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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") 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 unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2026 (the "**Reporting Period**"), together with comparative figures for the corresponding period in 2025. The condensed 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**") in conjunction with the Company's external auditor. Unless otherwise specified, figures in this announcement are prepared under the HKFRS Accounting Standards.

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

BUSINESS HIGHLIGHTS

- The Board is excited to announce that, during the Reporting Period, we achieved significant progress with respect to the Group's clinical trial programs and pipeline development, including the following:

  - Our key product, SM17, *a global first-in-class humanised monoclonal antibody targeting the receptor for IL-25* — Completed the Phase 1 clinical bridging study supporting the conversion from intravenous to subcutaneous administration and announced favourable topline results on 25 March 2026. The study demonstrated favourable safety, tolerability and pharmacokinetic profiles, with robust bioavailability and low immunogenicity. On 31 March 2026, the first patient was successfully dosed in the Phase 2 clinical trial of SM17 for the treatment of moderate-to-severe atopic dermatitis ("**AD**") in China. The patient enrolment is progressing smoothly, with the target of completing all enrolment by the third quarter of 2026. In addition, the Investigational New Drug ("**IND**") application for inflammatory bowel disease ("**IBD**"), including Crohn's disease ("**CD**") and ulcerative colitis ("**UC**"), was approved by the China National Medical Products Administration ("**NMPA**") on 24 February 2026, representing a significant milestone in expanding SM17 beyond AD. SM17 continues to demonstrate its potential as a first-in-class and best-in-class therapy through its differentiated mechanism of action, rapid and profound pruritus relief, skin-healing efficacy and favourable safety profile.

  - Our other drug candidate, anti-CGC (common gamma chain) antibody (hC2), *an in-house developed first-in-class humanised anti-γc antibody* — Presented positive preclinical data at the Society for Investigative Dermatology ("**SID**") Annual Meeting 2026 and subsequently published the findings in the *Journal of Investigative Dermatology*. The data demonstrated significant efficacy in humanised animal models of alopecia areata ("**AA**") and vitiligo while maintaining a favourable tolerability profile. The Company is currently advancing chemistry, manufacturing and control process (CMC) optimisation and IND-enabling toxicology studies and plans to submit IND applications for AA to both the U.S. Food and Drug Administration ("**FDA**") and the NMPA in the fourth quarter of 2026.

  - Our bispecific antibody candidate targeting receptor activator of the nuclear factor kappa-B ligand (RANKL) and sclerostin, *a novel first-in-class osteoporosis programme* — Continued to advance through preclinical development. In-house studies demonstrated superior bone-forming and bone-protective effects compared with currently marketed therapies. The Company is progressing CMC optimisation and non-human primate toxicology studies and currently plans to submit an IND application in the first half of 2027.

- Our flagship product, SM03 (Suciraslimab), *a potential global first-in-class anti-CD22 monoclonal antibody* — Continued to advance towards the treatment of systemic lupus erythematosus ("**SLE**") following encouraging preclinical findings demonstrating its differentiated mechanisms involving "B Cell Modulation Without Depletion", "Dual Mechanism and Dual Regulation" and "Organ Protection". The Company remains focused on advancing the clinical development programme of Suciraslimab for SLE and is progressing planning for Phase 2 clinical study while continuing to explore its potential application in neuro-immunological diseases, including Alzheimer's disease.

- During the Reporting Period, the Group continued to strengthen its scientific leadership and global visibility. Notably, preclinical findings relating to SM17 were published in *ERJ Open Research*, demonstrating its anti-fibrotic and dual Th2/Th17 pathway inhibition properties, while findings relating to hC2 were published in the *Journal of Investigative Dermatology*, further validating the scientific basis and therapeutic potential of the anti-CGC platform. The management team also actively participated in major international healthcare conferences, including the 44th Annual J.P. Morgan Healthcare Conference and BIO 2026, and continued to pursue global business development and licensing opportunities for its differentiated pipeline.

- Strategic transition to an asset-light operating model: On 12 March 2026, the Company entered into an agreement to terminate the lease for its Haikou production base. The termination reflects the Group's strategic shift towards a more flexible and asset-light operational structure, with the objective of reducing fixed operating costs and allowing management to focus resources on core activities, including research and development and future commercialisation.

FINANCIAL HIGHLIGHTS

- Excluding the one-off impairment loss on non-current assets of approximately RMB56.3 million, loss for the six months ended 30 June 2026 was approximately RMB71.1 million, representing an increase of RMB21.3 million from RMB49.8 million for the six months ended 30 June 2025. The increase was mainly due to the laboratory and experiment costs incurred in connection with the initiation of the Phase 2 clinical trial of SM17 for atopic dermatitis in China during the Reporting Period.

- The one-off impairment loss on non-current assets of approximately RMB56.3 million was in relation to the sale and purchase agreement entered into on 6 July 2026 for the disposal of Suzhou property and facility for a consideration of RMB280.0 million. The Target Assets comprise the land use right of an industrial land parcel located in Suzhou Industrial Park, China, with a total site area of approximately 43,158.21 sq.m. and a total gross floor area of approximately 71,315.23 sq.m., together with all buildings (including production plants, office and warehouse buildings), ancillary structures, facilities and related equipment situated thereon (the "**Target Assets**"). As at 30 June 2026, the aggregate net book value of the Target Assets before impairment was approximately RMB336.3 million.

- As at 30 June 2026, total funding available to use including cash and cash equivalents, pledged and restricted deposits and wealth management products was RMB196.5 million, compared to RMB351.5 million as at 31 December 2025.

- The Directors have resolved not to declare an interim dividend for the Reporting Period (six months ended 30 June 2025: Nil).

BUSINESS OVERVIEW

Currently, the global biopharmaceutical industry stands at the intersection of a new wave of technological revolution and industrial transformation. With deepening immunological research and the accelerating convergence of multidisciplinary technologies, biomedicine is advancing at an unprecedented pace into the "Biotech 3.0 Era", defined by precision medicine and original innovation. Autoimmune diseases, the neurological disorders arising from them, and other refractory debilitating diseases still present enormous, unmet clinical needs.

Since our establishment, we have consistently adhered to a "differentiated innovation" R&D philosophy, focusing on the discovery and development of First-in-Class (FIC) and Best-in-Class (BIC) therapeutic antibodies targeting novel biological pathways through innovative mechanisms. In the first half of 2026, we have actively implemented an "asset-light, high-efficiency" operating model, further optimizing resource allocation and concentrating our core resources on the most differentiated and advantageous segments of the value chain. By continuously strengthening our in-house R&D and clinical development capabilities and actively collaborating with world-class contract research organisation (CRO)/contract development and manufacturing organisation (CDMO) partners, we have achieved faster, higher-quality R&D outcomes and superior cost management.

During the Reporting Period and up to the date of this announcement, our pipeline achieved multiple key advances. Core products reached phased milestones in clinical development, indication expansion, and regulatory submissions, with several programs attaining important regulatory milestones.

SM17 is a global First-in-Class humanised monoclonal antibody independently developed by the Group, targeting the interleukin-25 (**IL-25**) receptor. As an innovative drug targeting an upstream "alarmin" molecule, SM17 suppresses the inflammatory cascade at its source, offering broad potential for treating various immune-mediated inflammatory diseases ("**IMID**"), including atopic dermatitis ("**AD**"), inflammatory bowel disease ("**IBD**"), asthma, chronic rhinosinusitis with nasal polyps ("**CRSwNP**"), and idiopathic pulmonary fibrosis ("**IPF**").

During the Reporting Period and up to the date of this announcement, SM17 achieved significant progress across multiple indications:

In the atopic dermatitis ("**AD**") field, the Group completed the Phase 1 bridging study of the subcutaneous formulation of SM17 and achieved positive topline results on 25 March 2026. Data from 30 healthy subjects showed that subcutaneous formulation had a favourable safety and pharmacokinetic profile, with only one case of Grade 1 injection site rash that resolved spontaneously, and robust absolute bioavailability. This lays a solid foundation for the subsequent development of more convenient subcutaneous dosing regimens. On 31 March 2026, the Group initiated a Phase 2 clinical trial of SM17 for the treatment of moderate-to-severe AD. This trial is a multicenter, randomized, double-blind, placebo-controlled study, with a planned enrolment of approximately 210 patients in China. Patient enrolment is currently progressing on track, with the target of completing all enrolment by the third quarter of 2026, and topline data are expected to be read out in the first quarter of 2027. Meanwhile, the Group is proactively preparing another Phase 2 study to enrol patients with moderate-to-severe AD in Australia.

The Phase 1b proof-of-concept study for SM17 has previously demonstrated excellent efficacy and safety: 91.7% of patients in the high-dose group achieved the pruritus relief endpoint (NRS-4), 75% achieved the skin lesion recovery endpoint (EASI 75), and 41.7% achieved complete or near-complete clearance of AD symptoms (IGA 0/1). These data are significantly superior to IL-4/IL-13 monoclonal antibodies, and the safety and tolerability are significantly better than JAK inhibitors. The Group believes that conducting clinical studies both in China and Australia simultaneously is conducive to further validate efficacy and safety of SM17 and facilitate its global out-licensing partnerships.

In the IBD field, on 24 February 2026, the clinical trial application for SM17 for the treatment of IBD was officially approved by the China National Medical Products Administration ("**NMPA**"), covering Crohn's disease ("**CD**") and ulcerative colitis ("**UC**"). This IND approval marks an important step in expanding the therapeutic scope of SM17 from atopic dermatitis ("**AD**") to IBD. There are over 6.8 million IBD patients worldwide, with existing drug remission rates of only 10% to 20%, representing a significant unmet medical need. Notably, the Group has completed the follow-up of the bridging study of subcutaneous SM17 in healthy volunteers, and these data will be directly used to support the advancement of the IBD indication to Phase 2 clinical development, eliminating the need to repeat the Phase 1 trial and significantly shortening the development timeline. The Group is currently closely working with several renowned key opinion leaders (KOL) in IBD to discuss the IBD clinical plan of SM17.

