

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ImmuneOnco Biopharmaceuticals (Shanghai) Inc.

宜明昂科生物醫藥技術（上海）股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1541)

DISCLOSEABLE TRANSACTION

DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

THE DISPOSAL

On December 30, 2024 (after trading hours), the Company entered into the Agreement with the Purchaser and the Target Company, pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire the Equity Interest of the Target Company at the Purchase Price.

As of the date of this announcement, the Target Company is a wholly-owned subsidiary of the Company. Upon the Closing, the Group will no longer have any equity interest in the Target Company. As such, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 5% but are lower than 25%, the Disposal constitutes a discloseable transaction of the Company under relevant requirements of Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements as set out under Rule 14.34 of the Listing Rules but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Closing is subject to the fulfillment of the conditions precedent under the Agreement and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE AGREEMENT

On December 30, 2024 (after trading hours), the Company entered into the Agreement with the Purchaser and the Target Company, pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire the Equity Interest of the Target Company at the Purchase Price.

The principal terms of the Agreement are set out below:

Date

December 30, 2024 (after trading hours)

Parties

- (i). the Company;
- (ii). the Purchaser; and
- (iii). the Target Company, a wholly-owned subsidiary of the Company

Subject Matter

The Company agreed to sell, and the Purchaser agreed to acquire the Equity Interest, being the entire equity interest in the Target Company. The Target Company is the owner of the Property. See “Information on the Parties and the Property” below for further details on the Property.

Consideration and its Basis of Determination

The maximum amount (the “**Maximum Amount**”) of the Purchase Price for the Disposal is RMB98,188,983.55 (subject to the Adjustment (as defined below)), which shall be settled by wire transfer in the following manner:

- (i). within ten business days from the date of completion of registration of the Equity Transfer, the Purchaser shall pay the first installment of RMB3,178,983.55 to the Company;
- (ii). within ten business days upon the Closing, the Target Company shall pay the second installment of RMB63,000,000; and

- (iii). within ten business days from the date on which the amount of Adjustment (as defined below) is determined in accordance with the construction protocol of the Target Company, the Target Company shall pay the third installment (the “**Third Installment**”) to the Company equaling to the Maximum Amount after deducting the first installment, the second installment and the amount of Adjustment (if any), subject to terms and conditions as stipulated in the Agreement.

If the amount of the Third Installment so calculated is negative, the Company shall make up the shortfall in cash within a reasonable period specified by the Purchaser.

The Purchase Price shall be adjusted with reference to (a) the value of the unusable portion of the pile foundation in connection with the Property and (b) third-party engineering costs potentially to be incurred in relation to pile foundation modification or removal works (collectively, the “**Adjustment**”).

The Purchase Price was determined after arm’s length negotiations between the parties with reference to, among others, (i) the Valuation of Target Company as at the Valuation Benchmark Date, as appraised by an independent valuer using the asset-based approach; (ii) the development potential of the Property owned by the Target Company; and (iii) reasons and benefits of the Disposal as stated under the section headed “Reasons for and Benefits of the Disposal” below.

Valuation

An independent valuation has been conducted on the Target Company by an independent valuer, to assess the total equity interests and assets and liabilities of the Target Company as at the Valuation Benchmark Date. The independent valuer issued the Valuation Report on December 24, 2024.

The Target Company was established in July 31, 2024 and does not have any substantial operation or business since its establishment other than certain construction work conducted by the Group. As of the Valuation Benchmark Date, the Target Company had no major assets other than the Property. In view of the short establishment history and assets held by the Target Company, the asset-based approach was considered as an appropriate valuation method for the Target Company comparing to the income approach and market approach, and was therefore selected for this Valuation.

According to the Valuation Report, based on the above valuation approach and the total assets of the Target Company as of the Valuation Benchmark Date in the amount of RMB107,899,075.30, the appraised value of the total assets of the Target Company was RMB101,078,891.81 as of the Valuation Benchmark Date.

Conditions Precedent

The Closing is conditional upon the satisfaction of, among others, the following conditions:

- (i). the relevant registration and handover procedures (including but not limited to updating the business license and the register of shareholders) for the Equity Transfer have been completed in accordance with terms as stipulated in the Agreement;
- (ii). the conditions of the Property as at the Closing shall be consistent with the conditions previously disclosed and inspected; and
- (iii). all outstanding contractual obligations assumed by the Target Company have been terminated, unless explicitly stated in the Agreement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

By entering into the Agreement for the Disposal, the Company aims to achieve a more balanced and strategically aligned asset portfolio, improve capital utilization, and enhance overall financial health. The Disposal, when materialized, will strengthen the cash flow of the Group and allow the Group to improve its liquidity and to reallocate its resources for future development.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the conditions and terms of the Agreement (including the Purchase Price) were fair and reasonable and on normal commercial terms and therefore the Disposal is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES AND THE PROPERTY

The Company

The Company is a joint stock company incorporated in the PRC with limited liability on June 14, 2022. The Company is a clinical-stage biotechnology company dedicated to the development of immuno-oncology therapies.

The Purchaser

Shanghai Zhangjiang Group Co., Ltd. (上海張江(集團)有限公司) (“**Zhangjiang Group**”) is a limited liability company established in the PRC on July 3, 1992 and is wholly owned by Shanghai Municipal Pudong New Area State-owned Assets Supervision and Administration Commission (上海市浦東新區國有資產監督管理委員會). Zhangjiang Group serves as an engine for the development of Zhangjiang Science City (張江科學城), a booster for emerging industries, and an incubator of science and innovation ecosystem. It focuses on investment in biotech and high-tech companies with operations in China or related to China. As of the date of this announcement, Shanghai Zhangjiang Science & Technology Venture Capital Co., Ltd. (上海張江科技創業投資有限公司), a company incorporated under the laws of the PRC and wholly owned by Zhangjiang Group, held approximately 2.67% of the total issued Shares of the Company.

