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Sirnaomics Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2257)

**SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

The Board is pleased to announce that, on October 2, 2024 (after trading hours), the Company (as issuer) entered into the Subscription Agreement with the Subscriber in respect of the Subscription of 17,527,696 Subscription Shares at the Subscription Price of HK\$3.36 per Share.

The issue of the Subscription Shares will not be subject to the approval of the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the EGM.

Given that completion of the Subscription is subject to conditions and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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The Subscription Agreement

The major terms of the Subscription Agreement are as follows:

Date: October 2, 2024 (after trading hours)

Parties: (1) Company (as issuer)
(2) Subscriber

Consideration: Approximately HK\$58.9 million

Subscription Shares

The Subscriber will purchase 17,527,696 Subscription Shares, which represent: (i) 20.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to Completion save for the issue of the Subscription Shares). The aggregate nominal value of the Subscription Shares will be US\$17,527.70. Upon Completion, the Subscriber will become a substantial Shareholder (as defined under the Listing Rules) and hence a connected person of the Company.

Rights of the Subscription Shares

The Subscription Shares will be fully paid and rank pari passu with all other issued Shares in all respects as at the date of issue.

The Subscription Price

The Subscription Price is HK\$3.36 per Share, which represents:

- (i) a discount of 20.0% over the closing price of HK\$4.20 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a premium of approximately 1.8% to the average of the closing prices of approximately HK\$3.30 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a premium of approximately 3.4% to the average of the closing prices of approximately HK\$3.25 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber and was determined with reference to the prevailing and recent market prices and trading volume of the Shares.

Conditions Precedent for the Subscription

The Subscription under the Subscription Agreement are conditional on:

- (1) the Listing Committee of the Stock Exchange granting approval for the listing of, and the permission to deal in, the Subscription Shares, and such approval not having been subsequently revoked prior to Completion;
- (2) each of the representations and warranties of the Company and the Subscriber contained in the Subscription Agreement being true and complete when made in all material respects and being true and complete on and as of Completion in all material respects with the same effect as though such representations and warranties had been made on and as of the date of the Completion, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete in all material respects as of such particular date; and
- (3) all consents of any competent governmental authority or of any other person that are required to be obtained by the Subscriber and the Company in connection with the consummation of the transactions contemplated by the Subscription Agreement having been duly obtained and effective as of Completion.

Regarding the Subscription Agreement, in addition to the conditions set out above, completion of the Subscription Agreement is also subject to the Company having sufficient public float in compliance with Rule 8.08(1) of the Listing Rules upon completion of the transactions contemplated thereunder.

Completion

Completion shall take place upon satisfaction of the conditions precedent and by no later than November 30, 2024 (or such other date as the parties thereto may agree).

Lock-up

The Subscriber has agreed, covenanted and undertaken to the Company that, without the prior written consent of the Company, the Subscriber will not, whether directly or indirectly, at any time during the period of six months from Completion, (i) dispose of, in any way, any Subscription Shares or any interest in any company or entity holding any Subscription Shares; (ii) allow itself to undergo a change of control (as defined in the Takeovers Code) at the level of its ultimate beneficial owner; or (iii) enter into any transactions with the same economic effect as any aforesaid transaction.

The above lock-up shall not restrict:

- (1) any disposal by the Subscriber of the Subscription Shares to an investment holding company of which the Subscriber holds and controls at least 30% of the voting rights, provided that such investment holding company will have previously entered into an irrevocable undertaking with the Company on substantially the same terms as the above lock-up and such transfer will not trigger a mandatory general offer under the Takeovers Code; or
- (2) the Subscriber from accepting an offer or voting in connection with, or otherwise consenting (or not consenting) to, a takeover or merger of the Company (whether by way of general offer, scheme of arrangement or merger (if applicable)), or other transaction concerning the Company (such as a partial offer), to which the Takeovers Code applies.

Any disposal undertaken by the Subscriber pursuant to the above shall comply with all laws (including any relevant laws relating to insider dealing).

Termination

The Subscription Agreement may be terminated prior to Completion:

- (a) by the parties by mutual written agreement;
- (b) by either party if any of the conditions precedent (as mentioned above) have not been satisfied by the other party by November 30, 2024;
- (c) by the Subscriber by giving written notice to the Company if at any time prior to Completion:
 - (i) any material breach of any of the warranties by the Company comes to the knowledge of the Subscriber or any event occurs or any matter arises on or after the date of the Subscription Agreement and prior to Completion which if it had occurred or arisen before the date of the Subscription Agreement would have rendered any of such warranties untrue or inaccurate in any material respect in such a manner as would in the reasonable opinion of the Subscriber, give rise to a material adverse change; or
 - (ii) there has been a material misrepresentation or material breach of a covenant or agreement contained in the Subscription Agreement on the part of the Company, and such breach, if curable, has not been cured within fourteen (14) days of such notice;

- (d) by the Company by giving written notice to the Subscriber if at any time prior to Completion:
- (i) any material breach of any of the warranties by the Subscriber comes to the knowledge of the Company or any event occurs or any matter arises on or after the date of the Subscription Agreement and prior to Completion which if it had occurred or arisen before the date of the Subscription Agreement would have rendered any of such warranties untrue or inaccurate in any material respect; or
 - (ii) there has been a material misrepresentation or material breach of a covenant or agreement contained in the Subscription Agreement on the part of the Subscriber, and such breach, if curable, has not been cured within fourteen (14) days of such notice; or
- (e) by the Subscriber or the Company if, due to change of applicable laws, the consummation of the transactions contemplated hereunder would become prohibited under applicable laws.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to the approval of the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the EGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorized to issue is 17,527,696 shares, representing 20% of the number of issued Shares as at the date of the EGM. Since the date of the EGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