In terms of academic recognition, the Group published the preclinical study of SM17 in February 2026 in *ERJ Open Research*, a subsidiary journal of the *European Respiratory Journal*, demonstrating that SM17 significantly ameliorates the pathological features of CRSwNP and IPF through dual inhibition of the Th2 and Th17 inflammatory pathway and antifibrotic activity. In the IPF model, SM17 showed efficacy comparable to the approved drug Nintedanib in reducing collagen deposition, and exhibited a trend toward superiority over both Nintedanib and Pirfenidone in inhibiting α-SMA expression. These findings further validate the immense value of SM17 as a "pipeline-in-a-drug" platform molecule.

In May this year, the Group presented the preclinical research results of the novel anti-γc antibody hC2 for the treatment of alopecia areata ("**AA**") at the Society for Investigative Dermatology ("**SID**") Annual Meeting 2026 in Chicago, USA. The data showed that hC2 effectively reversed hair loss in humanised animal models for alopecia areata ($p<0.001$) and significantly reduced skin depigmentation in a vitiligo model ($p<0.05$). In June, these preclinical findings were further published in the *Journal of Investigative Dermatology*, a leading international dermatology journal. The research revealed that hC2, by selectively binding to the upstream γc receptor to modulate γc cytokine signaling, has a mechanism fundamentally distinct from JAK inhibitors — avoiding off-target inhibition of TEC kinases, partially preserving IL-2 signaling (approximately 50%), better maintaining regulatory T cell function and immune homeostasis, and suppressing pathogenic inflammation without causing simple immunodeficiency. Combined with preliminary toxicology studies in non-human primates, hC2 demonstrated a favourable tolerability profile. The Group plans to submit IND applications for the AA indication to the U.S. Food and Drug Administration (FDA) and National Medical Products Administration (NMPA) at the same time in the fourth quarter of 2026.

During the Reporting Period and up to the date of this announcement, the Group continued to advance its bispecific antibody candidate, which targets receptor activator of the nuclear factor kappa-B ligand ("**RANKL**") and sclerostin. In preclinical studies, this bispecific antibody product demonstrated significantly superior osteogenic and bone-protective efficacy compared to market-approved monoclonal antibodies (such as Denosumab), and is expected to become a next-generation therapy with a generational advantage in the field of osteoporosis. In December 2025, FDA updated its review standards to recognize bone mineral density ("**BMD**") as a clinical endpoint, which is expected to further accelerate the development process of such drugs. The Group plans to submit an IND application in the first half of 2027.

High-efficiency and light-asset model is the Group's long-term strategy. During the Reporting Period and up to the date of this announcement, the Group successfully entered into an agreement to dispose its Suzhou property and facility at a consideration of RMB280 million. The net proceeds from the disposal are expected to strengthen the Group's working capital position and improve cash flow, thereby providing additional financial flexibility to support the Group's research and development activities, clinical programmes, pipeline advancement and other operational needs. The Group considers that the disposal will enable the Group to focus its financial and management resources on its core business.

Management team actively participated in global healthcare conferences, including the 44th Annual J.P. Morgan Healthcare Conference, the 2026 LifeArc Translational Science Summit, and The BIO International Convention (BIO 2026). At these events, the Group presented its latest business progress and future strategy to global investors, and explored strategic collaborations and broader partnership opportunities around its differentiated potential first-in-class and potential best-in-class pipeline. Key progress on core products was shared. The Group is actively seeking to establish diversified collaboration models with global partners, including technology licensing, co-development, and regional or global license-out.

OUTLOOK

Looking ahead, we are full of confidence in the Group's development prospects. In recent years, China's biomedical industry has achieved a leapfrog development from follow-on to first-order innovation, becoming an important force in global biomedical innovation. In the first half of 2026, China completed 81 outbound licensing transactions for innovative drugs, with a total transaction value of approximately USD110 billion, already reaching 80% of the full-year total for 2025. The licensees came from over 20 countries and regions, with cutting-edge fields such as antibody drug conjugates (ADCs), bispecific antibodies, and cell and gene therapy becoming core areas fiercely contested by global capital, and the global voice of Chinese pharmaceutical companies continues to rise. More importantly, the 2026 Government Work Report explicitly designated biomedical industry as an "emerging pillar industry" for the first time. The continuous empowerment of national strategies has injected strong momentum into the development of China's innovative drugs — supporting innovative drug R&D across the entire chain, improving the connection with the *National Catalog of Essential Medicines*, and accelerating the development of commercial health insurance, among other supporting policies, are systematically addressing industry pain points such as difficulties in hospital listing and payment for innovative drugs. We will continue to take innovation as our core competitiveness, deeply cultivate unmet clinical needs in the autoimmune field, accelerate the clinical development of our core pipelines, actively explore diversified global partnership models, and promote faster access of innovative achievements to patients worldwide, thereby creating long-term value for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

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 period 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 review of the business operation and clinical projects currently being undertaken by the Group is set out below.

Overview

We are a Hong Kong-based biopharmaceutical company dedicated to the discovery, research and development of innovative therapeutic antibody drugs. We focus on autoimmune, inflammatory and other debilitating diseases with significant unmet medical needs. Since our inception, we have consistently concentrated on developing therapeutic antibodies directed against novel biological targets and employing innovative mechanisms of action, with the goal of achieving differentiated clinical outcomes in areas where current treatment options remain suboptimal.

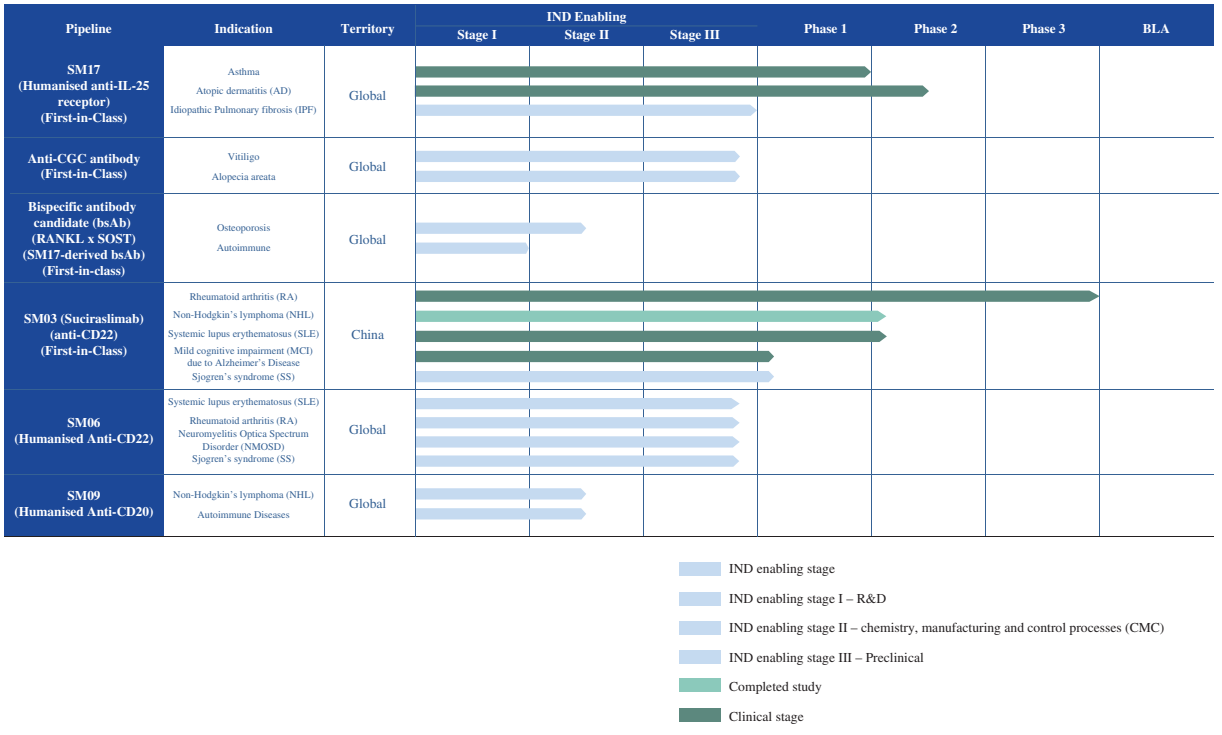
We have established a diversified R&D pipeline comprising multiple innovative antibody-based therapeutic candidates. Our lead asset, SM17, has demonstrated exceptional anti-pruritic effects, skin clearance rates, and safety profiles in the treatment of atopic dermatitis (AD), with potential applications in asthma, idiopathic pulmonary fibrosis (IPF), and inflammatory bowel disease (IBD). Our anti-CD22 antibody, Suciraslimab, has demonstrated clinical efficacy in rheumatoid arthritis (RA) and is currently being evaluated for the treatment of systemic lupus erythematosus (SLE). We are also developing an innovative anti-CGC (common gamma chain) monoclonal antibody, which has demonstrated encouraging preclinical activity in models of alopecia areata and vitiligo through a mechanism distinct from that of JAK inhibitors. Through continuous innovation and disciplined execution, we are committed to developing differentiated therapies that address significant unmet medical needs.

Building upon our expertise in target biology, antibody discovery and therapeutic antibody development, we have expanded our research efforts into the development of next-generation bispecific and multispecific antibody therapeutics. Our multispecific antibody development strategy seeks to leverage our growing portfolio of validated biological targets and disease pathway insights to create differentiated therapeutic candidates capable of addressing complex disease biology and unmet medical needs across autoimmune, inflammatory and other debilitating diseases. Our osteoporosis program represents the most advanced example of this strategy and is designed to simultaneously promote bone formation and inhibit bone resorption through a single therapeutic molecule. We also intend to leverage our portfolio of clinically and preclinically validated targets as potential building blocks for future bispecific and multispecific antibody therapeutics, expanding future treatment opportunities and supporting the continued growth of our pipeline.

Our vision is to become a global leader in the development of innovative therapeutics for immunological and other debilitating diseases.