To the best knowledge of the Directors, having made reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are independent third parties of and not connected with the Company and its connected persons.

The Target Company

The Target Company is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company as of the date of this announcement and immediately before the Closing. It is established mainly for the purpose of holding the Property.

The Property is an industrial property located at Lot B01C-05, Unit PDS1-0102, Kangqiao Industrial Zone South, Pudong New Area, Shanghai, the PRC, with a land area of approximately 28,763.10 square meters. The Property currently has no construction being carried out other than the foundation piling works that have been completed by the Group. As of the date of this announcement, the Target Company has no other major assets other than the Property. There was no material cost for incorporation of the Target Company by the Company and the original acquisition cost of the Property paid by the Group was approximately RMB84.6 million (inclusive of tax and related fees).

The unaudited net loss (both before and after taxation and extraordinary items) of the Target Company for the period from July 31, 2024 (being the date of incorporation of the Target Company) to the Valuation Benchmark Date was nil, and the unaudited net assets of the Target Company were approximately RMB10.0 million as at the Valuation Benchmark Date.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

As of the date of this announcement, the Target Company is a wholly-owned subsidiary of the Company. Upon the Closing, the Group will no longer have any equity interest in the Target Company. As such, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

The gross proceeds from the Disposal, based on the Company's best estimation, may range from approximately RMB71.5 million to RMB98.2 million, depending on the Adjustment, and the net proceeds (after deducting transaction costs and professional expenses) range from RMB71.5 million to RMB98.2 million.

As of the date of this announcement, the Purchase Price has not been fixed, which may be subject to the Adjustment to be determined and agreed by the parties. For illustration purpose, the Company currently estimates that the final Purchase Price would be no less than the carrying amount of the land use right of the Property as at the date of this announcement in the amount of approximately RMB71.5 million, and the cost of the construction work for the Property in the amount of approximately RMB27.4 million fully impaired as at June 30, 2024, may not be fully recovered. Based on the above estimation, it is estimated that the loss on the Disposal, either recorded as impairment loss or disposal loss, may vary between approximately RMB0.7 million and RMB27.4 million, which will be subject to audit to be performed by the auditor of the Company and therefore may be different from the amount as mentioned above.

The proceeds from the Disposal are intended to be used as general working capital.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 5% but are lower than 25%, the Disposal constitutes a discloseable transaction of the Company under relevant requirements of Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements as set out under Rule 14.34 of the Listing Rules but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	an equity transfer agreement dated December 30, 2024 and entered into by the Company, the Purchaser and the Target Company, pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire the Equity Interest of the Target Company at the Purchase Price
“Board”	the board of Directors of the Company
“Closing”	the completion of the Disposal
“Company”	ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (宜明昂科生物醫藥技術(上海)股份有限公司), a joint stock company incorporated in the PRC with limited liability on June 14, 2022, or, where the context requires (as the case may be), its predecessor, ImmuneOnco Biopharmaceuticals (Shanghai) Co., Ltd. (宜明昂科生物醫藥技術(上海)有限公司), a limited liability company established in the PRC on June 18, 2015
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Equity Interest of the Target Company by the Company to the Purchaser as stipulated in the Agreement
“Equity Interest”	100% equity interest of the Target Company
“Equity Transfer”	the transfer of the Equity Interest by the Company to the Purchaser as stipulated in the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Property”	the industrial property located at Lot B01C-05, Unit PDS1-0102, Kangqiao Industrial Zone South, Pudong New Area, Shanghai, the PRC, with a land area of approximately 28,763.10 square meters
“PRC”	the People’s Republic of China, and except where the context otherwise requires, references in this announcement to the PRC or Mainland China exclude Hong Kong, China, Macau, China and Taiwan, China
“Purchase Price”	the amount to be paid to the Company as the consideration for the Disposal, being equal to the Maximum Amount of RMB98,188,983.55 minus the Adjustment
“Purchaser”	Shanghai Zhangjiang Group Co., Ltd. (上海張江(集團)有限公司), a limited liability company established in the PRC on July 3, 1992
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to this term under the Listing Rules
“Target Company”	Shanghai Zhangtou Yaixin Technology Development Co., Ltd.* (上海張投堯新科技發展有限公司), a limited liability company established in the PRC on July 31, 2024 and a wholly-owned subsidiary of the Company
“Valuation”	the independent valuation conducted by an independent valuer to assess the total equity interests and assets and liabilities of the Target Company as at the Valuation Benchmark Date
“Valuation Benchmark Date”	November 6, 2024

* For identification purpose only

“Valuation Report” the valuation report issued by the independent valuer on December 24, 2024

“%” per cent.

By order of the Board
ImmuneOnco Biopharmaceuticals (Shanghai) Inc.
宜明昂科生物醫藥技術（上海）股份有限公司
Tian Wenzhi
Chairman and Executive Director

Shanghai, the PRC, December 30, 2024

As at the date of this announcement, the Board of Directors comprises (i) Dr. Tian Wenzhi, Mr. Li Song and Ms. Guan Mei as executive Directors; (ii) Dr. Xu Cong as non-executive Director; and (iii) Dr. Zhenping Zhu, Dr. Kendall Arthur Smith and Mr. Yeung Chi Tat as independent non-executive Directors.