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To ：Business Editor **【For Immediate Release】**

中國抗體製藥有限公司

SinoMab BioScience Limited

SinoMab Announced 2019 Annual Results
Rapidly Advancing the Commercialisation of Flagship Products
Good Development Momentum of Product Pipeline

[24 March 2020, Hong Kong] SinoMab BioScience Limited ("**SinoMab**" or the "**Company**", together with its subsidiaries, the "**Group**"; stock code: 3681.HK), a Hong Kong-based biopharmaceutical company dedicated to the research, development, manufacturing and commercialisation of therapeutics for the treatment of immunological diseases, is pleased to announce the annual results for the year ended 31 December 2019 (the "**Reporting Period**" or "**Year of 2019**").

Financial Highlights of 2019

- Total comprehensive loss was approximately RMB273.08 million for the Reporting Period, representing an increase of approximately RMB193.80 million compared to the year ended 31 December 2018, mainly due to the increase in research and development ("R&D") expenses and administrative expenses, which was aligned with the Group's clinical trial development of SM03 and SN1011, milestone payments of co-developed products, intellectual property transfer fees, and listing expenses..
- Net cash from financing activities for the year ended 31 December 2019 was approximately RMB1,420.80 million, which was principally attributable to net cash from the successful new allotment of shares amounting to RMB1,137.88 million through the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 November 2019.
- Net cash used in investing activities for the Reporting Period was approximately RMB42.29 million, which was mainly due to Suzhou

production base's construction, which will significantly enhance the Group's production capacity.

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

Business Highlights of 2019

- During the Reporting Period, the Company has achieved significant progress with respect to the Group's clinical trial programs, pipeline development, and preparation of commercialisation, including:
  - Enrolment of patients for Phase III clinical trials of SM03 (potential first-in-target anti-CD22 monoclonal antibody ("mAb")) for rheumatoid arthritis ("RA") started in 2019. As at 31 December 2019, a total of 288 patients have been enrolled and treated with the assigned drugs.
  - As for SN1011's Phase I clinical trial for immunological diseases in Australia, as at 15 January 2020, the clinical trial in respect of single ascending dose ("**SAD**") has been completed with 40 subjects participated in the clinical trial with no serious adverse event ("**SAE**") reported. The clinical trial has entered into multiple ascending doses ("**MAD**"), and current safety is in line with expectations.
  - As at 17 January 2019, the Company entered into an agreement with LifeArc for the co-development of SM17, which is a humanised mAb against the receptor IL17BR found on type 2 innate-lymphoid cells ("**ILC2**").
  - As for construction of Suzhou commercial-scale production base which occupies approximately 7,000 sq.m. with a total production capacity of 6,000L (in addition to the Company's current total production capacity of 1,200L), the administrative areas, testing laboratories and R&D laboratories were completed as at 31 December 2019..

For the Reporting Period, the Group has obtained net cash from financial activities of approximately RMB1,420.80 million, principally from the listing of the shares of the Company on the Stock Exchange. Total comprehensive loss was approximately RMB273.08 million for the Reporting Period, representing an increase of approximately RMB193.80 million for the year ended 31 December 2018, mainly due to the increase in R&D expenses and administrative expenses, which was aligned with the Group's clinical trial development of SM03 and SN1011, milestone payments of co-developed products, intellectual property transfer fees and listing expenses. Net cash used in investing activities for the Reporting

Period was approximately RMB42.29 million, which was mainly due to Suzhou production base's construction, which will significantly enhance the Group's production capacity.

Fulfilling the Group's Mission with Grasping Products Development

The Company strives to become a leading global biopharmaceutical company for the development of novel drugs to fulfill unmet medical needs through our Hong Kong-based research and development and PRC-based manufacturing capabilities. During the Reporting Period, drug candidates of SinoMab are being developed accordingly. SM03, the flagship product, is a potential first-in-target mAb for the treatment of rheumatoid arthritis ("**RA**") and potentially for the treatment of other immunological diseases. SM03 is the drug candidate which comes the closest to commercialisation. As at 31 December 2019, a total of 288 patients have been enrolled into SM03 Phase III clinical trials and treated with the assigned drugs. The Company plans to file the Biologics Licence Application ("**BLA**") for SM03 with National Medical Products Administration of the PRC in the first half of 2021, as well as conducting a bridging clinical study in Australia in the first half of 2020 and initiate global R&D in the United States and Europe as planned. SM03 is expected to be marketed by the end of 2021. The Company believes that the commercialisation of SM03 would bring stable cash flow, meanwhile it would realise the R&D results with leveraging the competitiveness, and therefore it would create values for shareholders and investors.

