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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

Reference is made to the announcement of Company dated December 30, 2024 (the "**Announcement**") in relation to the Disposal. Unless otherwise specified, capitalised terms herein shall have the same meanings as those defined in the Announcement. The Company wishes to provide additional information in relation to the Disposal in the Announcement as follows:

THE VALUATION

As disclosed in the Announcement, the Purchase Price was determined after arm's length negotiations between the parties taking into account various factors, including, among others, the Valuation as appraised by an independent and qualified valuer using the asset-based approach. The Valuation was conducted as at November 6, 2024 by Shanghai Cai Rui Assets Evaluation Co., Ltd* (上海財瑞資產評估有限公司) (the "**Valuer**"), which was engaged by Zhangjiang Group. According to the Valuation Report issued on December 24, 2024, after conducting the evaluation procedures, including on-site investigation, interviews, data collection and evaluation, and internal review, the Valuer concluded that the appraised value of the total assets of the Target Company to be RMB101,078,891.81 as at the Valuation Benchmark Date, based on the asset-based approach.

Valuation Methodology

According to the Valuation Report, the Valuer has considered all commonly adopted valuation approaches in the market (namely asset-based approach, market approach and income approach) for the purpose of determining the market value of the entire Equity Interest of the Target Company as at the Valuation Benchmark Date.

The market approach refers to a valuation method based on comparing the assets subject to the Valuation to similar assets or transactions in the market. As the Target Company is a newly established company with its main asset being the Property, it would be difficult to identify comparable companies with similar business, and to obtain the necessary factors affecting transaction price through public channels and further quantify these factors into adjustment coefficients to modify consideration for transaction. Therefore, the market approach was not adopted for the Valuation.

The income approach refers to a valuation method based on the future profitability of the Target Company. Taking into consideration (i) the Target Company was newly established in July 2024 and does not have any substantial operation or business since its establishment other than certain construction work conducted by the Group, and (ii) the Property is not anticipated to be further developed by the Group, the Valuer considered it difficult to reasonably project the Target Company's operations in the future and the profitability and accordingly determined that the income approach would not be suitable.

The asset-based approach refers to a valuation method based on the value of assets and liabilities of the Target Company. As disclosed in the Announcement, the Target Company was established on 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 at the Valuation Benchmark Date, the Target Company had no major assets other than the Property, thus under the asset-based approach, the assets could be appraised based on financial records and verification through on-site inspections. Therefore, the asset-based approach was considered as an appropriate valuation method for the Target Company, and the Valuer determined to adopt the asset-based approach for the Valuation.

Key Inputs and Computation Process of the Valuation

According to the Valuation Report, as at the Valuation Benchmark Date, the appraised value of the Equity Interest equals to the appraised value of total assets minus the appraised value of total liabilities of the Target Company.

(i). Total assets

The total assets of the Target Company principally comprise of the Property. As disclosed in the Announcement, the Property is an industrial property located at Lot B01C-05, Unit PDS1-0102, Kangqiao Industrial Zone South, Pudong New Area, Shanghai, the PRC (the "**Region**"), with no construction being carried out other than the foundation piling works that have been completed by the Group.

As at the Valuation Benchmark Date, the book value of the total assets of the Target Company is RMB107,899,075.30 and the appraised value is RMB101,078,891.81, representing a depreciation amount of RMB6,820,183.49 due to the difference between (a) the book value of the total assets which is equivalent to the purchase costs of the inventory generated from acquisition of the Property by the Target Company from the Company, and (b) the appraised value of the total assets based on the valuation of the Property under the cost approach, in which the land use right was appraised under the market comparison approach.

(ii). Total liabilities

The total liabilities of the Target Company mainly include current liabilities which were payable and generated from acquisition of the Property by the Target Company from the Company. According to the Valuation Report, as at the Valuation Benchmark Date, both the book value and the appraised value of the total liabilities of the Target Company are RMB97,899,908.26, which was appraised based on the actual liabilities borne by the Target Company after verification and inspection.

(iii). Total equity

According to the Valuation Report and based on the formula above, as at the Valuation Benchmark Date, the book value of the Equity Interest was RMB9,999,167.04 and the appraised value was RMB3,178,983.55, representing a depreciation amount of RMB6,820,183.49 which reflects the arithmetic result under the calculation as described above due to the difference between the book value and the appraised value of the total assets of the Target Company.

Valuation Assumptions

The Valuation was based on following general assumptions:

Transaction assumption: it is assumed that all assets to be appraised are already in the process of transaction and the Valuer made estimations in a simulated market according to the transaction conditions of the assets to be appraised;

Open market assumption: an open market is a competitive market with fully developed and sound market conditions and willing buyers and sellers, in which the buyers and the sellers have equal standing and are provided with the opportunity and time to obtain sufficient market information and conduct transaction behaviours in a willing and rational state without compulsion or restrictions. Assets to be appraised can be traded openly in the market;

Enterprise going-concern assumption: it is assumed that the Target Company, under its existing asset and resource conditions, is capable of continuing its production and business operations in compliance with laws in the foreseeable future and there will be no significant adverse changes to its operations;

Continuing use assumption: it is assumed that the assets to be appraised are in use and will continue to be used in their current condition and manner;

It is assumed that there will be no unforeseeable and significant adverse changes in the PRC laws, macroeconomic situation, financial and industrial policies or unforeseeable circumstances after the Valuation Benchmark Date;

It is assumed that there will be no material changes in the social and economic environment, as well as the fiscal and financial policies of the region where the Target Company is located, such as tax levies, credit policies, interest rates and exchange rates;

All assets to be appraised in the Valuation are based on the actual quantity and the current market prices as at the Valuation Benchmark Date;

It is assumed the Target Company operates and will operate in compliance with applicable laws, its business license and article of associations; and

It is assumed that all completed pile foundations on the Property are fully compatible with the construction scheme of the Purchaser, who can utilize the pile foundation without any modifications.

FURTHER REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company had initially planned to utilize the Property for construction of its new manufacturing facility. However, taking various factors as below into consideration, the Property is no longer a strategically prioritized asset for the Company, and the Disposal is entered into, among others:

(i) The Company wishes to strategically concentrate on clinical research and development instead of manufacturing. The Group is committed to accelerating advancement of its drug candidates and bring these promising treatments to market as efficiently as possible, therefore the Group is strategically focusing on clinical development; and

(ii) In light of evolving industry dynamics, the Group continues to optimize the use of existing resource, and is refocusing and allocating the Group's resources to expedite clinical development of promising candidates.

To satisfy the Group's strategy and development needs, the Disposal enables the Group to optimize its strategically aligned asset portfolio, and strengthens the cash flow of the Group and allows the Group to improve its liquidity and to reallocate its resources for future development.

Based on the above and the reasons for and benefits of the Disposal as disclosed in the Announcement, the Directors (including the independent non-executive Directors) are of the view that the Disposal (including the Purchase Price) is 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.

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, January 10, 2025

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.