Shandong Boan Biotechnology Co., Ltd.

山东博安生物技术股份有限公司

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

(Stock Code: 6955)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Shandong Boan Biotechnology Co., Ltd. (the "**Company**") dated 7 August 2025 (the "**Announcement**") in relation to the placing of new shares in the Company. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Company announces that completion of the Placing took place on 14 August 2025.

A total of 48,000,000 new Shares, representing approximately 7.71% of the total issued Shares (as enlarged by the allotment and issue of the Placing Shares), have been placed at the Placing Price of HK$16.42 per Placing Share to no less than six Placees. To the best of the knowledge, information and belief of the Directors, the Placees are third parties independent of and not connected with the Company, any Director, chief executive or substantial shareholder of the Company, or any of its subsidiaries, or any of their respective associates, and none of the Placees has become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

USE OF PROCEEDS

As disclosed in the Announcement, the Company completed the June 2025 Placing on 11 June 2025. The net proceeds of the June 2025 Placing amounted to approximately HK$395.60 million. The intended use of the net proceeds from the June 2025 Placing consisted of (a) approximately 50% to be used for research and development of innovative product candidates, including: (i) the clinical trial of BA1106 (CD25 antibody), BA1301 (Claudin18.2 ADC) and BA1302 (CD228 ADC); (ii) non-clinical studies and clinical trial of BA1304 (EGFR/B7H3 bispecific ADC) and PR201 (PD-1/IL-2 probody); and (iii) proof of concept of other innovative product candidates with market potential; (b) approximately 20% to be used for the commercialization of marketed and upcoming products; and (c) approximately 30% to be used to replenish the Company's working capital and for general corporate purposes. As at the date of this announcement, the Company estimates that approximately HK$60.19 million of the net proceeds of the June 2025 Placing have been utilised.

While the Company retains unutilised proceeds from the June 2025 Placing, these funds have been earmarked for specific existing research and development projects, commercialisation activities, and working capital needs, with a planned utilisation timeline currently extending to 31 December 2026. The accelerated research and development progress of the Company's pipeline, the expansion of clinical and commercialisation activities, and the need for capital in manufacturing innovative product candidates have resulted in additional funding requirements. Leveraging the recent positive outlook and momentum in Hong Kong's capital markets, the Company considers that the Placing represents an appropriate and effective fund raising means to support the Company to capitalise on new opportunities, accelerate its pipeline, and maintain its strength in the highly competitive and fast-evolving biopharmaceutical sector. Furthermore, the Company may seek additional financing to advance its research and development programme, subject to its assessed requirements and prevailing financial conditions from time to time.

The Company has received total net proceeds from the Placing (after deducting all relevant fees, costs and expenses borne or incurred by the Company) of approximately HK$780.37 million. The Company intends to apply the net proceeds from the Placing as follows:

(a) Approximately 50% will be used for the research and development, clinical trials, registration filings, and manufacturing of innovative product candidates: Since the June 2025 Placing, the Company has achieved significant progress in its research and development activities, particularly in the area of innovative biologics and Antibody Drug Conjugates (ADC). The recent success of several key projects for example in the development of BA1106 (CD25 antibody) and BA1302 (CD228 ADC) has led to an increase in the number and scale of clinical trials, necessitating additional funding to support these expanded activities and the manufacturing of innovative product candidates. As a result of these achievements, the Company is now in a position to transition from relying on external providers for manufacturing to undertaking the manufacturing process in-house. This strategic shift will enable the Company to exercise greater control over the quality and timelines of production and to support the increased number and scale of clinical trials required for these innovative product candidates more efficiently. This change necessitates additional funding to invest in the necessary infrastructure, equipment, and personnel to ensure the successful in-house manufacturing of these advanced therapies.

(b) Approximately 20% will be used for the commercialisation of marketed and upcoming products: The Company is approaching expansion of its commercial portfolio, with new products including Boyouping® (BA5101, dulaglutide injection) which has recently been granted regulatory marketing approval, as well as Boyoujing® (BA9101, aflibercept injection) which is expected to receive regulatory approval and launch in the near term. In addition to these upcoming launches, the Company will continue to invest in the commercialisation of its existing products (i.e. Boyounuo®, Boyoubei®, and Boluojia®) to further strengthen their market positions and expand hospital and patient coverage.