Progress of clinical projects

Product pipeline



Key products

SM17

SM17 is a global, first-in-class, humanised, IgG4-κ mAb 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 signalling 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 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 and multiple ascending dose cohorts to evaluate its safety, tolerability and PK profile in healthy subjects was completed in 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 preclinical 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 preclinical 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 approved by the NMPA on 11 August 2023, while another IND application for AD was approved by the NMPA on 8 September 2023. A bridging Phase 1a clinical trial to evaluate the safety, tolerability and PK profile in the Chinese population was completed in China in May 2024. Results indicated 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. A total of 32 moderate-to-severe AD patients were enrolled in this Phase 1b study, and positive topline results for this Phase 1b clinical trial were published by the Company on 7 April 2025. Clinical data demonstrated that a high dose of SM17 achieved promising results, showing obvious improvement from baseline in all other secondary endpoints, including skin healing effect (EASI50, 75, 90, BSA, SCORAD) and patients' quality of life (DLQI). For the high dose group, 91.7% of patients achieved pruritus relief (NRS-4), 75% achieved skin healing (EASI 75), and 41.7% achieved clear or almost clear signs of AD (IGA0/1). A low dose of SM17, albeit not as effective as the high dose group, also showed a dose-response trend in alleviating pruritus symptoms, as well as improvement in skin healing by comparing with placebo. Based on the topline results, SM17 demonstrates its competitive advantage as the first AD biologic with dual efficacy in pruritus relief and skin-healing. It delivers faster and deeper itch relief compared to anti-IL-4/13 agents and has a safer profile than JAK inhibitors, positioning SM17 as a potential first-in class and best-in-class treatment for AD.

On 11 December 2025, an IND for SM17 in the indication of IBD was accepted by the CDE of NMPA. The IND was subsequently approved by the NMPA on 24 February 2026. This IND approval represents an important step toward expanding SM17's therapeutic scope beyond AD to IBD, including CD and UC. In respect of the IBD indication, the novel multi-mechanistic profile differentiates SM17 from existing single-pathway therapies and may provide a novel therapeutic option for patients with refractory or complex disease phenotypes. For UC, SM17 positions itself as a promising therapeutic candidate as IL-25 has been shown to play a pro-inflammatory role in UC pathogenesis. Furthermore, SM17 may offer benefits in CD through modulation of Th17-associated inflammation and potential anti-fibrotic effects, which could help address complications of transmural inflammation, such as strictures and fistulas.

The Company has initiated its clinical bridging study for the route of administration conversion of SM17 in China and received favourable topline results. The first cohort of healthy subjects has been successfully dosed with the subcutaneous formulation in China in October 2025 and the follow-up visits for all 30 healthy participants were completed in February 2026. In March 2026, the Company announced the favourable topline results of this study. Favourable tolerability and safety profile, with minimum injection reaction and no ≥ grade 3 Drug related TEAE or SAE, were reported. Predictable PK profiles for the SC formulation supports a smooth route-of-administration conversion. Low immunogenicity without clinical significance was observed. Data from our clinical bridging study for the route of administration conversation will also be leveraged to support the advancement of the IBD indication towards further clinical development, including preparation of Phase 2 studies.

The strong topline results from SM17's Phase 1b proof-of- concept study in AD drive us to move forward with our clinical program. On 31 March 2026, the first patient has been successfully dosed in a Phase 2 clinical trial of SM17 for the treatment of AD in China. As of 30 June 2026, 86 patients had been enrolled, and enrolment is scheduled to be completed in the third quarter of 2026.

The compound has the potential for treating AD, asthma, IPF, IBD including CD and UC, chronic rhinosinusitis with nasal polyps (CRSwNP), 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, 11 June 2024, 7 April 2025, 14 October 2025, 11 December 2025, 24 February 2026, 25 March 2026 and 1 April 2026 for further information about the latest R&D progress of SM17.

Anti-CGC Antibody

Anti-CGC antibody is an in-house developed, first-in-class humanised anti-γc 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 (AA) and possibly other autoimmune diseases through the modulation of immune cell expansion, autoreactivity and tissue infiltration. Results of the preclinical results in humanised AA and vitiligo animal models, combined with preliminary toxicology studies in non-human primates, our antibody demonstrated favourable efficacy in disease models and tolerability in non-human primates, supporting its profile as a biologic with a differentiated immunomodulatory mechanism in the treatment of AA and vitiligo. We are currently in the process of CMC optimisation and toxicology studies for our antibody and plan to submit our IND application for the treatment of AA by the fourth quarter of 2026 at the earliest.

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 optimizing CMC and testing toxicity in non-human primates and plan to submit our IND application by the first half of 2027 at the earliest.

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) 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. Suciraslimab adopts a novel mechanism of action, which differentiates itself from the current treatments available in the market.

In July 2025, Suciraslimab achieved breakthrough preclinical results from *in vivo* studies for the treatment of SLE. As a monoclonal antibody targeting CD22, a sialic acid-binding transmembrane protein primarily expressed on B cells (with high neurological expression, including in microglia, and links to MCI, Alzheimer's disease and other autoimmune conditions), Suciraslimab leverages its unique mechanism by modulating the autoimmune network through B cell regulation and interaction with other immune effectors like T cells, with multi-organ benefits. It addresses unmet needs in SLE treatment, such as long-term safety and organ protection, particularly showing promise in a murine model for alleviating proteinuria and potentially lupus nephritis (LN). This positions it to offer patients a safer, more effective option, and delivering possible differentiation beyond current therapies. The novel mechanism of Suciraslimab confers three key competitive advantages in the treatment of SLE.

Suciraslimab met its primary endpoint in a Phase 3 clinical study for the treatment of RA in China in April 2023 and its Biologics Licence Application ("**BLA**") for the treatment of RA was accepted by the NMPA in September 2023. The unblinded pivotal Phase 3 data demonstrated Suciraslimab's clear and significant therapeutic efficacy in RA patients. The primary endpoint (ACR20 response rate at Week 24 of the double-blind phase) achieved an approximately 50% response rate and showed statistically significant differences versus the control group. With long-term treatment, ACR20 response rates continued to improve over time and exceeded 65% at Week 52 and surpassed 70% through Week 104 of the extension period, with no new safety risks revealed. Based on the clinical data from the Phase 3 clinical study and extension study, Suciraslimab demonstrated good long-term efficacy and safety. On 14 July 2025, the Company announced that, following recent communications with the Center of Drug Evaluation ("**CDE**") of the NMPA and the Company's internal assessment, the Company has strategically chosen to voluntarily withdraw the BLA application for Suciraslimab in the treatment of RA. Meanwhile, the Company has decided to advance at full speed the clinical development of Suciraslimab for the treatment of SLE.

B Cell Modulation Without Depletion:

Unlike traditional B cell depletion therapies (BCDTs) such as anti-CD20 agents, Suciraslimab specifically modulates autoreactive B cells without depleting normal B cells, thereby reducing infection risks and preserving immune surveillance.

Dual Mechanism and Dual Regulation:

Suciraslimab acts through a dual mechanism involving both upstream inhibition of autoreactive B cell activation and autoantibody production, which addresses humoral immune dysregulation (humoral immune axis), while also modulating B cell interactions with other immune cells. This dual regulation of both the humoral immune axis and the broader immune network leads to systemic control of autoreactive inflammation.

Organ Protection:

Suciraslimab offers a unique advantage among competitors by reducing proteinuria and mitigating immune complex-mediated glomerular tissue damage, which is critical in LN. Furthermore, through its dual-regulation effects, Suciraslimab alleviates immune-driven pulmonary complications in SLE, such as recurrent alveolar hemorrhage or pulmonary arterial hypertension. These organ-protective effects have clinical significance and are vital for treatment prognosis in SLE.

By utilising a humanised animal (murine) model that closely recapitulates key pathological features of human systemic lupus erythematosus (SLE), including the production of pathogenic autoantibodies, multi-organ immune complex deposition, and progressive tissue damage, Suciraslimab treatment demonstrated distinct and favourable immunomodulatory properties. Suciraslimab selectively inhibits activated B cell subsets (e.g., $CD27^+/CD38^+$) while sparing the overall B cell population, marking a significant differentiation from prevailing immunosuppression therapies induced by commercially available drugs. Notably, Suciraslimab significantly reduces serum levels of anti-double-stranded DNA (anti-dsDNA) antibodies. These findings hold clinical significance, as anti-dsDNA antibodies are highly prevalent, found in approximately 70% of SLE patients. These autoantibodies not only serve as biomarkers for disease activity but also contribute directly to organ damage by forming immune complexes in tissues such as kidneys, skin, and joints. These complexes activate the complement cascade and drive progressive organ injury, playing a particularly critical role in the pathological deterioration of LN.

Current B cell-targeted therapies in clinical use can reduce autoantibody levels but often fail to significantly improve end-organ damage — an issue particularly prominent in LN, which affects approximately 50% of SLE patients. Moreover, systemic complications such as pulmonary interstitial disease also lack effective therapies. In contrast, Suciraslimab has demonstrated breakthrough organ-protective effects in preclinical studies: it restored proteinuria to levels comparative to those in healthy animals while significantly reducing the intensity of glomerular immune complex deposition. Additionally, Suciraslimab suppressed pulmonary inflammatory infiltration and fibrosis progression, with histopathological improvements surpassing those observed with comparator drugs.

This differentiated advantage stems from Suciraslimab's novel mechanism of action, by regulating autoreactive B cell function in a non-depleting manner, it modulates autoantibody production while enhancing B cell interactions with other immune cells to regulate immune cell interaction networks, thereby suppressing downstream immune cell activation cascades. This enables coordinated protection across multiple organs. Given its clearly demonstrated *in vivo* efficacy and favourable safety profile, Suciraslimab is expected to be a superior therapeutic option for LN and multi-organ damage in SLE.

We have published a paper entitled "SM03, a non-depleting anti-CD22 antibody, modulates B cell activation and immune crosstalk to attenuate autoimmunity" in the *Journal of Translational Autoimmunity* in June 2026. We showed that by enhancing CD22's inhibitory signalling to disrupt autoreactive B-T cell interactions, SM03 functions as a disease-modifying therapy that attenuates dysregulation of lymphocytes in autoimmunity.

Beyond its potential therapeutic effects in SLE, Suciraslimab has also shown promise as a candidate for treating neurodegenerative diseases, particularly Alzheimer's disease. A paper titled "CD22 modulation alleviates amyloid β-induced neuroinflammation" unveiling the dual mechanism of action of Suciraslimab in simultaneously promoting amyloid-beta clearance and exerting anti-inflammatory effects was published in the *Journal of Neuroinflammation* in February 2025.

