

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Neither this announcement nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.

This announcement is for information purposes only and is not an invitation or offer to sell or acquire or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such invitation, offer, acquisition, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the “U.S. Securities Act”), and may not be offered or sold in the United States unless registered under the U.S. Securities Act, or pursuant to an exemption from, or in a transaction not subject to, registration under the U.S. Securities Act. The Company has no intention to register under the U.S. Securities Act any of the securities referred to herein or to conduct a public offering of securities in the United States.



KELUN-BIOTECH
科伦博泰

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
四川科倫博泰生物醫藥股份有限公司

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

(Stock Code: 6990)

- (1) PLACING OF NEW H SHARES UNDER GENERAL MANDATE; AND**
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Overall Coordinators and Placing Agents in respect of the Placing

Goldman Sachs Citigroup

PLACING OF NEW H SHARES

On June 5, 2025 (before trading hours), the Company entered into the Placing Agreement with the Placing Agents pursuant to which the Placing Agents, each on a several (but not joint nor joint and several) basis, have conditionally agreed to procure the placing of, as agent of the Company, or failing which to purchase itself, 5,918,000 Placing Shares to not less than six Placées at the Placing Price of HK\$331.8 per Placing Share. To the best of the Directors' knowledge, information and belief, the Placées and their ultimate beneficial owners are or will be, as the case may be, Independent Third Parties.

The Placing Shares to be placed under the Placing Agreement will be allotted and issued pursuant to the General Mandate, and therefore, no further Shareholder approval is required in respect of the Placing. Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement, including but not limited to the approval of the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

The estimated net proceeds from the Placing (after deducting all fees, costs and expenses incurred by the Company in connection with the Placing including placing commission and levies) is expected to be approximately HK\$1,943.0 million. The estimated net Placing Price, after deducting such fees, costs and expenses, is therefore approximately HK\$328.31 per Placing Share.

USE OF PROCEEDS OF THE PLACING

The Company intends to use the estimated net proceeds of the Placing (i) for the research and development, clinical trials, registration filings, manufacturing and commercialization of its products; (ii) to enhance its internal research and development technology capabilities, strengthen external collaboration, and expand its product pipeline portfolio; and (iii) to replenish working capital and for general corporate purposes.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board has considered and approved certain Proposed Amendments to the Articles of Association to reflect the change in registered capital and share capital structure of the Company which will result from the completion of the Placing. Such Proposed Amendments will take effect upon completion of the Placing. Pursuant to the General Mandate, the Board has been authorized to deal with the increase in registered capital of the Company and to make corresponding amendments to the Articles of Association to reflect the shares of the Company authorized to be issued pursuant to the General Mandate, and therefore, no further Shareholders' approval is required for the Proposed Amendments.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement, and therefore, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on June 5, 2025 (before trading hours), the Company entered into the Placing Agreement for the placing of 5,918,000 new H Shares to the Places at the price of HK\$331.8 per Share. Details of the terms of the Placing set out below.

PLACING OF NEW H SHARES

The Placing Agreement

Date: June 5, 2025

Parties: (1) the Company; and
(2) the Placing Agents.

To the best of the Directors' knowledge, information and belief, the Placing Agents and their respective ultimate beneficial owners are Independent Third Parties.

The Placing Shares

Pursuant to the Placing Agreement, the Placing Agents, each on a several (but not joint nor joint and several) basis, have conditionally agreed to procure the placing of, as agent of the Company, or failing which to purchase itself, 5,918,000 Placing Shares to not less than six Places at the Placing Price of HK\$331.8 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the Placing Shares (i.e., 5,918,000 new H Shares) represent:

- (i) approximately 2.60% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 2.54% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

The aggregate nominal value of the Placing Shares is RMB5,918,000.

The Placing Price

The Placing Price is HK\$331.8 per Placing Share and represents:

- (i) a discount of approximately 7.58% to the closing price of HK\$359.00 per H Share as quoted on the Stock Exchange on the Last Trading Date; and

- (ii) a premium of approximately 0.89% to the average closing price of HK\$328.88 per H Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Date.

The Placing Price is exclusive of applicable brokerage, trading fees, transaction fees and levies.

The Placing Price was determined with reference to the prevailing market price of the H Shares and was negotiated on an arm's length basis between the Company and the Placing Agents. The Directors consider that the Placing Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole. The aggregate consideration for the Placing will be paid in cash.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares then in issue.

