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绿竹生物

LUZHU BIOTECH

Beijing Luzhu Biotechnology Co., Ltd.

北京綠竹生物技術股份有限公司

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

(Stock Code: 2480)

CHANGE IN USE OF PROCEEDS

Reference is made to (i) the prospectus issued by Beijing Luzhu Biotechnology Co., Ltd. (the “**Company**”) dated April 25, 2023 (the “**Prospectus**”) in relation to, among other things, the intended use of proceeds from the global offering of the Company’s shares (the “**Global Offering**”) and the intended use of the net proceeds from the Global Offering (the “**Net Proceeds**”), and (ii) the disclosure on the utilisation of the Net Proceeds in the 2023 interim report, 2023 annual report, 2024 interim report, 2024 annual report, 2025 interim report and 2025 annual report of the Company. Unless otherwise defined, capitalized terms used in this announcement shall have the same respective meanings as those defined in the Prospectus.

The Board hereby announces that after careful consideration and detailed evaluation of the Group’s operations and business strategy, the Board has resolved to change the use of the unutilized portion of the Net Proceeds in the manner as set out below.

CHANGE IN USE OF PROCEEDS

The original intended use of Net Proceeds, which amounted to approximately HK\$241.6 million, was disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. As of the date of this announcement, the Group has utilized approximately HK\$137.6 million of the Net Proceeds and the unutilized portion of the Net Proceeds amounted to approximately HK\$104.0 million.

After careful consideration and detailed evaluation of the Group’s latest operations and business needs, the Board has resolved to re-allocate the unutilized Net Proceeds originally allocated for the clinical development and manufacturing of K3 and the construction of the second-phase commercial manufacturing facility in Zhuhai (the “**Subject Net Proceeds**”), which amount to approximately HK\$53.5 million as of the date of this announcement, to the following uses (the “**Change in Use of Proceeds**”):

- (i). taking into account of the urgent market demand for Respiratory Syncytial Virus (RSV) vaccines and the relevant medical needs remain unmet at present, and that the Company’s recombinant RSV vaccine has entered the pre-IND stage with clinical trials expected to commence at or around the end of 2026 or early 2027, in order to accelerate its R&D process and strive for early commercialisation, the Board has resolved to re-allocate approximately 37.4% of the Subject Net Proceeds (amounting to approximately HK\$20.0 million) to be primarily used for preclinical R&D, clinical trial applications, clinical studies and R&D team development for the recombinant RSV vaccine;

- (ii). taking into account that our Core Product, LZ901 has entered the BLA submission stage, the outstanding clinical trial payments remain to be settled as the Phase IIIb trial is still ongoing, and the potential commencement of Phase IV clinical trials for addressing regulatory requirements (if any) and facilitating market development following the commencement of commercialization of LZ901, the Board has resolved to re-allocate approximately 51.6% of the Subject Net Proceeds (amounting to approximately HK\$27.6 million) to be primarily used for clinical trial related expenses for LZ901; and
- (iii). in view of the Group's need to ensure stable and sustainable business operations, the Board has resolved to re-allocate approximately 11.0% of the Subject Net Proceeds (amounting to approximately HK\$5.9 million) for the Group's working capital and other general corporate purposes.

The table below sets out the details of the original allocation as set out in the Prospectus, the utilized and unutilized amount of the Net Proceeds as of the date of this announcement, the intended use of the unutilized Net Proceeds reflecting the Change in Use of Proceeds and the expected timetable for their full utilization:

	Original allocation as set out in Prospectus			Intended use of unutilized Net Proceeds after Change in Use of Proceeds	Expected timeframe for utilizing the remaining Net Proceeds
	Allocation of the Net Proceeds from the Global Offering (HK\$ million)	Utilized amount as of the date of this announcement (HK\$ million)	Unutilized amount as of the date of this announcement (HK\$ million)	Amount for proposed use of the unutilized Net Proceeds (HK\$ million)	
For clinical development, manufacturing and commercialization of the Core Product, LZ901	140.7	94.7	46.0	73.6 ⁽¹⁾	Expected to be fully utilized by the end of 2027
To fund ongoing and planned clinical trials in China and the U.S. for LZ901	97.0	94.7	2.3	29.9 ⁽¹⁾	Expected to be fully utilized by the end of 2027
To fund commercial manufacturing of LZ901	14.6	–	14.6	14.6	Expected to be fully utilized by the end of 2027
To fund marketing and sales activities	29.1	–	29.1	29.1	Expected to be fully utilized by the end of 2027
For clinical development and manufacturing of K3	53.4	–	53.4	–	–
To fund planned clinical trials for K3	38.8	–	38.8	–	–
To fund commercial manufacturing of K3	14.6	–	14.6	–	–