The Company has initiated planning for a Phase 2 clinical program for Suciraslimab in the treatment of SLE and is working to enable an IND application for using Suciraslimab for treating Alzheimer's disease.

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 and drug half-life. 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.

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.

SYSU-IAS

Sun Yat-sen University Institute of Advanced Studies Hong Kong Limited ("**SYSU-IAS**") is a research institution established by the Sun Yat-sen University. On 12 August 2025, a comprehensive strategic cooperation agreement was entered into between the Company and SYSU-IAS for the purpose to accelerate the development of innovative drugs and promote the translation of scientific research into clinical applications worldwide. Pursuant to the agreement, SYSU-IAS and the Company shall cooperate in five main areas, including, (i) joint research efforts; (ii) joint usage of facilities, the Sun Yat-sen University Institute of Advanced Studies Hong Kong — SinoMab BioScience Limited Joint Laboratory located at Shenzhen Futian International Biomedical Industry Park, Shenzhen, China; (iii) technical support; (iv) drug development; and (v) training and knowledge exchange. Please also refer to the Company's announcement dated 12 August 2025 and the paragraph headed "Supplementary Information to Voluntary Announcement — Comprehensive Strategic Cooperation Agreement" in the Company's announcement dated 29 August 2025 for more details.

LifeArc

LifeArc is a United Kingdom-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

Everest Medicines Limited ("**Everest Medicines**") is a listed biopharmaceutical company (stock code: 1952.HK) that integrates discovery, licencing, 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 license 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-licence the right to develop and commercialise SN1011 globally for the treatment of renal diseases.

On 7 April 2026, we entered into another license agreement with Evopoint Biosciences Co., Ltd. and Everest Medicines (Singapore) Pte. Ltd., a wholly owned subsidiary of Everest Medicines, to out-license the remaining right of SN1011, other than the treatment of renal diseases, to develop, sub-license and commercialise SN1011 globally. Pursuant to the license agreement, on top of the license agreement entered in 2021, in case Everest Medicines grants a sublicense, we will receive single digit of any downstream upfront payment, double digits of any downstream non-renal milestone payments, and single digit of any downstream renal milestone payments.

On 2 June 2026, Everest Medicines announced that, they entered into an exclusive license and collaboration agreement with Travere Therapeutics, Inc. ("**Travere**"), a company listed on the Nasdaq Global Market trading under the symbol "TVTX", pursuant to which Everest Medicines will provide an exclusive, worldwide (except Greater China and certain countries in East and Southeast Asia) license to Travere to develop and commercialise civorebrutinib or EVER001 (known as SN1011 in the Company's product pipeline). Pursuant to the agreement and subject to the terms and conditions thereof, Everest Medicines will receive an upfront payment of US$112.5 million and is eligible to receive up to US$1.03 billion in development, regulatory, and commercial milestone payments across up to five indications, as well as tiered royalties at percentages ranging from the high single-digit to double-digit based on future annual net sales thresholds.

CAUTIONARY STATEMENT REQUIRED BY RULE 18A.05 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PRODUCT CANDIDATES SUCCESSFULLY.

* *for identification purposes only*

Production

In line with our strategy to optimize resource allocation and enhance operational flexibility, we are transitioning towards a more light-asset manufacturing model. Our current strategic focus is to advance the clinical development of SM17, which is currently in Phase 2 clinical studies, and other pipeline products and to actively pursue business development opportunities, including potential out licensing and strategic collaboration arrangements. We believe that our current manufacturing requirements for preclinical research and clinical trial materials can be adequately supported through external manufacturing arrangements, including established contract development and manufacturing organisations (CDMOs).

We have engaged qualified external manufacturing partners to support the development and production of selected pipeline products, including SM17, anti-CGC antibody and our bispecific antibody. These arrangements cover process development, pilot-scale production, Good Manufacturing Practice (GMP) manufacturing and the provision of materials required for preclinical studies, IND-enabling activities and clinical trials. We will continue to manage these external manufacturing activities in accordance with the development needs of our pipelines and applicable regulatory requirements.

Haikou Production Base

The Company entered into an agreement to terminate the lease for our Haikou production base with effect from 12 March 2026. This decision reflects our strategic shift towards a more flexible, asset-light operational structure, allowing us to reduce fixed operational costs and focus internal resources on core competencies such as R&D and commercialisation. Please refer to the Company's announcement dated 12 March 2026 for further details.

Suzhou Production Base

We purchased a piece of land of 43,158 square metres in Suzhou Dushu Lake Higher Education Town, China in June 2020. The total floor area is approximately 75,000 square metres. This production base is designed as commercial-scale manufacturing facilities. The Real Estate Ownership Certificate was granted in March 2026.

On 6 July 2026, the Group entered into a sale and purchase agreement to dispose of its Suzhou property and facility at a consideration of RMB280 million. It will be considered and if appropriate, approved by the Company's shareholders at an extraordinary general meeting to be held on 7 September 2026. For details, please refer to the section headed "Events After the Reporting Period" in this announcement.

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, four invention patents which are granted and registered in the United States, all of which are also applicable to SM06, and one invention patent granted and registered in South Africa.

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 SM17, two PCT applications for SM17 and bispecific antibody candidate were entering into national phase for various jurisdictions during the Reporting Period.

As at 30 June 2026, the Group had eight pending patent applications in the United States, ten pending patent applications in the PRC, eight pending patent applications in the European Union, and three pending PCT patent applications and one pending provisional patent application.

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 Group had various registered trademarks in Hong Kong and Mainland China, with multiple trademark applications pending approval in Mainland China.

Patents

Item	**As at 30 June 2026**	As at 31 December 2025
Number of invention patents owned by the Group*	**124**	93

* *including patents pending applications and granted patents*

R&D personnel

Education level	Number at the end of the Reporting Period	Number at the beginning of the Reporting Period
Ph.D.	**6**	5
Master	**24**	23
Undergraduate or below	**12**	8
Total number of R&D personnel	**42**	36

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 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 multiple areas within immunology and other debilitating diseases, which we believe positions us to address a broad range of unmet medical needs through differentiated therapeutic approaches. We believe our dedication, experience and achievements in immunology have accelerated the discovery and development of innovative therapeutics targeting diverse disease pathways. Over the years, we have accumulated substantial expertise in target discovery, disease biology, antibody development and translational research, enabling us to develop differentiated therapeutic candidates across multiple disease areas. We believe that our strategic focus on immunological diseases and related debilitating conditions provides a meaningful point of differentiation from our peers. By concentrating on innovative treatment approaches and novel biological targets, we seek to strengthen our position in the field and advance the development of differentiated therapeutic candidates.

Further, our product pipeline is supported by an integrated set of in-house capabilities spanning the entire value chain, from target identification, antibody discovery and drug candidate development, through preclinical research, clinical development, clinical production, quality control, quality assurance, regulatory interactions and commercial-scale manufacturing. We believe these capabilities provide a strong foundation for the efficient advancement of our pipeline and position us favourably among biopharmaceutical companies in the Greater China region. Through the continued expansion of our scientific capabilities, including target discovery, antibody development and multispecific antibody engineering, we believe we are well positioned to continue developing innovative therapies for immunological and other debilitating diseases.

The Group will continue to focus on exploring international partnership opportunities for our pipeline products, particularly SM17, our anti-CGC antibody programme, and our multispecific antibody programmes. We will continue to advance our existing product pipeline, discover and develop novel therapeutic candidates by leveraging our R&D capabilities, and strengthen our global presence through our position as a Hong Kong-based biopharmaceutical company with integrated discovery, development and manufacturing capabilities.

Apart from continuously expanding our product pipeline and advancing our clinical development programmes, we will continue to actively explore strategic collaboration opportunities. We have established a pipeline of first-in-class and differentiated therapeutic candidates spanning preclinical, clinical and later-stage development across multiple immunological and inflammatory diseases. To maximise the commercial value of our assets and accelerate the development of our innovative drug candidates, we remain open to collaborations, partnerships, licensing arrangements and other strategic transactions with partners worldwide.

Clinical Development Plan

In respect of SM17, on 7 April 2025, the Company announced positive topline results from a Phase 1b study in which a total of 32 moderate-to-severe atopic dermatitis ("**AD**") patients were enrolled. The Phase 1b clinical trial was designed to evaluate the preliminary efficacy, safety, tolerability and pharmacokinetic profile of SM17 in patients with moderate-to-severe AD.

The Company has also completed a clinical bridging study in China supporting the conversion of SM17 from an intravenous ("**IV**") formulation to a subcutaneous ("**SC**") formulation. The first cohort of healthy subjects was successfully dosed with the SC formulation of SM17 in October 2025, and follow-up visits for all 30 healthy participants were completed in February 2026. Clinical data generated from the study, including pharmacokinetic and bioavailability assessments, provided important information supporting dose selection and clinical study design for the ongoing Phase 2 clinical trial of SM17 in AD. The ongoing Phase 2 clinical trial is being conducted using the SC formulation of SM17.

On 31 March 2026, the first patient was successfully dosed in a Phase 2 clinical trial of SM17 for the treatment of AD in China. The randomized, placebo-controlled study is designed to evaluate five treatment cohorts and enrol approximately 210 patients. Patient recruitment has progressed satisfactorily and ahead of schedule, with 86 patients enrolled as of 30 June 2026. Based on the current rate of enrolment, the Company expects patient recruitment to be substantially completed during the third quarter of 2026 and currently anticipates topline results from the study to become available in the first quarter of 2027, subject to recruitment progress, patient follow-up and data review timelines.

Beyond AD, the Company continues to expand the development of SM17 into additional indications. In December 2025, an IND application for SM17 in the indication of inflammatory bowel disease ("**IBD**"), including Crohn's disease ("**CD**") and ulcerative colitis ("**UC**"), was accepted by the Center for Drug Evaluation of the National Medical Products Administration of China. The Company is currently advancing development planning for IBD and is evaluating the initiation of a Phase 2a clinical study in UC.