Placees

The Placing Shares will be placed by the Placing Agents to not less than six Placees. The Placees will be individual, professional, institutional and/or other investors. To the best of the Directors' knowledge, information and belief, the Placees and their ultimate beneficial owners are or will be, as the case may be, Independent Third Parties. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfillment or waiver of, amongst others, the following conditions:

- (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares (the "**Listing Approval**") and such Listing Approval not being subsequently revoked prior to the delivery of the Placing Shares;
- (ii) the Placing Agents having received on the Closing Date the final draft or substantially complete draft of the CSRC Filings (as defined in the Placing Agreement) including the opinion of counsel for the Company as to the PRC laws in relation to the CSRC Filings, such drafts to be in form and substance reasonably satisfactory to the Placing Agents; and

- (iii) the Placing Agents having received on the Closing Date an opinion of U.S. counsel to the Placing Agents, to the effect that the offer and sale of the Placing Shares by the Placing Agents as set forth in the Placing Agreement are not required to be registered under the U.S. Securities Act, and such other matters as the Placing Agents shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Placing Agents.

Lock-up Restriction

The Company shall not, without the prior written consent of the Placing Agents, for a period beginning on the date of the Placing Agreement and ending on the date which is 90 days after the Closing Date:

- (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise;
or
- (iii) publicly announce an intention to effect any such transaction.

Termination of the Placing Agreement

In the event that:

- (i) between the date of the Placing Agreement and the Closing Date, there has occurred:
 - (a) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or

- (b) any suspension or limitation of trading in any of the Company's securities by the Stock Exchange, or generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange, the Nasdaq National Market or other relevant exchanges; or
- (c) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area ("EEA") or other applicable jurisdiction(s) of a national emergency or war or other calamity or crisis; or
- (d) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA or other applicable jurisdiction(s) and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or other applicable jurisdiction(s); or
- (e) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or other applicable jurisdiction(s) or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Placing Agents, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market; or

- (ii) any of the conditions precedent in the Placing Agreement has not been satisfied or waived in writing on the dates specified therein,

the Placing Agents may elect, in their sole discretion, to terminate the Placing Agreement forthwith.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 44,568,819 Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate. As such, the Shares that can be allotted and issued under the General Mandate is sufficient for the allotment and issuance of the Placing Shares, and therefore, no Shareholders' approval is required for the issue of the Placing Shares.

Completion of the Placing

Subject to the conditions mentioned above, the completion of the Placing shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Placing Agents and the Company may agree in writing.

Listing of the Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing, assuming that there will be no change in the share capital of the Company from the date of this announcement and up to the completion date of the Placing (other than as a result of the allotment and issue of the Placing Shares):

	<u>As at the date of this announcement</u>		<u>Immediately after the completion of the Placing</u>	
	<i>No. of Shares</i>	<i>Approximate % ⁽¹⁾ (Note)</i>	<i>No. of Shares</i>	<i>Approximate % ⁽¹⁾ (Note)</i>
Kelun Pharmaceutical ⁽²⁾⁽³⁾	154,547,255	68.00	154,547,255	66.28
Placees	–	–	5,918,000	2.54
Other Shareholders	<u>72,720,714</u>	<u>32.00</u>	<u>72,720,714</u>	<u>31.19</u>
Total	<u>227,267,969</u>	<u>100.00</u>	<u>233,185,969</u>	<u>100.00</u>

Notes:

- (1) *The percentages may not add up to subtotal or total due to rounding.*
- (2) *As of December 31, 2024, Mr. LIU Gexin held a 23.67% interest in Kelun Pharmaceutical, and together with his concert parties controlled a 25.62% interest in Kelun Pharmaceutical. Therefore, Mr. LIU Gexin is deemed as the actual controller of Kelun Pharmaceutical and a controlling shareholder of the Company.*
- (3) *As of the date of this announcement, Kelun Pharmaceutical is interested in a total of 92,345,543 H Shares and a total of 62,201,712 Unlisted Shares, comprising (i) 57,777,843 H Shares and 62,201,712 Unlisted Shares directly held as beneficial owner; (ii) 4,567,700 H Shares held by Kelun International, a wholly-owned subsidiary of Kelun Pharmaceutical, and (iii) 30,000,000 H Shares held by the Company's four employee incentive platforms, the general partner of which is Kelun Jingchuan, a wholly-owned subsidiary of Kelun Pharmaceutical.*

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

On May 8, 2024, the Company entered into a subscription agreement with Kelun Pharmaceutical (as subscriber), pursuant to which Kelun Pharmaceutical conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 4,423,870 Domestic Shares at the subscription price of RMB136.21 per Share (the “**Subscription**”). The Subscription was completed on December 17, 2024. The net proceeds from the Subscription amounted to approximately RMB601.4 million. For the intended use of proceeds and other details of the Subscription, please refer to the Company's announcements dated May 8, 2024, May 16, 2024, November 22, 2024 and December 18, 2024, and the Company's circular dated May 21, 2024 (the “**Announcements**”). The Company has utilized, and expects to utilize, the net proceeds from the Subscription in accordance with the intended uses previously disclosed in the Announcements. For more details of the utilization of the net proceeds as at December 31, 2024, please refer to the annual report of the Group for the year 2024.