APPLICATION FOR LISTING

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

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement up to Completion:

	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Directors, chief executive or substantial shareholders of the Company or their close associates				
Dr. Yang Lu (<i>alias</i> Patrick Lu) ^(Note 1)	9,289,082	10.60%	9,289,082	8.83%
Dr. Xiaochang Dai ^(Note 2)	1,709,132	1.95%	1,709,132	1.63%
Mr. Mincong Huang ^(Note 3)	956,501	1.09%	956,501	0.91%
Subscriber	—	—	17,527,696	16.67%
Public Shareholders	<u>75,683,765</u>	<u>86.36%</u>	<u>75,683,765</u>	<u>71.96%</u>
Total	<u>87,638,480</u>	<u>100.00%</u>	<u>105,166,176</u>	<u>100.00%</u>

Notes:

- (1) Dr. Lu is the settlor of The Yang Lu Family Trust and the beneficiaries of The Yang Lu Family Trust are Zheng Joan Wang and Laura Yao Lu, being Dr. Lu's spouse and daughter, respectively. Zheng Joan Wang and Laura Yao Lu are co-trustees of The Yang Lu Family Trust. Therefore, the co-trustees of The Yang Lu Family Trust are Dr. Lu's close associates. The above table shows Dr. Lu's shareholdings consisting of: (i) 2,500,000 Shares held by The Yang Lu Family Trust; and (ii) 6,789,082 Shares beneficially owned by Dr. Lu.
- (2) Value Measure Investments Limited and Trinity Power Limited are wholly-owned by Dr. Dai and therefore his close associates. The above table shows Dr. Dai's shareholdings consisting of: (i) 1,668,757 Shares beneficially owned by Value Measure Investments Limited and Trinity Power Limited; and (ii) 40,375 Shares beneficially owned by Dr. Dai.
- (3) Huang Family Capital Ltd owns 198,950 Shares and Soaring Star Ventures Limited owns 600,601 Shares. Huang Family Capital Ltd is wholly-owned by Soaring Star Ventures Limited, and the Huang Family Trust is the beneficiary of Soaring Star Ventures Limited. Mr. Huang is the beneficiary of the Huang Family Trust. Therefore, Huang Family Capital Ltd, Soaring Star Ventures Limited and the trustee of the Huang Family Trust are Mr. Huang's close associates. Mr. Huang also owns 156,950 Shares.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

INFORMATION OF THE COMPANY

Sirnaomics is an RNA therapeutics biopharmaceutical company that focuses on the discovery and development of innovative drugs for indications with unmet medical needs and large market opportunities. Sirnaomics is the first clinical-stage RNA therapeutics company to have a strong presence in both Asia and the United States. Based on its proprietary delivery technologies, a polypeptide nanoparticle RNAi platform and GalNAc RNAi platform, GalAhead™, Sirnaomics has established an enriched drug candidate pipeline. STP122G, which represents the first drug candidate utilizing the Company's GalAhead™ technology, is currently in Phase I development. The Company has also had multiple successes with oncology applications through its clinical programs for STP705 and STP707. With the establishment of the Group's manufacturing facility in China, Sirnaomics is undergoing a transition from a biotech company to a biopharma corporation. Learn more at: www.sirnaomics.com.

INFORMATION OF THE SUBSCRIBER

The Subscriber is an individual investor named Mr. Poon Hung Fai (潘洪輝) with substantial experience (including executive level positions) in the biotechnology industry.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of the Subscription Agreement: (1) the Subscriber is a third party independent of and not connected with the Company and its connected persons (as defined under the Listing Rules); and (2) the Subscriber does not have any shareholding in the Group. Upon Completion, the Subscriber will become a substantial Shareholder (as defined under the Listing Rules) and hence a connected person of the Company.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors are of the view that the Subscription will benefit the Group's long term development by providing a good opportunity to raise additional funds to strengthen the financial position and to broaden the Company's shareholder base and capital base to facilitate the future growth and development of its business as well as to increase the trading liquidity of the Shares.

The Directors consider the terms of the Subscription Agreement, which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties thereto, are fair and reasonable, and the Subscription is in the interests of the Company and Shareholders as a whole.

The gross proceeds of the Subscription will be approximately HK\$58.9 million. The net proceeds from the Subscription (after deducting all applicable costs and expenses of the Subscription) will be approximately HK\$58.5 million and a net issue price of HK\$3.34 per Subscription Share. The Group intends to use the proceeds from the Subscription for its general working capital.

Given that completion of the Subscription is subject to conditions and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“Board”	the board of Directors
“close associate”	has the meaning ascribed to it under the Listing Rules
“Company”	Sirnaomics Ltd., a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2257)
“Completion”	completion of the Subscription
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company held on August 7, 2024
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the EGM to allot, issue and deal with up to 20% of the then number of the issued Shares as at the date of the EGM
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of par value of US\$0.001 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Poon Hung Fai (潘洪輝), the subscriber under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated October 2, 2024 and entered into between the Company (as issuer) and the Subscriber
“Subscription Price”	HK\$3.36 per Subscription Share
“Subscription Shares”	17,527,696 new Shares to be subscribed by the Subscriber under the Subscription Agreement
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong
“%”	per cent.

By order of the Board
Sirnaomics Ltd.
Yang (Patrick) Lu
Chairman and Executive Director

Hong Kong, October 3, 2024

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