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GIANT BIOGENE HOLDING CO., LTD

巨子生物控股有限公司

(An exempted company incorporated in the Cayman Islands with limited liability)

(Stock code: 2367)

DISCLOSEABLE TRANSACTION SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

THE SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Board announces that, to make effective use of the idle funds, Shaanxi Giant and Xi'an Giant, subsidiaries of the Company, subscribed for certain wealth management products issued by CMB Wealth Management under the Wealth Management Products Subscription Agreements 3 on 8 June 2023, respectively, with an aggregate subscription amount of approximately RMB240.0 million. Immediately before the Current Subscription of Wealth Management Products, the aggregate outstanding balance of wealth management products issued by CMB Wealth Management held by Shaanxi Juyou, Shaanxi Giant and Xi'an Giant, subsidiaries of the Company, was approximately RMB147.3 million.

HONG KONG LISTING RULES IMPLICATIONS

As calculated under Rule 14.07 of the Hong Kong Listing Rules, the highest applicable percentage ratio in respect of the Previous Subscription of Wealth Management Products was less than 5%, which did not constitute a notifiable transaction of the Company. However, according to Rule 14.22 of the Hong Kong Listing Rules, since the Previous Subscription of Wealth Management Products and the Current Subscription of Wealth Management Products were made with the same counterparty within a 12-month period and are similar in nature, such transactions shall be aggregated. Since the highest applicable percentage ratio after the aggregation exceeds 5% but is less than 25%, the Previous Subscription of Wealth Management Products and the Current Subscription of Wealth Management Products constitute discloseable transactions of the Company, which shall be subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

BACKGROUND

The Board announces that, to make effective use of the idle funds, Shaanxi Giant and Xi'an Giant, subsidiaries of the Company, subscribed for certain wealth management products issued by CMB Wealth Management under the Wealth Management Products Subscription Agreements 3 on 8 June 2023, respectively, with an aggregate subscription amount of approximately RMB240.0 million. Immediately before the Current Subscription of Wealth Management Products, the aggregate outstanding balance of wealth management products issued by CMB Wealth Management held by Shaanxi Juyou, Shaanxi Giant and Xi'an Giant, subsidiaries of the Company, was approximately RMB147.3 million.

As part of the fund management plan, the Company used internal resources (without using any proceeds from the Global Offering) for the Current Subscription of Wealth Management Products and Previous Subscription of Wealth Management Products, and effectively utilized the idle funds.

THE SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The principal terms of the wealth management products subscription agreements are set out as follows:

Wealth Management Products Subscription Agreement 1

Date	5 September 2022
Parties	Shaanxi Juyou (as subscriber) and CMB Wealth Management (as issuer and manager of the wealth management products)
Type of products	Fixed return products
Transaction amount	Immediately before the Current Subscription of Wealth Management Products, the outstanding balance of the wealth management products under Wealth Management Products Subscription Agreement 1 was approximately RMB2.3 million
Term of products	Redeemable at any time
Annual yield performance benchmark	7-day notice deposit rate published by the People's Bank of China
Risk level	PR1 level (low risk) (the risk level is the result of the internal rating carried out by CMB Wealth Management and is for reference only)
Right of early termination	CMB Wealth Management may unilaterally terminate the products prior to the expiration of the products

Wealth Management Products Subscription Agreements 2

Date	Between April 2023 and May 2023
Parties	Shaanxi Giant and Xi'an Giant (as subscribers) entered into the Wealth Management Products Subscription Agreements 2 with CMB Wealth Management (as issuer and manager of the wealth management products), respectively
Type of products	Wealth management plan with non-guaranteed principal and floating return
Transaction amount	Immediately before the Current Subscription of Wealth Management Products, the outstanding balance of the wealth management products under Wealth Management Products Subscription Agreements 2 was approximately RMB145.0 million
Term of products	The minimum holding period is 30 days. Shaanxi Giant and Xi'an Giant may redeem their subscription at any time after the minimum holding period expires
Annual yield performance benchmark	The annual yield performance benchmark ranges from 2.50% to 4.15% depending on the type of products subscribed
Risk level	PR2 level (medium to low risk) (the risk level is the result of the internal rating carried out by CMB Wealth Management and is for reference only)
Right of early termination	Unless otherwise agreed, Shaanxi Giant and Xi'an Giant may not terminate the products or seek for early redemption of their subscription prior to the expiration of the minimum holding period. CMB Wealth Management may unilaterally terminate the products prior to the expiration of the products

Wealth Management Products Subscription Agreements 3

Date	8 June 2023
Parties	Shaanxi Giant and Xi'an Giant (as subscribers) entered into the Wealth Management Products Subscription Agreements 3 with CMB Wealth Management (as issuer and manager of the wealth management products), respectively
Type of products	Wealth management plan with non-guaranteed principal and floating return
Transaction amount	The aggregate subscription amount under the Wealth Management Products Subscription Agreements 3 was approximately RMB240.0 million

Term of products	The minimum holding period ranges from 7 days to 90 days depending on the type of products subscribed. Shaanxi Giant and Xi'an Giant may redeem their subscription at any time after the minimum holding period expires
Annual yield performance benchmark	The annual yield performance benchmark ranges from 2.40% to 4.20% depending on the type of products subscribed
Risk level	PR2 level (medium to low risk) (the risk level is the result of the internal rating carried out by CMB Wealth Management and is for reference only)
Right of early termination	Unless otherwise agreed, Shaanxi Giant and Xi'an Giant may not terminate the products or seek for early redemption of their subscription prior to the expiration of the minimum holding period. CMB Wealth Management may unilaterally terminate the products prior to the expiration of the related wealth management plan

BENEFITS AND IMPACTS OF THE SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

As part of the fund management plan, the Company used internal resources (without using any proceeds from the Global Offering) for the Subscriptions of Wealth Management Products, and effectively utilized the idle funds. The Subscriptions of Wealth Management Products are conducted on the premise of ensuring the capital requirements for daily operation of the Group are duly met. The Group has fully estimated and measured the risks and returns of the Subscriptions of Wealth Management Products as well as the future capital requirements, and the normal operation of the daily working capital and the development of the principal businesses will not be affected. The risks of Subscriptions of Wealth Management Products are controllable, and the subscribed products have high liquidity, which is conducive to enhancing the return of its own funds and will not cause adverse impact on the daily operation of the Group.