The Company is advancing the development of its anti-CGC antibody programme in a staged and indication-focused manner. CMC optimisation and IND-enabling toxicology studies are progressing to support first-in-human clinical development for alopecia areata, with vitiligo retained as a potential follow-on indication based on encouraging efficacy findings observed in preclinical disease models. While IND-enabling activities for the programme are progressing as planned, the Company currently expects to initiate first-in-human clinical studies by the end of 2026 or early 2027, subject to development progress, regulatory interactions and operational readiness. New Zealand and Australia are being considered as potential initial clinical trial locations. The Company continues to evaluate the most appropriate clinical and regulatory strategy for the efficient advancement of the programme.

The Company is also advancing its multispecific antibody programme, with the osteoporosis programme representing the most advanced example of this development strategy. Preclinical development activities, including CMC optimisation, non-human primate toxicology studies and translational development work, are ongoing to support future clinical development. Supported by encouraging preclinical data demonstrating improvements in bone mineral density and trabecular microarchitecture compared with benchmark therapies, the Company continues to advance the programme while conducting expert consultations and business development discussions to further refine its clinical positioning, target patient populations and global development strategy. In parallel, the Company continues to explore opportunities to leverage its growing portfolio of validated biological targets and disease-pathway insights for the future development of next-generation bispecific and multispecific antibody therapeutics.

The Company will continue to advance the clinical development of Suciraslimab (SM03) for systemic lupus erythematosus ("**SLE**") and other autoimmune diseases with the objective of expanding its potential therapeutic applications. The initiation of a proof-of-concept Phase 2 clinical study for SLE in China remains under evaluation as part of the Company's longer-term development plans.

Preclinical R&D

We have established comprehensive preclinical research and development capabilities focused on understanding disease biology, identifying novel therapeutic targets and advancing differentiated antibody therapeutics for immunological and other debilitating diseases. Our internal R&D team continues to explore novel mechanisms and therapeutic approaches across multiple disease areas, including dermatology, gastroenterology, rheumatology and other immune-mediated conditions. Through close collaboration with leading academic institutions, clinical key opinion leaders and industry partners, we continue to strengthen our translational research capabilities and accelerate the progression of innovative therapeutic candidates from discovery to clinical development.

Building upon the Company's growing expertise in target discovery, disease biology, antibody engineering and translational medicine, we continue to generate key preclinical data packages supporting the advancement of our pipeline programmes. By leveraging established collaborations with external partners, contract research organisations and specialised service providers, the Company continues to conduct pharmacology, toxicology, pharmacokinetic, pharmacodynamic and other studies required to support future clinical development and regulatory submissions.

Following the successful advancement of SM17 into Phase 2 clinical development, the Company's preclinical efforts are increasingly focused on next-generation pipeline assets, particularly the anti-CGC antibody programme, multispecific antibody programmes and selected follow-on antibody candidates.

Our anti-CGC antibody programme is currently undergoing CMC optimisation and IND-enabling toxicology studies in preparation for first-in-human clinical development. Preclinical studies conducted to date have demonstrated encouraging activities in disease models of alopecia areata and vitiligo, supporting the continued advancement of the programme.

The Company's multispecific antibody programmes represent an important strategic focus of future pipeline expansion. The osteoporosis programme, currently the most advanced multispecific antibody programme in our portfolio, is undergoing CMC optimisation, translational development and non-human primate toxicology studies. Building upon the experience gained from this programme, the Company intends to continue exploring the application of multispecific antibody technologies using validated biological targets and disease-pathway insights to address complex disease biology across immunological and other debilitating diseases.

SM06 remains under preclinical development and is undergoing further optimisation to support future clinical development activities. Leveraging the clinical experience accumulated from Suciraslimab (SM03), the Company will continue to evaluate opportunities for the development of differentiated CD22-targeting therapeutics and other follow-on programmes addressing unmet medical needs in autoimmune diseases.

Novel Drug Targets Identification

The Company continues to actively identify and evaluate novel biological targets and has established a multidisciplinary research team with expertise spanning immunology, disease biology, antibody discovery and translational research. Led by the Chief Executive Officer of the Company, who also performs the function of Chief Scientific Officer, the research team has developed a sustainable innovation engine built upon four core scientific capabilities: B-cell Therapeutic Programs and Expertise, Alarmins-pathway Research and Development Capabilities, Selective T-cell Target Discovery Expertise and Multispecific Antibody Development Capabilities.

These scientific capabilities have enabled the Company to identify differentiated biological targets, generate novel therapeutic antibody candidates and continuously expand its pipeline of innovative therapeutics addressing significant unmet medical needs in immunological and other debilitating diseases. Through the integration of target discovery, antibody engineering, disease biology research and translational medicine, the Company seeks to maintain a sustainable source of future pipeline opportunities.

Production

In respect of production, the Group continues to implement a more asset-light operating model to optimise resource allocation, improve capital efficiency and preserve operational flexibility while focusing internal resources on research and development, clinical development, business development and future value-creation activities. Following the termination of the lease for the Haikou production facility and the planned disposal of the Suzhou property and facility, the Group expects that manufacturing requirements supporting preclinical research, IND-enabling activities and clinical trial supply can be effectively supported through qualified external manufacturing partners, including established CDMOs.

These arrangements are expected to cover process development, pilot-scale manufacturing, GMP production and clinical supply activities. The Group will continue to manage and oversee such external manufacturing activities in accordance with product development requirements, applicable regulatory standards and future partnership opportunities. Through this approach, the Group expects to maintain manufacturing readiness while reducing fixed operating costs and supporting the continued advancement of SM17, the anti-CGC antibody programme, multispecific antibody programmes and other pipeline assets.

Strategic Partnerships and Business Development

The Group continues to actively pursue strategic partnerships and business development opportunities to maximise the value of its pipeline assets and accelerate the development of its innovative therapeutic candidates. As our pipeline advances, we believe strategic collaborations can provide important opportunities to broaden development capabilities, expand geographic reach and support future value realisation.

The Group remains open to a variety of partnership structures, including licensing arrangements, co-development collaborations, regional partnerships and other strategic transactions. Particular emphasis will continue to be placed on exploring international partnering opportunities for SM17, the anti-CGC antibody programme, multispecific antibody programmes and other pipeline assets where collaboration may accelerate development and enhance shareholder value.

Through ongoing interactions with pharmaceutical companies, biotechnology companies, academic institutions and investment partners, the Group will continue to evaluate opportunities that are aligned with its development priorities, resource allocation strategy and long-term corporate objectives. The Group believes that a disciplined combination of internal innovation and external collaboration provides a balanced and capital-efficient approach to advancing its pipeline and expanding its global presence.

MARKET OVERVIEW

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 and small-molecule therapies, have significantly improved treatment outcomes. However, substantial unmet medical needs remain.

While certain therapies have demonstrated strong efficacy in skin clearance, some are associated with safety considerations that may limit long-term use in certain patient populations. Other approved biologics have demonstrated favourable safety profiles and meaningful efficacy in skin disease, although some patients may continue to experience insufficient relief of pruritus. In addition, therapies primarily targeting pruritus may not fully address the broader inflammatory and skin-lesion burden of AD. As a result, there remains a need for therapies capable of delivering meaningful itch relief, effective skin improvement and favourable safety profiles.

According to Frost & Sullivan, there were approximately 74.2 million AD patients in China in 2025, with an expected increase to 80.8 million by 2033, of which around 20% are moderate-to-severe patients. The AD therapeutics market in China was valued at USD600 million in 2019 and reached USD1.92 billion in 2025, and is expected to further increase to USD7.16 billion in 2033. According to a report by Grand View Research, Inc., the global AD market is estimated to reach USD27.7 billion by 2030.

The Company believes that SM17's differentiated mechanism of action targeting the IL-25 receptor upstream of the Type 2 inflammatory cytokine pathway may provide broad effects on skin inflammation and pruritus, offering the potential for a differentiated therapeutic approach in the treatment of AD.

Alopecia Areata (AA) and Vitiligo

Alopecia areata and vitiligo are chronic autoimmune diseases characterised by substantial impacts on quality of life and significant unmet medical needs. Although important advances have been achieved in recent years, many patients continue to experience inadequate responses, disease recurrence or limited treatment options.

Growing scientific understanding of T-cell-mediated autoimmune diseases has increased interest in pathways associated with common gamma chain signalling and related cytokines, including IL-7-, IL-15- and CD122-associated pathways. Recent clinical developments targeting these pathways have highlighted their therapeutic potential in AA and vitiligo and have attracted increasing industry interest and investment in these disease areas.

The Company believes its anti-CGC antibody programme represents a differentiated therapeutic approach through modulation of the common gamma chain signalling network and may provide opportunities to address important unmet medical needs in both AA and vitiligo.

Inflammatory Bowel Disease (IBD)

Inflammatory bowel disease ("**IBD**"), including Crohn's disease ("**CD**") and ulcerative colitis ("**UC**"), represents a significant global healthcare burden. These chronic inflammatory disorders of the gastrointestinal tract are associated with recurrent disease activity, impaired quality of life, increased healthcare utilisation and substantial long-term treatment costs.

Despite the availability of biologics and targeted therapies, a meaningful proportion of patients continue to experience primary non-response, loss of response over time or persistent disease activity, highlighting the need for additional treatment options. The heterogeneity of IBD pathogenesis and involvement of multiple inflammatory pathways continue to drive demand for innovative therapeutic approaches capable of addressing complex disease biology. In addition, currently available therapies generally have limited effects on fibrosis-related complications, including strictures and fistulas, which remain major causes of disease progression and surgical intervention in patients with IBD.

The Company believes SM17's differentiated mechanism of action targeting the IL-25 receptor may provide a novel therapeutic approach for IBD through modulation of multiple inflammatory pathways implicated in disease progression. In preclinical studies, SM17 has also demonstrated anti-fibrotic activity, supporting its potential application in addressing fibrosis-related complications that continue to represent significant unmet needs in IBD.

Osteoporosis

Osteoporosis is one of the most common chronic debilitating diseases worldwide and is associated with increased fracture risk, reduced mobility, significant healthcare costs and substantial impacts on patient quality of life. With ageing populations in both developed and emerging markets, the prevalence of osteoporosis is expected to continue increasing. In addition, growing use of GLP-1 receptor agonists for weight management has increased awareness of potential bone-health concerns associated with substantial weight loss, further highlighting the importance of effective osteoporosis prevention and treatment strategies.

