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**SinoMab BioScience Limited**

**中國抗體製藥有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 3681)**

## **DISCLOSEABLE TRANSACTION – DISPOSAL OF CHINA HEALTHCARE FUND**

The Board wishes to announce that on 4 February 2021, the Company and the Purchaser executed a contract, pursuant to which the Company will sell 775,347.912 units of class A participating shares in China Healthcare Fund at the consideration of HKD110,572,365.73 to the Purchaser. The company estimates that the Group will record an unaudited gain of approximately HKD32,572,365.73 (representing approximately 41.76% return on Investment) from the Disposal.

Completion of the Disposal shall take place on 18 February 2021. After completion of the Disposal, the Group will cease to have any interest in China Healthcare Fund.

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company subject to the announcement requirement under Chapter 14 of the Listing Rules.

The Board wishes to announce that on 4 February 2021, the Company and the Purchaser executed a contract, pursuant to which the Company will sell 775,347.912 units of class A participating shares in China Healthcare Fund at the consideration of HKD110,572,365.73 to the Purchaser. Major terms of the Disposal are set out below.

### **THE DISPOSAL**

Date: 4 February 2021

Parties: the Company (as seller)

Dragon Capital Special Opportunities SPC for and on behalf of its segregated portfolio named Dragon Capital Special Opportunities 2 SP (as Purchaser)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Asset to be disposed of: 775,347.912 units of class A participating shares in China Healthcare Fund (Net asset value of each unit: HKD142.61)

Consideration: HKD110,572,365.73

The consideration will be fully paid by cash by the Purchaser on 18 February 2021.

The consideration was arrived at after arm's length negotiation between the Company and the Purchaser based on normal commercial terms with reference to the net asset value of HKD142.61 for each unit of class A participating shares in China Healthcare Fund as at 31 December 2020.

Completion: Completion of the Disposal shall take place on 18 February 2021.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Prior to the Disposal, the Investment was accounted for in the Group's consolidated financial statements as financial assets at fair value through profit or loss. After completion of the Disposal, the Group will cease to have any interest in China Healthcare Fund.

Based on the consideration of the Disposal of HKD110,572,365.73, the Company estimates that the Group will record an unaudited gain of approximately HKD32,572,365.73 (representing approximately 41.76% return on Investment) from the Disposal, based on the net asset value less acquisition cost of HKD78,000,000. The aforementioned financial effect is disclosed for illustrative purpose only and any actual gain or loss from the Disposal will be subject to audit.

As disclosed in the annual report of the Company for the year ended 31 December 2019, the Investment falls under "other general corporate purposes" of the Company in respect of the use of proceeds from the Company's listing. The intended application of the proceeds from the Disposal remains unchanged.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Directors consider that the Disposal represents an opportunity to realise the Investment and to improve working capital of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are on normal commercial terms and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

## **GENERAL**

The Purchaser is an exempted company incorporated in the Cayman Islands with limited liability and registered as an exempted segregated portfolio company with the Registrar of Companies of the Cayman Islands. The Company is an open-ended investment fund registered as a mutual fund under section 4(3) of the Mutual Funds Act of the Cayman Islands. It principally engages in investment in equities, fixed income instruments and investment funds for capital appreciation.

The Company is a limited liability company incorporated under the laws of Hong Kong. The Shares have been listed on the Main Board of the Stock Exchange since 12 November 2019. The Group is principally engaged in the research, development, manufacturing and commercialisation of therapeutics for the treatment of immunological diseases, primarily monoclonal antibody-based biologics.

China Healthcare Fund mainly invests in equities listed on the Stock Exchange, as well as the stock exchanges in the PRC and the United States. In particular, China Healthcare Fund focuses on investing in equities whose operations focused mainly in, or who derive a significant amount of earnings from, the healthcare industry in the Greater China region, or which are closely related thereto.

## **LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company subject to the announcement requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors of the Company;
“China Healthcare Fund”	a China Healthcare Fund Segregated Portfolio, which is a segregated portfolio of New China Overseas Opportunity Fund SPC;
“Company”	SinoMab BioScience Limited (中國抗體製藥有限公司), a company incorporated in Hong Kong with limited liability and the Shares of which are listed on Stock Exchange (stock code: 03681);
“Directors”	the directors of the Company;
“Disposal”	the disposal of 775,347.912 units of class A participating shares in China Healthcare Fund at the consideration of HKD110,572,365.73 by the Company to the Purchaser;
“Group”	the Company and its subsidiaries;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	has the meaning ascribed to it under the Listing Rules;
“Investment”	the investment made by the Company on 22 January 2020 amounting to HK\$78,000,000 in China Healthcare Fund;

“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China
“Purchaser”	Dragon Capital Special Opportunities SPC for and on behalf of its segregated portfolio named Dragon Capital Special Opportunities 2 SP. Dragon Capital Special Opportunities SPC is an exempted company incorporated in the Cayman Islands with limited liability and is an independent third party;
“Shares”	ordinary shares of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**SinoMab BioScience Limited**  
**Dr. Shui On LEUNG**

*Executive Director, Chairman and Chief Executive Director*

Hong Kong, 4 February 2021

*As at the date of this announcement, the executive Director is Dr. Shui On LEUNG, the non-executive Directors are Dr. Haigang CHEN, Mr. Xun DONG, Mr. Senlin LIU, Ms. Wenyi LIU, Mr. Huiyuan MA and Mr. Jing QIANG, and the independent non-executive Directors are Mr. George William Hunter CAUTHERLEY, Mr. Michael James Connolly HOGAN, Mr. Ping Cho Terence HON and Mr. Dylan Carlo TINKER.*