical trials and employment. There were no unfulfilled conditions or contingences relating to these grants received during the year.

5. OTHER EXPENSES

	2024	2023
	RMB'000	*RMB'000*
Loss on termination of purchase contracts	**12,579**	–
Foreign exchange loss	**9,471**	12,814
Loss on lease termination	**–**	1,028
Fair value loss on financial liabilities at fair value through profit or loss	**–**	625
Others	**125**	204
Total other expenses	**22,175**	14,671

6. INCOME TAX

No Hong Kong profit tax has been made as the Company did not generate any assessable profit during the year (2023: Nil).

Under the Enterprise Income Tax Law of the People's Republic of China (the "**EIT Law**") and Implementation Regulation of the EIT Law, the estimated tax rate of the Group's subsidiaries in Mainland China is 25% during the periods presented in the consolidated financial statements. No Enterprise Income tax under EIT Law was provided for as there was no estimated assessable profit of the Group's subsidiaries in Mainland China during the periods presented in the consolidated financial statements.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Deferred taxation had not been recognised on the unused tax losses and deductible temporary differences due to the unpredictability of future profit streams.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share is based on the consolidated loss for the year attributable to ordinary equity holders of the parent of RMB185,141,000 (2023: RMB243,111,000), and the weighted average number of ordinary shares of 1,073,649,559 (2023: 1,018,115,585) in issue during the year, as adjusted to exclude the shares held under the share award scheme of the Company.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted loss per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**185,141**	243,111

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year	**1,073,649,559**	1,018,115,585

There were 15,955,500 shares held under Share Award Scheme as of 31 December 2024 (2023: 15,955,500).

8. DIVIDEND

No dividend was paid or declared by the Company during the years ended 31 December 2024 and 2023.

9. OTHER NON-CURRENT ASSETS

Other non-current assets represent prepayments for purchases of property, plant and equipment mainly in relation to the construction of Suzhou production base primarily for the commercial-scale production of the core product SM03.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	**2024** ***RMB'000***	2023 *RMB'000*
Unlisted investment, at fair value		**31,455**	30,993
Structured deposit	*(i)*	**13,523**	–
Total		**44,978**	30,993

Note:

(i) The structured deposit was mandatorily classified as financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest. The Group has estimated the fair value of the structured deposit based on fair value provided by the financial institution. As of 31 December 2024, the maturity of the structured deposit is within one month, with an expected return rate ranging from 1.00% to 2.25% per annum.

11. OTHER PAYABLES AND ACCRUALS

	Note	2024 RMB'000	2023 RMB'000
Costs of construction and purchase of equipment payables		**40,946**	56,093
Other payables and accrued expenses	*(i)*	**33,899**	29,034
Payroll payable		**2,807**	5,436
Taxes other than corporate income tax		**266**	494
Deposits received for subscriptions of new shares		**–**	10,038
Deferred income		**–**	300
Total		**77,918**	101,395

Note:

(i) Other payables and accrued expenses are non-interest bearing and repayable on demand, or within one year.

12. INTEREST-BEARING BANK BORROWINGS

	2024 RMB'000	2023 RMB'000
Non-current		
Unsecured bank borrowings	**138,363**	152,464
Secured bank borrowing	**168,284**	172,343
Total – non-current	**306,647**	324,807
Current		
Unsecured bank borrowings	**41,624**	34,723
Secured bank borrowings	**71,015**	31,865
Total – current	**112,639**	66,588
Total	**419,286**	391,395
Bank borrowings repayable analysed into:		
Within one year	**112,639**	66,588
In the second year	**114,558**	47,600
In the third to fifth years, inclusive	**192,089**	277,207
Total	**419,286**	391,395

Notes:

(a) The Group's overdraft facilities amounting to RMB768,713,000 (2023: RMB907,555,000), of which RMB446,797,000 (2023: RMB409,657,000) had been utilised as at the end of the reporting period.

(b) Certain of the Group's bank borrowings are secured by:

(i) mortgages over the Group's land use right and construction in progress, which had a net carrying value at the end of the reporting period of approximately RMB334,261,000 (2023: RMB323,619,000); and

(ii) The pledge of certain of the Group's deposits amounting to RMB44,993,000 (2023: RMB5,000,000).

(c) All borrowings are denominated in RMB.

(d) The effective interest rates of the bank borrowings as at 31 December 2024 range from 3.15% to 3.90% (31 December 2023: 3.30% to 4.05%) per annum.

13. SHARE CAPITAL

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid:		
1,091,755,119 (2023: 1,034,920,400) ordinary shares	**1,790,094**	1,725,211

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital** *RMB'000*
At 1 January 2023, 31 December 2023 and 1 January 2024	1,034,920,400	1,725,211
New shares issued	56,834,719	64,883
At 31 December 2024	1,091,755,119	1,790,094

PUBLICATION OF AUDITED CONSOLIDATED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON WEBSITES OF STOCK EXCHANGE AND COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinomab.com). The 2024 annual report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and/or published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 31 March 2025

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