(c) Approximately 30% will be used to replenish the Company's working capital and for general corporate purposes: The Group intends to use such proceeds for the purposes including but not limited to payments for suppliers, employee salaries and benefits and directors' remuneration and other general management and administrative expenses incurred in the course of daily operations.

The use of net proceeds from the Placing, together with the unutilized net proceeds from the June 2025 Placing as at the date of this announcement, is set out below.

Intended use of proceeds	**Unutilized net proceeds from the June 2025 Placing as at the date of this announcement**	**Net proceeds from the Placing** *(HK$ in million)*	**Expected future capital requirements (excluding unutilized proceeds from the June 2025 Placing) until 30 June 2026** [(1)]
Research and development of:			
(i) the clinical trial of BA1106 (CD25 antibody), BA1301 (Claudin18.2 ADC) and BA1302 (CD228 ADC)	81.44	NA	Not less than 87.69
(ii) non-clinical studies and clinical trial of BA1304 (EGFR/B7H3 bispecific ADC) and PR201 (PD-1/IL-2 probody)	59.42	NA	Not less than 53.78
(iii) proof of concept of other innovative product candidates with market potential	36.36	NA	Not less than 39.96
(iv) clinical trials, registration filings, and manufacturing of innovative product candidates [(2)]	NA	390.19	Not less than 195.00
Commercialization of marketed and upcoming products	73.68	156.07	Not less than 78.00
Replenish the Company's working capital and for general corporate purposes:			
– Payments for suppliers	21.16	110.34	Not less than 81.50
– Employee salaries and benefits and directors' remuneration	23.59	65.34	Not less than 27.95
– Other general management and administrative expenses incurred in the course of daily operations	39.76	58.62	Not less than 13.19

Notes:

(1) Please note that these expectations are based on the latest current information available and are subject to revision as the Company's operations evolve.

(2) Excludes clinical trials relating to the product candidates specified in items (i) and (ii) above. This category includes other innovative product candidates that may arise from the Company's ongoing research and development pipeline, as well as any new projects that advance to the clinical trial stage.

The Company's current expectations concerning allocation of the net proceeds from the Placing and the unutilized net proceeds from the June 2025 Placing as well as the timing for utilisation thereof are subject to change as circumstances evolve (including with respect to such matters as the progress of the Company's clinical trials, licensing agreements that the Company may enter into, industry trends and competition, regulatory developments and general business and economic conditions, among others). The Company will provide updated information on the use of proceeds from the June 2025 Placing and the Placing in its upcoming interim and annual reports until such proceeds have been fully utilised.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table summarises the shareholding structures of the Company (a) immediately before completion of the Placing; and (b) immediately after completion of the Placing:

	Immediately before completion of the Placing		**Immediately after completion of the Placing**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Shandong Luye[(1)]	360,596,456	62.79	360,596,456	57.94
Other existing Shareholders	213,737,238	37.21	213,737,238	34.34
Placees	–	–	48,000,000	7.71
Total	**574,333,694**	**100**	**622,333,694**	**100**

Notes:

(1) Shandong Luye is wholly-owned by Luye Pharma.

(2) The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places. Percentages may not add up to 100% due to rounding.

By Order of the Board
Shandong Boan Biotechnology Co., Ltd.
Jiang Hua
Chairlady, Chief Executive Officer and Executive Director

Yantai, the People's Republic of China, 14 August 2025

As at the date of this announcement, the executive directors of the Company are Ms. Jiang Hua, Dr. Dou Changlin and Mr. Wang Shenghan; the non-executive directors of the Company are Mr. Liu Yuanchong, Ms. Li Li and Mr. Li Shixu; and the independent non-executive directors of the Company are Professor Shi Luwen, Mr. Dai Jixiong and Dr. Yu Jialin.