Recent advances in osteoporosis drug development and regulatory science have contributed to a more efficient clinical development framework for novel therapies, with bone mineral density increasingly recognised as an important clinical endpoint supporting therapeutic evaluation and regulatory decision-making. These developments have enhanced industry interest in innovative osteoporosis therapeutics and may facilitate the advancement of differentiated treatment approaches.

Current therapeutic options generally focus on either promoting bone formation or inhibiting bone resorption. Anti-RANKL therapies have demonstrated important clinical benefits but remain associated with limitations, including the need for long-term treatment and management of adverse events such as osteonecrosis of the jaw and atypical fractures in certain patients. Anti-sclerostin therapies have demonstrated potent anabolic effects but are generally administered for a limited treatment duration and are often followed by anti-resorptive therapy. Despite these advances, unmet medical needs remain in improving treatment efficacy, durability of response and long-term clinical outcomes.

As understanding of bone biology continues to evolve, increasing attention has been directed towards therapeutic approaches capable of simultaneously addressing multiple mechanisms involved in bone remodelling. The Company believes its multispecific osteoporosis programme, designed to promote bone formation while inhibiting bone resorption, represents a differentiated therapeutic strategy for addressing this significant and growing market opportunity. In addition, encouraging preclinical findings supporting improvements in bone mineral density and bone microarchitecture provide further rationale for continued development of the programme.

Systemic Lupus Erythematosus (SLE)

SLE is a chronic autoimmune disorder characterised by the immune system attacking the body's own tissues and organs, resulting in widespread inflammation and tissue damage. In recent years, the incidence of SLE has continued to increase globally and the SLE treatment market remains an important area of unmet medical need.

According to Frost & Sullivan, there are currently approximately 1.0349 million SLE patients in China, the figure projected to increase to 1.0947 million by 2030. Research Nester estimates that the global SLE treatment market was valued at USD3.12 billion in 2025 and is forecast to grow at a compound annual growth rate of approximately 8.1%, reaching over USD6.8 billion by 2035.

Building on the Company's long-standing experience in B-cell biology and CD22-targeted therapeutics, Suciraslimab (SM03) continues to be evaluated for its potential application in SLE and other autoimmune diseases.

Rheumatoid Arthritis (RA)

According to Frost & Sullivan, the global market for autoimmune disease therapeutics is expected to increase to USD163.8 billion by 2030, representing a compound annual growth rate of 3.1%. The overall population of patients suffering from autoimmune diseases in China remains substantial. 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 approximately 5 million RA patients in China.

With continued improvements in diagnosis, treatment access and healthcare infrastructure, the market for RA therapies in China is expected to continue expanding. According to Frost & Sullivan, the RA therapeutics market in China is expected to reach RMB83.3 billion by 2030. The biologics segment is expected to increase its share of the RA market from 43.4% in 2024 to 59.8% in 2030.

The Company has accumulated more than two decades of experience in the discovery and development of antibody therapeutics for autoimmune diseases. Clinical experience generated from the development of Suciraslimab in RA continues to contribute to the advancement of the Company's broader immunology pipeline.

Taken together, the markets described above are characterised by large and expanding patient populations, chronic disease burden and substantial unmet medical needs, particularly in indications where existing therapies remain constrained by incomplete efficacy, safety concerns, loss of response, inconvenient administration or insufficient disease-modifying benefit. These dynamics are consistent with the Group's strategic focus on innovative antibody therapeutics for immunological and other debilitating diseases, including SM17 for AD and IBD, the anti-CGC antibody programme for alopecia areata and vitiligo, the multispecific antibody programme for osteoporosis, and Suciraslimab for SLE and other autoimmune diseases.

Leveraging its scientific capabilities in target discovery, disease biology, antibody development and multispecific antibody engineering, together with its global partnership strategy, the Group believes it is well positioned to address these market opportunities and advance innovative therapies for patients with significant unmet medical needs.

BUILDING A SUSTAINABLE INNOVATION ENGINE

We have developed a number of scientific capabilities and therapeutic approaches that support the discovery, development and advancement of innovative antibody therapeutics directed against novel biological targets and differentiated mechanisms of action.

B-cell Therapeutic Programs and Expertise

The Company was founded with an initial focus on the discovery and development of therapies targeting B cells in the pathogenesis of autoimmune and inflammatory diseases. Over the years, we have accumulated substantial scientific knowledge and development experience relating to B-cell biology, target validation and therapeutic antibody development. This expertise has enabled us to establish a portfolio of therapeutic candidates directed against multiple B-cell-associated targets and pathways, providing a strong foundation for the continued expansion of our immunology pipeline.

Our B-cell therapeutic programs encompass a range of targets and modalities, including:

a. CD22 — SM03 (Suciraslimab) and SM06, both anti-CD22 antibodies, were developed based on our expertise in B-cell biology and immune modulation.

b. CD20 — SM09, a novel, framework-patched, humanised anti-CD20 antibody, was developed to further expand our capabilities in B-cell-targeted therapeutics.

c. BTK — SN1011, a third-generation covalent reversible BTK inhibitor, was in-licensed to complement our B-cell-focused therapeutic portfolio and broaden our treatment approaches for autoimmune diseases. The asset was subsequently out-licensed for further development.

Leveraging our accumulated expertise in B-cell biology and immune regulation, we continue to evaluate opportunities to develop differentiated therapies and combination approaches targeting multiple components of the B-cell pathway.

Alarmins-pathway Research and Development Capabilities

The immune system comprises a complex network of immune cells and signaling molecules, including B cells, T cells and cytokines. Building upon our established expertise in immunology and autoimmune diseases, we expanded our research efforts into upstream immune regulators known as alarmins. Alarmins are increasingly recognized as important initiators of immune responses and play critical roles in a range of inflammatory and autoimmune diseases affecting the respiratory, dermatological and gastrointestinal systems, including asthma, atopic dermatitis (AD), idiopathic pulmonary fibrosis (IPF) and inflammatory bowel disease (IBD).

Through our research and development efforts in alarmin biology and associated signaling pathways, we have developed substantial expertise in evaluating targets involved in upstream immune regulation and advancing therapeutic candidates targeting these pathways. Our research has contributed to a deeper understanding of the role of alarmins in immune-mediated diseases and enabled us to expand our therapeutic focus beyond traditional immune-cell-specific targets.

IL-25 / IL-17RB — IL-25 is one of the key alarmins involved in the initiation and amplification of type 2 immune responses and exerts its biological effects through its receptor, IL-17RB. Through our translational and preclinical research efforts, we developed expertise in evaluating the therapeutic potential of IL-17RB modulation across multiple immune-mediated diseases, including dermatological, respiratory and gastrointestinal disorders. Leveraging these insights and our therapeutic antibody development capabilities, we optimized and advanced SM17, a humanised IgG4-κ monoclonal antibody targeting IL-17RB, into clinical development. SM17 is currently our lead clinical asset and is being evaluated in Phase 2 studies for the treatment of atopic dermatitis, with additional development opportunities being explored in asthma, idiopathic pulmonary fibrosis (IPF) and inflammatory bowel disease (IBD).

Selective-T Cell Target Discovery Expertise

T cells are central mediators of immune regulation and play important roles in the pathogenesis of a broad range of autoimmune and inflammatory diseases. Building upon our expertise in immunology, antibody discovery and immune signaling, we have established capabilities in the identification and development of therapeutic antibodies targeting key T-cell-associated pathways involved in immune dysregulation.

Through our internal research efforts, we identified the common gamma chain receptor (CGC, also known as γc or CD132) as a promising therapeutic target. CGC serves as the shared receptor subunit for six cytokines, namely IL-2, IL-4, IL-7, IL-9, IL-15 and IL-21, and plays a central role in regulating the activation, proliferation and function of multiple immune-cell populations. As a result, selective modulation of the γc pathway represents a potential approach to simultaneously regulate multiple disease-driving cytokine pathways involved in autoimmune and inflammatory diseases.

Increasing clinical interest in cytokine pathways associated with γc signaling, including IL-7-, IL-15- and related immune-regulatory pathways, has further highlighted the therapeutic relevance of this area in autoimmune diseases such as alopecia areata and vitiligo.

CGC (CD132 / γc) — Leveraging our antibody discovery and immune signaling expertise, we generated and characterized hC2, a humanised anti-γc monoclonal antibody. Our research demonstrated that hC2 binds to the γc receptor and suppresses downstream signaling induced by multiple γc cytokines across different immune-cell populations. Preclinical studies further demonstrated the ability of hC2 to modulate immune-cell activation and reduce disease-associated inflammatory responses in both *in vitro* and *in vivo* models.

The scientific findings supporting hC2 have been reported through peer-reviewed publications and scientific presentations. These studies demonstrated the therapeutic potential of γc pathway modulation in autoimmune diseases and showed that hC2 could suppress autoreactive T-cell activity, reduce tissue-resident memory T-cell responses and improve disease-associated pathology in preclinical models. Additional studies also demonstrated activity in alopecia areata and vitiligo models, together with encouraging preliminary toxicology observations.

These findings demonstrate our capabilities in selective T-cell target discovery, immune-pathway characterisation and therapeutic antibody development, and support the continued advancement of hC2 for the treatment of autoimmune diseases.

Multispecific Antibody Development Capabilities

Building upon our expertise in target biology, antibody discovery and therapeutic antibody development, we have expanded our research efforts into the design and development of next-generation bispecific and multispecific antibody therapeutics. We believe multispecific antibody technologies provide opportunities to address complex disease biology by simultaneously modulating multiple disease-driving pathways within a single therapeutic molecule.

Our multispecific antibody development strategy seeks to leverage our growing portfolio of validated biological targets and disease pathway insights to create differentiated therapeutic candidates with the potential to achieve broader biological coverage and address unmet medical needs across autoimmune, inflammatory and other debilitating diseases.

Osteoporosis Program (bispecific antibody candidate, bsAb) — As the most advanced example of this strategy, we have developed a novel bispecific antibody designed to simultaneously promote bone formation and inhibit bone resorption for the treatment of osteoporosis. This program combines complementary biological mechanisms within a single antibody construct and demonstrates our ability to apply multispecific antibody engineering to address complex disease processes. Preclinical studies have demonstrated encouraging anabolic and anti-resorptive activity, supporting the continued advancement of the program.