SN1011 is the Company's third-generation covalent reversible Bruton's tyrosine kinase ("**BTK**") inhibitor designed for higher selectivity with superior efficacy and safety profile for the treatment of RA, systemic lupus erythematosus ("**SLE**") ,pemphigus and other immunological diseases for long term administration. It is currently undergoing Phase I clinical trial in Australia, the Company has been conducting the clinical trials for the evaluation of the safety and tolerability of SN1011 in a group of healthy adult subjects, including both SAD and MAD studies. As at 15 January 2020, the phase I of the clinical trial in respect of the SAD part has been completed on 40 Caucasian subjects. The Company is planning to make an Investigational New Drug ("**IND**") submission (autoimmune disease) in China in 2020. The timeframe was extended from the original schedule as a result of the uncertainties brought by COVID-19.

SM17 was originally developed by Dr. Andrew N.J. McKenzie, FRS, at the MRC Laboratory of Molecular Biology and the Company has been entrusted by LifeArc to co-develop SM17. The drug candidate is in the IND-enabling stage developed for the treatment of asthma and the rare disease idiopathic pulmonary fibrosis ("**IPF**"). The Company is in the process of generating and collecting the necessary data through its in-house platforms for IND filing. The Company is currently generating high-yield production cell and preparing for the full characterisations of SM17. Upon the establishment of the cell bank, the Company will further establish the parameters for bioreactor production, optimise purification and formulation,

and finalise physicochemical properties and quality control assays for SM17. The Company intends to enter into human clinical trials by the first quarter of 2021.

For other drugs candidates treating autoimmune diseases, namely SM09, 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; SM06 (humanised anti-CD22) , a second-generation anti-CD22 antibody that is humanised using our proprietary framework-patching technology and TNF2 (humanised Ab) , a humanised version of infliximab are all in the stage of new drugs research accordingly.

Leveraging Production Base, Strengthening All-rounded Business Platform with Vertical Integration

2019 is also a year of vertical integration for SinoMab, transforming the Company into a more all-rounded business. The Company owns a platform which integrates all industry functionalities, including 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 into one. The Haikou production base is compliant with the current Good Manufacturing Practice ("**GMP**") standards, expected to be in operation for supporting the submission of SM03 BLA and the initial phase of commercialisation production. As for construction of Suzhou commercial-scale production base which occupies approximately 7,000 sq.m. with a total production capacity of 6,000L, the administrative areas, testing laboratories and R&D laboratories were completed as at 31 December 2019. These facilities are under commissioning and are expected to be in operation in the first half of 2020 for supporting ongoing and new product development projects. The construction and equipment installation for the production area are expected to be completed in the first half of 2021, and the production area is expected to fully operate in the second half of 2021. The Company believes that by having the second production base, it helps contributing to a more comprehensive all-round business platform, synergizing capabilities in research and development, administration and sales of products.

Rapidly Advancing the Commercialisation of SM03 with Recruiting Professional Team

With a diverse and expanding product pipeline, the Company believes that it is well-positioned to become an industry leader in the development of treatments for immunological diseases. The Group will focus on the advancement of the flagship product ,SM03, towards commercialisation, and will gradually launch SM03 by the end of 2021. The Group will strengthen commercialisation by putting in place the senior management team in charge of

commercialisation at the end of 2020. The Group expects to hire up to 100 employees by 2021. The commercialisation team is expected to cover a majority of provinces and municipalities in China and to support the future commercialisation of the drug candidates. By setting up the commercialisation team, the Group believes it will efficiently expand the market share of SM03, it will also fulfil the Group's mission to the treatment of immunological diseases, as well as taking an important step to the global presence.

Dr. Shui On LEUNG, the Executive Director, Chairman of the Board and Chief Executive Officer of SinoMab said, "SinoMab is dedicated to serve the treatment of immunological diseases, and strives to development novel drugs to fulfil unmet medical needs. With the great potential of rheumatoid arthritis market and the strong support of the PRC's policy, rheumatoid immunology is well positioned to step into the golden era. As one of a select few biopharmaceutical companies in the Greater China Region with an established full-spectrum platform, the Group will continue to focus on the advancement of the flagship product, SM03, towards commercialisation, further progress 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."

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About SinoMab BioScience Limited

SinoMab BioScience Limited ("SinoMab" or the **"Company"**, stock code: **3681.HK)** is dedicated to the research, development, manufacturing and commercialization of therapeutics for the treatment of immunological diseases. The Company's flagship product SM03 is a potential global first-in-target mAb against CD22 for the treatment of rheumatoid arthritis and is currently in Phase III clinical trial for rheumatoid arthritis in China, which has been recognized as one of the significant special projects of Significant New Drugs Development of the Twelfth Five-Year Plan Period and the Thirteenth Five-Year Plan Period. In addition, the Company possesses other potential first-in-target and first-in-class drug candidates, some of which are already in clinical stage, with their indications covering rheumatoid arthritis, systemic lupus erythematosus, non-Hodgkin's lymphoma, asthma, and other diseases with major unmet clinical needs.

This press release is issued by Porda Havas International Finance Communications Group for and on behalf of **SinoMab BioScience Limited**. For further information, please contact:

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