In accordance with International Financial Reporting Standards 9 – Financial Instruments issued by the International Accounting Standards Board, the Group will carry out the corresponding accounting treatment and presentation on the wealth management products under the Subscriptions of Wealth Management Products.

The Directors, including independent non-executive Directors, are of the view that the Subscriptions of Wealth Management Products are on normal commercial terms that are fair and reasonable, and in the interests of the Company and the shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Company is a leader in the bioactive ingredient-based professional skin treatment product industry in China. The Company designs, develops and manufactures professional skin treatment products with recombinant collagen as the key bioactive ingredient. The Company also develops and manufactures rare ginsenosides technology-based functional foods. The Company utilizes proprietary synthetic biology technology to develop and manufacture multiple types of recombinant collagen and rare ginsenosides in-house.

CMB Wealth Management

Based on publicly available information, CMB Wealth Management is a company incorporated under the laws of the PRC with limited liability and a subsidiary of China Merchants Bank that undertakes the wealth management functions of China Merchants Bank. China Merchants Bank is a licensed bank incorporated under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 600036) and the Hong Kong Stock Exchange (stock code: 03968.HK). China Merchants Bank has financial licenses for commercial banking, financial leasing, fund management, life insurance, overseas investment banking, consumer finance, and wealth management.

To the knowledge and belief of the Directors having made all reasonable enquiries, CMB Wealth Management and China Merchants Bank are third parties independent of the Company and its connected persons.

HONG KONG LISTING RULES IMPLICATIONS

As calculated under Rule 14.07 of the Hong Kong Listing Rules, the highest applicable percentage ratio in respect of the Previous Subscription of Wealth Management Products was less than 5%, which did not constitute a notifiable transaction of the Company. However, according to Rule 14.22 of the Hong Kong Listing Rules, since the Previous Subscription of Wealth Management Products and the Current Subscription of Wealth Management Products were made with the same counterparty within a 12-month period and are similar in nature, such transactions shall be aggregated. Since the highest applicable percentage ratio after the aggregation exceeds 5% but is less than 25%, the Previous Subscription of Wealth Management Products and the Current Subscription of Wealth Management Products constitute discloseable transactions of the Company, which shall be subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors of the Company
“China Merchants Bank”	China Merchants Bank Co., Ltd., a limited company incorporated under the laws of the PRC

“CMB Wealth Management”	CMB Wealth Management Co., Ltd., a limited liability company incorporated under the laws of the PRC
“Company”	Giant Biogene Holding Co., Ltd (巨子生物控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 28 July 2021, and its H shares are listed on the Hong Kong Stock Exchange (stock code:02367)
“Current Subscription of Wealth Management Products”	subscription of wealth management products under the Wealth Management Products Subscription Agreements 3
“Director(s)”	the director(s) of the Company
“Global Offering”	Hong Kong Public Offering and International Offering as described in the Prospectus of the Company dated 25 October 2022
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“percentage ratio”	has the same meaning ascribed to it under the Hong Kong Listing Rules
“PRC”	the People’s Republic of China
“Previous Subscription of Wealth Management Products”	the subscription of wealth management products under Wealth Management Products Subscription Agreement 1 and Wealth Management Products Subscription Agreements 2
“RMB”	Renminbi, the lawful currency of the PRC
“Shaanxi Giant”	Shaanxi Giant Biotechnology Co., Ltd, a limited liability company incorporated under the laws of the PRC in March 2009, and a wholly-owned subsidiary of the Company as at the date of this announcement

“Shaanxi Juyou”	Shaanxi Juyou Xingan Biotechnology Co., Ltd, a limited liability company incorporated under the laws of the PRC in July 2022, and a non wholly-owned subsidiary of the Company as at the date of this announcement
“Subscriptions of Wealth Management Products”	the Previous Subscription of Wealth Management Products and the Current Subscription of Wealth Management Products
“Wealth Management Products Subscription Agreement 1”	the wealth management products subscription agreement entered into between Shaanxi Juyou and CMB Wealth Management on 5 September 2022
“Wealth Management Products Subscription Agreements 2”	the series of wealth management products subscription agreements entered into between Shaanxi Giant and Xi’an Giant with CMB Wealth Management, respectively, between April 2023 and May 2023
“Wealth Management Products Subscription Agreements 3”	the wealth management products subscription agreements entered into between Shaanxi Giant and Xi’an Giant with CMB Wealth Management on 8 June 2023, respectively
“Xi’an Giant”	Xi’an Giant Biogene Technology Co., Ltd, a joint-stock limited company incorporated under the laws of the PRC in September 2001, and a wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

By order of the Board
Giant Biogene Holding Co., Ltd
YAN Jianya
Chairman of the Board

Xi’an, the PRC, 8 June 2023

As at the date of this announcement, the Board comprises Mr. Yan Jianya, Dr. Fan Daidi, Ms. Ye Juan and Ms. Fang Juan as executive Directors, Mr. Chen Jinhao as a non-executive Director, and Mr. Huang Jin, Mr. Shan Wenhua and Ms. Wong Sze Wing as independent non-executive Directors.