The experience gained through the development of bsAb further strengthens our capabilities in multispecific antibody design and provides a foundation for the future development of next-generation bispecific and multispecific therapeutics based on validated biological targets across multiple disease areas.

FINANCIAL REVIEW

Other income and gains

Our other income and gains primarily comprised bank interest income, fair value gain on financial assets at fair value through profit or loss, government grants and foreign exchange gain. Total other income and gains amounted to approximately RMB23.5 million for the Reporting Period, representing an increase of approximately RMB13.7 million from the six months ended 30 June 2025, mainly due to an increase in foreign exchange gain of approximately RMB12.2 million.

R&D costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Laboratory consumables and experiment costs	**28,816**	13,737
Employment costs	**14,847**	9,613
Others	**6,674**	9,390
	50,337	32,740

Our R&D costs mainly include laboratory consumables and 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 six months ended 30 June 2026 and 2025, we incurred R&D costs of approximately RMB50.3 million and RMB32.7 million, respectively. The increase in R&D costs during the Reporting Period was mainly attributable to (i) an increase of approximately RMB15.1 million in spending on laboratory consumables and experiment costs, mainly relating to the SM17 Phase 2 clinical studies; and (ii) an increase of approximately RMB5.2 million in employment costs for R&D employees, mainly due to higher non-cash share-based payments, and was partially offset by (iii) a decrease of approximately RMB3.4 million in depreciation of right-of-use assets.

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 six months ended 30 June 2026 and 2025, our total administrative expenses were approximately RMB39.0 million and RMB23.7 million, respectively. The increase was mainly attributable to (i) an increase of approximately RMB7.4 million in depreciation of property, plant and equipment and right-of-use assets; and (ii) an increase of approximately RMB8.2 million in non-cash share-based payments arising from share options and awards granted in July 2025, March 2026 and June 2026 respectively.

Other expenses

For the six months ended 30 June 2026 and 2025, our other expenses were approximately RMB1.8 million and RMB0.2 million, respectively. The increase was mainly due to the loss on disposal of items of equipment of approximately RMB1.3 million 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.

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash flows used in operating activities	**(29,905)**	(26,906)
Net cash flows (used in)/from investing activities	**(37,045)**	35,230
Net cash flows (used in)/from financing activities	**(74,883)**	38,263
Net (decrease)/increase in cash and cash equivalents	**(141,833)**	46,587
Cash and cash equivalents at the beginning of the period	**322,708**	61,900
Effect of foreign exchange rate changes, net	**(29,095)**	(7,453)
Cash and cash equivalents at the end of the period	**151,780**	101,034

As at 30 June 2026, cash and cash equivalents were mainly denominated in Hong Kong dollars, Renminbi and United States dollars.

As at 30 June 2026, total funding available to use including cash and cash equivalents, pledged and restricted deposits and wealth management products is RMB196.5 million, compared to RMB351.5 million as at 31 December 2025.

	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Cash and cash equivalents	**151,780**	322,708
Wealth management products (included in the financial assets at fair value through profit or loss)	**22,852**	17,956
Pledged and restricted deposits	**21,820**	10,814
Total funding available to use	**196,452**	351,478

The net decrease in total funding available to use of approximately RMB155.0 million was mainly due to (i) net repayment of bank borrowings of approximately RMB65.6 million; (ii) net cash flows used in operating activities of approximately RMB29.9 million; and (iii) capital expenditures of approximately RMB20.5 million in the Reporting Period.

Bank borrowings and gearing ratio

As at 30 June 2026, the Group's outstanding borrowings of RMB260.2 million (31 December 2025: RMB326.8 million) were denominated in RMB and at the effective interest rate ranging from 2.50% to 3.90% (31 December 2025: 3.00% to 3.90%) per annum.

As at 30 June 2026, the amount of unutilised banking facilities of the Group is approximately RMB311.9 million.

The Group monitored capital using gearing ratio. Gearing ratio is calculated using interest-bearing bank borrowings less cash and equivalents divided by total equity and multiplied by 100%. As at 30 June 2026, the gearing ratio was 30.0% (31 December 2025: 0.8%).

Pledge of assets

As at 30 June 2026, the Group had mortgaged its land use right and property, plant and equipment with a carrying value of RMB336.3 million (31 December 2025: RMB340.0 million), and pledged deposit of RMB11.9 million (31 December 2025: Nil) for the purpose of securing bank loans. In accordance with the agreement with the bank, the maximum mortgage amount of land use right and property, plant and equipment is RMB158.4 million.

Significant investments 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 30 June 2026.

Use of proceeds from new share subscriptions under general mandate

2025 Share Subscriptions

During the year 2025, the Company has conducted two fund raising activities by subscriptions of new shares under general mandate, details of which were disclosed under 2025 July Share Subscriptions and 2025 May Share Subscriptions below.

2025 July Share Subscriptions

The Company completed an issue of 157,107,000 new shares on 15 August 2025 and 24,965,400 new shares on 29 August 2025 to twenty-three subscribers, representing a net subscription price of approximately HK$2.03 per subscription share ("**2025 July Share Subscriptions**").

For details of the 2025 July Share Subscriptions, please refer to the announcements of the Company dated 22 July 2025, 15 August 2025 and 29 August 2025. The planned applications of the net proceeds from the 2025 July Share Subscriptions were disclosed in the Company's announcements dated 22 July 2025 and 15 August 2025 and subsequently revised and disclosed in the Company's announcement dated 23 March 2026.

2025 May Share Subscriptions

On 29 May 2025, the Company completed an issue of 112,810,817 new ordinary shares at a subscription price of HK$1.10 per share to twenty-six subscribers and raised net proceeds of approximately HK$123,956,911, representing a net subscription price of approximately HK$1.10 per subscription share (the "**2025 May Subscriptions**").

For details of the 2025 May Share Subscriptions, please refer to the announcements of the Company dated 13 May 2025, 29 May 2025 and 15 August 2025.

The following table sets out the planned applications of the net proceeds from 2025 May Share Subscriptions and 2025 July Share Subscriptions and the actual usage up to 30 June 2026:

		Net proceeds from the 2025 May Share Subscriptions	Planned net proceeds from the 2025 July Share Subscriptions[Note 1]	Utilised amount of net proceeds during the Reporting Period	Actual utilisation up to 30 June 2026	Unutilised net proceeds as at 30 June 2026	Expected timeline for full utilisation of the unutilised net proceeds[Note 2]
		(approximate HKD in millions)					
(i)	For R&D and clinical programmes and potential global cooperations of SM17, especially for the subcutaneous bridging study and Phase 2 clinical study of atopic dermatitis in China, for the trial expense, related production cost and related employment cost	55.781	25.000	21.019	42.687	38.094	by the end of 2027
(ii)	For all clinical trials and new clinical development program for SM03	None	48.892	26.946	35.152	13.740	by the end of 2027

		Net proceeds from the 2025 May Share Subscriptions	Planned net proceeds from the 2025 July Share Subscriptions[Note 1]	Utilised amount of net proceeds during the Reporting Period	Actual utilisation up to 30 June 2026	Unutilised net proceeds as at 30 June 2026	Expected timeline for full utilisation of the unutilised net proceeds[Note 2]
		(approximate HKD in millions)					
(iii)	For preclinical research, clinical new drug candidates not currently in the Group's pipeline to diversify its product portfolio, as well as for investigational new drug (IND) enabling of new drug candidates, especially for preclinical studies, production cost and related employment cost, in particular:						
	(a) To fund the development of SM18, one of the Company's drug candidates. The Company is currently in the process of CMC optimisation and toxicology studies ("**IND Enabling Stage**") for SM18.	24.791	None	8.964	9.890	14.901	by the end of 2026
	(b) To fund the Phase 1 clinical study for SM18 after completion of its IND Enabling Stage.	None	15.000	–	–	15.000	by the end of 2027
	(c) To fund the development of another drug candidate of the Company, SM32. The Company plans to commence SM32's IND Enabling Stage, including CMC optimisation and the long-term toxicity test in non-human primates, soon.	None	25.000	0.697	1.577	23.423	by the end of 2027
	(d) To fund the Phase 1 clinical study for SM32 after completion of its IND Enabling Stage.	None	15.000	–	–	15.000	by the end of 2028
	(e) To fund the development of at least two other drug candidates (for which patent applications have not yet been filed) through the IND Enabling Stage, with each candidate being allocated approximately HK$25 million.	None	55.839	17.640	30.623	25.216	by the end of 2027

		Net proceeds from the 2025 May Share Subscriptions	Planned net proceeds from the 2025 July Share Subscriptions[Note 1]	Utilised amount of net proceeds during the Reporting Period	Actual utilisation up to 30 June 2026	Unutilised net proceeds as at 30 June 2026	Expected timeline for full utilisation of the unutilised net proceeds[Note 2]
				(approximate HKD in millions)			
(iv)	For the Group's working capital, the expansion of internal capabilities and other general corporate purposes, including[3]:						
	(a) Near-term operational cash flow needs for the year 2025	43.385	10.000	–	53.385	–	N/A
	(b) Staff-related expenses, comprising (i) existing directors and non-clinical staff's remuneration (approximately HK$53.0 million) and (ii) incremental staff cost (approximately HK$16.0 million) due to the Company's expansion to further advance the Company's R&D projects	None	69.000	16.458	29.376	39.624	by the end of 2027
	(c) Professional fees (i.e. annual listing-related, legal and audit costs)	None	14.000	5.874	10.312	3.688	by the end of 2027
	(d) Rental expenses	None	14.000	6.447	9.355	4.645	by the end of 2027
	(e) Patent-related expenses	None	20.000	5.196	7.011	12.989	by the end of 2027
	(f) Various taxes and maintenance cost of the land and building in Suzhou	None	10.000	4.690	8.399	1.601	by the end of 2027
	(g) Other working capital purposes	None	47.730	37.251	44.042	3.688	by the end of 2027
Total		123.957	369.461	151.182	281.809	211.609	

Notes:

(1) Planned applications of the net proceeds from the 2025 July Share Subscriptions are revised and disclosed in the Company's announcement dated 23 March 2026.

(2) 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. Please note that these expectations are based on the most current information available and may be subject to revision as the Company's businesses develop and/or operations evolve.