Save as the above, the Company had not conducted any fund raising exercise by issuing equity securities in the 12 months immediately before the date of this announcement.

USE OF PROCEEDS

The estimated net proceeds from the Placing (after deducting all fees, costs and expenses incurred by the Company in connection with the Placing including the commission and levies) is expected to be approximately HK\$1,943.0 million. The estimated net Placing Price, after deducting such fees, costs and expenses, is therefore approximately HK\$328.31 per Placing Share.

The Company intends to use the estimated net proceeds of the Placing (i) approximately 80%, or HK\$1,554.4 million for the research and development, clinical trials, registration filings, manufacturing and commercialization of its products; (ii) approximately 15%, or HK\$291.4 million to enhance its internal research and development technology capabilities, strengthen external collaboration, and expand its product pipeline portfolio; and (iii) approximately 5%, or HK\$97.1 million to replenish working capital and for general corporate purposes.

REASONS FOR AND BENEFITS OF THE PLACING

The Placing is being undertaken to further enlarge the Shareholders' equity base of the Company. The Placing will also advance the research and development capabilities of the Company and support the healthy and sustainable development of the Company.

The Directors consider that the Placing represents a suitable financing option for the Company to raise further funding to support the Group's continuous development and business growth, which is in the interest of the Company and its Shareholders as a whole.

The Directors consider the terms of the Placing Agreement to be fair and reasonable in the interests of the Company and the Shareholders as a whole and that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agents.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board has considered and approved certain Proposed Amendments to the Articles of Association to reflect the change in registered capital and share capital structure of the Company which will result from the completion of the Placing. Such Proposed Amendments will take effect upon completion of the Placing. Pursuant to the General Mandate, the Board has been authorized to deal with the increase in registered capital of the Company and to make corresponding amendments to the Articles of Association to reflect the changes of the Company authorized to be issued pursuant to the General Mandate, and therefore, no further Shareholders' approval is required for the Proposed Amendments.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement, and therefore, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on June 20, 2024
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Business Day”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“China” or “PRC”	the People’s Republic of China, for the purpose of this announcement and for geographical reference only and except where the context requires, references to “China” and the “PRC” in this announcement do not include Hong Kong, the Macao Special Administrative Region of the PRC or Taiwan
“Closing Date”	the Business Day after the date on which the conditions of the Placing are fulfilled but in any event no later than the seventh Business Day after the date of the Placing Agreement, or such other date as the Company and the Placing Agents may agree in writing
“Company”	Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (四川科倫博泰生物醫藥股份有限公司), a joint stock company established in the PRC with limited liability on November 22, 2016 and the H Shares of which are listed on the Stock Exchange (stock code: 6990)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	unlisted shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“General Mandate”	the general mandate granted to the Directors by the Shareholders’ at the AGM to allot, issue and deal with and/or to sell or transfer 44,568,819 Shares, being 20% of the number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third parties independent of and not connected (as defined under the Listing Rules) with the Company and its connected person(s)
“Kelun International”	Kelun International Development Co., Limited (科倫國際發展有限公司), a wholly-owned subsidiary of Kelun Pharmaceutical incorporated in Hong Kong
“Kelun Jingchuan”	Chengdu Kelun Jingchuan Technology Co., Ltd. (成都科倫晶川科技有限公司), a limited liability company established under the laws of PRC on August 17, 2016 and a wholly-owned subsidiary of Kelun Pharmaceutical

“Kelun Pharmaceutical”	Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002422), and a controlling shareholder of the Company
“Last Trading Date”	June 4, 2025, being the last trading day prior to the signing of the Placing Agreement
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Placee(s)”	any professional, institutional or other investor whom the Placing Agents have procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of 5,918,000 Placing Shares by the Placing Agents on the terms and subject to the conditions of the Placing Agreement
“Placing Agents”	Goldman Sachs (Asia) L.L.C. and Citigroup Global Markets Limited
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agents on June 5, 2025 in respect of the Placing
“Placing Price”	HK\$331.8 per Placing Share
“Placing Share(s)”	5,918,000 new H Shares to be placed pursuant to the Placing Agreement

“Proposed Amendments”	the proposed amendments to the Articles of Association to the Articles of Association to reflect the change in registered capital and share capital structure of the Company which will result from the completion of the Placing
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning attributable to it in the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“U.S.” or “United States”	the United States of America
“%”	per cent

By order of the Board
Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
LIU Gexin
Chairman of the Board and Non-executive Director

Hong Kong, June 5, 2025

As at the date of this announcement, the Board comprises Mr. LIU Gexin as the chairman of the Board and non-executive Director, Dr. GE Junyou as executive Director, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao, Mr. ZENG Xuebo and Mr. LI Dongfang as non-executive Directors, and Dr. ZHENG Qiang, Dr. TU Wenwei, Dr. JIN Jinping, and Dr. LI Yuedong as independent non-executive Directors.