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Boan Biotech
博安生物

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 31 July 2024 (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 7 August 2024.

A total of 26,655,600 new Shares, representing approximately 4.97% 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\$9.50 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

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\$250.68 million. As disclosed in the Announcement, the Company intends to apply the net proceeds from the Placing as follows:

- (a) approximately 50% will be used for research and development of: (i) the phase 3 clinical trial and marketing registration of BA1104 in China; (ii) the international multi-center phase 3 clinical trial and marketing registration of Denosumab Injection (BA6101 and BA1102) in Europe, the United States, and Japan; and (iii) the clinical trials of various innovative product candidates;
- (b) approximately 20% will be used for the commercialization of Boyounuo, Boyoubei and Boluojia; and
- (c) approximately 30% will be used to replenish the Company's working capital and for general corporate purposes.

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	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shandong Luye ⁽¹⁾	360,596,456	70.81	360,596,456	67.28
Other existing Shareholders	148,681,638	29.19	148,681,638	27.74
Places	–	–	26,655,600	4.97
Total	509,278,094	100	535,933,694	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 subtotal 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, 7 August 2024

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