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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)

ANNOUNCEMENT

LOAN FACILITY

The board of directors (the “**Board**”) of Shandong Boan Biotechnology Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that on 12 April 2024, the Company entered into a loan facility with China Jingu International Trust Co., Ltd. (the “**Lender**”) whereby the Lender has agreed to extend a term loan of RMB300,000,000 to the Company (the “**Facility**”).

The Company is a fully integrated biopharmaceutical company dedicated to the development, manufacturing, and commercialization of quality biological drugs in China and around the world, providing innovative and accessible treatment solutions for common major therapeutic areas such as oncology, metabolism, autoimmune, and ophthalmology.

During 2023, the Company achieved notable development in its overall business despite the challenges posed by various external factors such as the international business environment, economic cycles and industrial changes. The Company’s revenue reached RMB618.1 million in 2023, representing a year-on-year increase of 20%. At the same time, the Company’s operation efficiency was significantly improved: selling expenses, research and development expenses and administrative expenses in total decreased by 23% year-on-year. The Company’s loss for the period was reduced to RMB119.4 million, narrowing significantly by 64% year-on-year.

In 2023, the Group’s two launched products, Boyounuo[®] (bevacizumab, oncology field) and Boyoubei[®] (denosumab, osteoporosis field, BA6101) performed well in the market. Six pipeline projects are approaching commercialization. The Group’s three major antibody R&D technology platforms, namely, Human Antibody Transgenic Mouse and Phage Display Technology Platform, Bispecific T-cell Engager Technology Platform and Antibody Drug Conjugate (ADC) Technology Platform, have achieved a number of milestones in the development of innovative antibodies. In addition to antibody drugs, the Group is focusing on a new generation of enhanced and regulated CAR-T technology to expand its business in the field of cell therapy.

Currently, the Company is constructing several pilot and commercial production lines to expand production capacity in response to demands and continue to enhance economies of scale.

The Company is committed to enhancing its marketing prowess and advancing the commercial launch of novel products. Concurrently, we are expediting the clinical advancement and regulatory approval of our pipeline products in international markets. We aim to broaden our innovative antibody portfolio, bolster manufacturing processes, and seek collaborative ventures both domestically and abroad, leveraging a dual strategy of independent operation and strategic partnerships to propel the Group's growth.

The Company intends to use the proceeds of the Facility to, among others, fund the clinical development of its product pipeline, the expansion of its commercial production lines, settlement of payables and repayment of short term loans.

Shandong Luye Pharmaceutical Co., Ltd., a controlling shareholder of the Company, has agreed to pledge 74,387,153 H shares of the Company in favour of the Lender as security for the Company's repayment obligations under the Facility.

The Board considers the Facility instrumental in advancing the Company's growth strategy. It enables the swift development and marketing of various products, potentially accelerating commercial success. This aligns with the Company's long-term objectives by leveraging the substantial market potential of its product pipeline. The Company is poised to leverage the Facility to enhance its business operations effectively, thereby generating value for shareholders and stakeholders alike.

By order of the Board
Shandong Boan Biotechnology Co., Ltd.
Jiang Hua

Chairlady, Chief Executive Officer and Executive Director

Hong Kong, 12 April 2024

As of 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.