	Original allocation as set out in Prospectus			Intended use of unutilized Net Proceeds after Change in Use of Proceeds	
	Allocation of the Net Proceeds from the Global Offering (HK\$ million)	Utilized amount as of the date of this announcement (HK\$ million)	Unutilized amount as of the date of this announcement (HK\$ million)	Amount for Proposed use of the Unutilized Net Proceeds (HK\$ million)	Expected timeframe for Utilizing the remaining Net Proceeds
For clinical development and manufacturing of Recombinant RSV vaccine	N/A	N/A	N/A	20.0 ⁽²⁾	Expected to be fully utilized by the end of 2027
For construction of the second-phase commercial manufacturing facility in Zhuhai	38.8	38.7	0.1	–	–
For working capital and other general corporate purposes	8.7	4.2	4.5	10.4 ⁽³⁾	Expected to be fully utilized by the end of 2027
Total	241.6	137.6	104.0	104.0	

Notes:

(1) Approximately HK\$27.6 million of which are re-allocated from the Subject Net Proceeds.

(2) Such amount are re-allocated from the Subject Net Proceeds.

(3) Approximately HK\$5.9 million of which are re-allocated from the Subject Net Proceeds.

The Company currently expects to fully utilise the unutilized Net Proceeds by December 31, 2027 following the Change in Use of Proceeds.

REASONS FOR THE CHANGE IN USE OF PROCEEDS

In light of the latest market developments and the Group's business strategy, the Board has resolved to change the use of the Subject Net Proceeds, which were originally allocated to the clinical development and manufacturing of K3 and the construction of the second-phase commercial manufacturing facility in Zhuhai.

Since 2025, some provincial pharmaceutical centralized procurement platforms in China have included adalimumab in the filing scope for monoclonal antibody biologics under centralized procurement. Based on previous rounds of volume-based procurement and industry practice, the Board expects that the inclusion of adalimumab in centralized procurement will result in a substantial reduction in prices and a significant contraction in the addressable market size. As adalimumab had already experienced a sharp price decrease following the launch of biosimilars, further price cuts would severely compress the profit margin of adalimumab products.

Taking into account the above and after careful assessment, the Board considers that the feasibility and expected return of continuing to invest the Net Proceeds in the K3 project have materially decreased and that further investment in K3 would no longer represent an efficient use of the Net Proceeds and may not be in the best interests of the Company and its Shareholders as a whole.

In contrast, the Board believes that reallocating the Subject Net Proceeds to (i) the clinical development of the Group's Core Product LZ901, (ii) the pre-clinical and clinical development of the Group's recombinant RSV vaccine and (iii) working capital and other general corporate purposes will better support the Group's long-term development strategy, enhance its product pipeline and improve the overall efficiency in the use of the Net Proceeds.

SHAREHOLDERS' APPROVAL

According to the articles of association of the Company, Shareholders' approval is required for the Change in Use of Proceeds. Accordingly, the Change in Use of Proceeds is subject to the approval of the Shareholders at the annual general meeting of the Company to be held on June 12, 2026 (the "AGM"). A circular containing, among other things, further information on the Change in Use of Proceeds and a notice convening the AGM will be published and despatched (if requested) to the Shareholders in due course.

GENERAL

The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board believes the above Change in Use of Proceeds would allow the Company to deploy its financial resources more efficiently and enhance the business performance of the Group in the long run and is therefore in the interests of the Group and the Shareholders as a whole. The Board is of the view that the Change in Use of Proceeds will not have any material adverse impact on the existing business operations of the Group.

On the progress of the use of the unutilized Net Proceeds, the Company will provide update to its Shareholders through disclosures in its annual report and interim report going forward. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules and other applicable laws as and when appropriate.

The Board will continuously monitor the use of the unutilized Net Proceeds and may revise or amend the plan for such use where necessary to cope with market conditions and strive for better business performance of the Group.

By order of the Board
Beijing Luzhu Biotechnology Co., Ltd.
Mr. KONG Jian
Chairman and Executive Director

Hong Kong, April 23, 2026

As of the date of this announcement, the Board comprises Mr. KONG Jian, Ms. PENG Ling and Ms. ZHANG Yanping as executive Directors; Mr. MA Biao and Mr. KONG Shuangquan as non-executive Directors; and Ms. HOU Aijun, Mr. LEUNG Wai Yip and Mr. LIANG Yeshe as independent non-executive Directors.