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)

VOLUNTARY ANNOUNCEMENT

GRANT OF EXCLUSIVE COMMERCIALIZATION RIGHTS OF BOYOUBEI® IN MAINLAND CHINA TO CP QINGDAO

The board of directors (the "**Board**") of Shandong Boan Biotechnology Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") announces that the Company and CP Pharmaceutical Qingdao Co., Ltd. ("**CP Qingdao**") have entered into an agreement (the "**Agreement**") in relation to the grant of the exclusive commercialization rights of Denosumab Injection ("**Boyoubei®**", **BA6101**), in mainland China (the "**Territory**") to CP Qingdao.

According to the Agreement, the Company has granted CP Qingdao the exclusive right to commercialize Boyoubei® in the Territory. Following the signing of the Agreement, performance bonds will be payable by CP Qingdao to the Company in the relevant years specified thereunder, and the Company will be entitled to forfeit such performance bonds if CP Qingdao is unable to fulfil a specified percentage of the annual sales target specified under the Agreement. In addition, the Company will pay to CP Qingdao service fees during the term of the Agreement. The term of the Agreement is five years, upon expiry of which CP Qingdao has the first right to renew the grant of exclusive commercialization rights of this product under the same conditions.

Boyoubei® is a Denosumab Injection developed by the Company. This product has been approved for commercialization by the National Medical Products Administration ("**NMPA**") of the People's Republic of China ("**China**") in November 2022. It is approved for the treatment of postmenopausal women with osteoporosis at high risk for fracture. This product can significantly reduce the risk of vertebral, non-vertebral and hip fractures in postmenopausal women. As far as the Company is aware, Boyoubei® is the first biosimilar to Prolia® approved for marketing in the world. In addition to China market, Boyoubei® is being developed in Europe and the U.S., with a plan to be marketed in the global markets.

The active ingredient of Boyoubei® is a human immunoglobulin G2 monoclonal antibody of the RANK ligand. The drug is administered subcutaneously once every six months. Denosumab is an international first-line anti-osteoporosis drug, providing a convenient, effective and economical treatment plan for postmenopausal women with osteoporosis. Denosumab can block RANKL activating osteoclasts and the receptor RANK on the surface of its precursors. Blocking the RANKL/RANK interaction can inhibit osteoclast formation, function and survival, thereby reducing bone resorption, increasing bone mass and strength in the cortex and trabecula.

Boyoubei® follows the relevant research guidelines of biosimilars, through a series of step-by-step pharmaceutical studies as well as studies on non-clinical, human pharmacokinetics and clinical effectiveness which scientifically, rigorously and completely prove the overall similarity between Boyoubei® and the original reference drug: the quality, safety and efficacy of the two drugs are highly similar, and there are no clinically meaningful differences between them. The results of two completed phase I clinical studies for Boyoubei® were published in *Expert Opinion on Investigational Drugs* and *Frontiers in Pharmacology*, and the results of phase III clinical study were published in *Journal of Orthopaedic Translation*.

Based on the public information, Prolia® generated global sales of US$3,248 million in 2021, with an annual growth rate of 18%. According to the Frost & Sullivan report, the market size of Denosumab for osteoporosis in China is estimated to reach RMB7.8 billion in 2030.

CP Qingdao has been focusing on osteoporosis therapeutic field for many years with multiple products. Their core product in this field has a leading position in the market of the Territory. Boyoubei® may form a competitive product portfolio with their current products in this field to achieve greater synergies. The Company believes that, leveraging CP Qingdao's professional marketing and sales team and extensive distribution network in this field will accelerate the commercialization of Boyoubei® to meet the urgent clinical needs of Chinese patients. In the meanwhile, the Company expects there to be broad market prospects for Boyoubei® based on the huge patient base and the high clinical value for Denosumab.

ABOUT CP QINGDAO

CP Qingdao is a wholly foreign-owned new high-tech pharmaceutical company invested and established by Sino Biopharmaceutical Limited (stock code: 1177), which is mainly engaged in the production and sales of pharmaceuticals. Based on the publicly available information, CP Qingdao is China's first marine drug manufacturer, China's only national marine drug pilot test base, the national enterprise technology center, a national key high-tech enterprise, the Shandong Provincial Bone Metabolic Disease Prevention and Treatment Drug Engineering Technology Research Center, the Shandong Engineering Research Center for Innovative Marine Carbohydrate Drugs, among others. It is also the leading enterprise in the national biological industry base. As far as the Company is aware, CP Qingdao's self-developed and marketed national-level new drug, namely Gai San Chun (Calcitriol Soft Capsule), has ranked first in the same category for seven consecutive years.

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, 10 January 2023

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 Dr. Li Youxin, Mr. Liu Yuanchong, Ms. Li Li and Mr. Chen Jie; and the independent non-executive directors of the Company are Mr. Shi Luwen, Mr. Dai Jixiong and Dr. Yu Jialin.