(3) 50% (approximately HK$184.7 million) of the proceeds from the 2025 July Share Subscriptions will be used for the Company's working capital, the expansion of internal capabilities, and other general corporate purposes. The allocation is intended to strengthen the financial position of the Group and fund its working capital.

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**").

Details of the planned applications of the net proceeds from the 2023 Subscriptions were disclosed in the Company's announcements dated 14 December 2023, 12 January 2024, 31 January 2024 and subsequently revised and disclosed in the Company's announcements dated 31 March 2025 and 23 March 2026. The following table sets out the planned applications of the net proceeds and the actual usage up to 30 June 2026:

Use of proceeds	**Planned application**[Note 1] *(HK$ million)*	**Utilised amount of net proceeds during the Reporting Period** *(HK$ million)*	**Actual utilisation up to 30 June 2026** *(HK$ million)*	**Unutilised net proceeds as at 30 June 2026** *(HK$ million)*	**Expected timeline for full utilisation of the unutilised net proceeds**
For marketing and commercialisation, including establishment of a sales and marketing team, post commercialisation medical activities and marketing and academic promotion activities for Suciraslimab	20.5	–	20.5	–	N/A
For BLA commercialisation application and extension study for Suciraslimab	11.0	–	11.0	–	N/A
For clinical studies for SM17 for the treatment of atopic dermatitis	22.0	–	22.0	–	N/A
For the Group's working capital, the expansion of internal capabilities and other general corporate purposes	19.7	19.7	19.7	–	N/A
Total	73.2	19.7	73.2	–	

Notes:

1. Planned applications of the net proceeds are revised and disclosed in the Company's announcement dated 23 March 2026.

2. As at 30 June 2026, all net proceeds have been utilised in a manner consistent with the disclosure set out in the Company's announcement dated 23 March 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 Reporting Period and to the date of this announcement.

PRELIMINARY ANNOUNCEMENT OF INTERIM RESULTS

The financial information relating to the year ended 31 December 2025 included in this preliminary results announcement does not constitute the Company's statutory annual consolidated financial statements for that year 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 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

- The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2025. The auditor's report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

EVENTS AFTER REPORTING PERIOD

Disposal of Suzhou Property and Facility

On 6 July 2026, MediNexus Pharma (Suzhou) Limited (the "**Vendor**", a wholly-owned subsidiary of the Company) entered into the sale and purchase agreement with Suzhou Yigong Pinyuan Biopharmaceutical Co., Ltd.* (蘇州宜工品源生物醫藥有限公司) (the "**Purchaser**"), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Assets at a consideration of RMB280,000,000 (the "**Disposal**"). The Target Assets comprise the land use right of an industrial land parcel located in Suzhou Industrial Park, China, with a total site area of approximately 43,158.21 sq.m. and a total gross floor area of approximately 71,315.23 sq.m., together with all buildings (including production plants, office and warehouse buildings), ancillary structures, facilities and related equipment situated thereon. The Group recognised impairment loss of RMB56,341,000 on the Target Assets, representing the difference between the consideration and the book value. An extraordinary general meeting will be held on Monday, 7 September 2026, for the shareholders to consider and, if thought fit, approve the Disposal and transactions contemplated thereunder. Please refer to the Company's announcement dated 6 July 2026 and the Company's circular dated 21 August 2026 for further details.

Grant of Share Options

On 24 July 2026, the Company granted a total of 18,026,040 share options to 1 director and 1 employee of the Company (the "**Grantees**") which entitle the Grantees to subscribe for an aggregate of 18,026,040 new shares of the Company under the Company's share option scheme adopted at the extraordinary general meeting held on 26 October 2022 and subsequently amended at the annual general meeting held on 14 June 2024, subject to the acceptance of the Grantees. Please refer to the announcement of the Company dated 24 July 2026 for further details.

Save as disclosed in this announcement, there are no other significant events after the Reporting Period.

* *For identification purpose only*

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 Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules during the Reporting Period.

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

Pursuant to code provision C.2.1 in the CG Code, the roles of 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 is the Director best suited, among all Directors, to identify strategic opportunities and focus in view of his extensive understanding of the Company's business as a founder and 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 our 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 the 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 an executive Director (Dr. Leung), three non-executive Directors and five 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.

INTERIM DIVIDENDS

The Directors have resolved not to declare an interim dividend for the six months ended 30 June 2026 (2025: Nil).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Other income and gains		**23,462**	9,802
Research and development costs		**(50,337)**	(32,740)
Administrative expenses		**(39,012)**	(23,734)
Finance costs		**(3,313)**	(2,990)
Impairment loss on non-current assets		**(56,341)**	–
Other expenses	*3*	**(1,847)**	(159)
LOSS BEFORE TAX		**(127,388)**	(49,821)
Income tax expense	*4*	**–**	–
LOSS FOR THE PERIOD		**(127,388)**	(49,821)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*6*	**(0.09)**	(0.05)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
LOSS FOR THE PERIOD	**(127,388)**	(49,821)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation to the presentation currency	**(30,818)**	(7,577)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(158,206)**	(57,398)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026** ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**415,120**	480,223
Right-of-use assets		**17,186**	20,779
Intangible assets		**168**	354
Deposits		**1,298**	1,241
Other non-current assets		**13,848**	15,614
Total non-current assets		**447,620**	518,211
CURRENT ASSETS			
Prepayments, deposits and other receivables		**10,708**	7,666
Financial assets at fair value through profit or loss	*7*	**52,655**	48,713
Pledged and restricted deposits		**21,820**	10,814
Cash and cash equivalents		**151,780**	322,708
Total current assets		**236,963**	389,901
CURRENT LIABILITIES			
Other payables and accruals		**56,231**	61,740
Lease liabilities		**4,285**	7,583
Interest-bearing bank borrowings	*8*	**114,372**	134,716
Total current liabilities		**174,888**	204,039
NET CURRENT ASSETS		**62,075**	185,862
TOTAL ASSETS LESS CURRENT LIABILITIES		**509,695**	704,073
NON-CURRENT LIABILITIES			
Lease liabilities		**2,337**	4,106
Interest-bearing bank borrowings	*8*	**145,839**	192,089
Total non-current liabilities		**148,176**	196,195
Net assets		**361,519**	507,878
EQUITY			
Equity attributable to owners of the parent			
Share capital	*9*	**2,218,200**	2,218,200
Reserves		**(1,856,681)**	(1,710,322)
Total equity		**361,519**	507,878

NOTES

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The financial information relating to the year ended 31 December 2025 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditor has reported on the financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The above amendments did not have any impact on the Group's interim condensed consolidated financial information.

3. OTHER EXPENSES

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss on disposal of items of property, plant and equipment	**1,297**	–
Others	**550**	159
Total other expenses	**1,847**	159

4. INCOME TAX

No Hong Kong profits tax has been made as the Company did not generate any assessable profit during the period (six months ended 30 June 2025: 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 Chinese mainland is 25% during the periods presented in the interim condensed 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 Chinese mainland during the periods presented in the interim condensed 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.

5. DIVIDENDS

No dividend was paid or declared by the Company during the six months ended 30 June 2026 and 2025.

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

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent of RMB127,388,000 (six months ended 30 June 2025: RMB49,821,000), and the weighted average number of ordinary shares of 1,370,997,720 (six months ended 30 June 2025: RMB1,096,254,328) outstanding during the period, 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 amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	**30 June 2026** ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Unlisted equity investment, at fair value		**29,803**	30,757
Wealth management products	*(i)*	**22,852**	17,956
Total financial assets at fair value through profit or loss		**52,655**	48,713

Note:

(i) The wealth management products were 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 wealth management products based on fair value provided by the financial institutions.

8. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Non-current		
Unsecured bank borrowings	**57,555**	73,805
Secured bank borrowing	**88,284**	118,284
Total — non-current	**145,839**	192,089
Current		
Unsecured bank borrowings	**56,504**	84,545
Secured bank borrowings	**57,868**	50,171
Total — current	**114,372**	134,716
Total	**260,211**	326,805
Bank borrowings repayable analysed into:		
Within one year	**114,372**	134,716
In the second year	**107,000**	92,550
In the third to fifth years, inclusive	**38,839**	99,539
Total	**260,211**	326,805

Notes:

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

(i) mortgages over the Group's land use right and property, plant and equipment, which had a net carrying value at the end of the Reporting Period of approximately RMB336,341,000 (31 December 2025: RMB340,016,000).

(ii) The pledge of certain of the Group's deposit amounting to RMB11,919,000 as at 30 June 2026 (31 December 2025: RMB: Nil).

(b) All borrowings are denominated in RMB.

(c) The effective interest rates of the bank borrowings as at 30 June 2026 ranged from 2.50% to 3.90% (31 December 2025: 3.00% to 3.90%) per annum.

9. SHARE CAPITAL

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Issued and fully paid:		
1,386,638,336 (2025: 1,386,638,336) ordinary shares	**2,218,200**	2,218,200

REVIEW OF INTERIM RESULTS

The independent auditor of the Company, Ernst & Young, has reviewed the interim condensed consolidated financial information in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee currently comprises five independent non-executive Directors being Mr. Ping Cho Terence HON (Chairman), Mr. George William Hunter CAUTHERLEY, Dr. Chi Ming LEE, Ms. Chi Sau Giselle LEE and Mr. Nan SHEN. The Audit Committee has jointly reviewed with the management and the independent auditor of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended 30 June 2026) of the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF CONDENSED CONSOLIDATED INTERIM RESULTS AND 2026 INTERIM REPORT ON WEBSITES OF STOCK EXCHANGE AND COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinomab.com). The 2026 interim 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.

Save as disclosed in this announcement, during the Reporting Period, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Listing Rules.

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

Hong Kong, 31 August 2026

As at the date of this announcement, the executive Director of the Company is Dr. Shui On LEUNG, the non-executive Directors of the Company are Ms. Xiaosu WANG, Ms. Lei XUE and Dr. Jianmin ZHANG, and the independent non-executive Directors of the Company are Mr. George William Hunter CAUTHERLEY, Mr. Ping Cho Terence HON, Dr. Chi Ming LEE, Ms. Chi Sau Giselle LEE and Mr. Nan SHEN.