Clover Biopharmaceuticals, Ltd.
三葉草生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2197)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023 AND PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board is pleased to announce the audited consolidated results of the Group for the Reporting Period, together with the comparative figures for the year ended December 31, 2022. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee of the Company and audited by the Company's auditor, Ernst & Young.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Cash and bank balances	**1,095,470**	1,856,513

	Year Ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Revenue	**39,255**	–
Other income and gains	**2,571,354**	23,246
Selling and distribution expenses	**(54,766)**	–
Administrative expenses	**(198,816)**	(410,237)
Research and development expenses	**(649,885)**	(1,465,324)
Other expenses	**(1,811,944)**	(593,658)
Loss for the year	**(138,539)**	(2,451,903)
Adjusted loss for the year*	**(85,024)**	(2,356,880)

* Adjusted loss for the year is not defined under the IFRSs. It represents the loss for the year excluding the effect brought by share-based compensation expenses.

IFRS Measures:

Cash and bank balances, including cash and cash equivalents, time deposits, restricted cash and pledged deposits, decreased by RMB761.0 million from RMB1,856.5 million as of December 31, 2022 to RMB1,095.5 million as of December 31, 2023, primarily due to market access capabilities expansion, continued investment in R&D activities and daily operation payout.

Revenue amounted to RMB39.3 million for the year ended December 31, 2023, deriving from the commercial launch of SCB-2019 (CpG 1018/Alum) and AdimFlu-S (QIS) in China. These products were introduced to the market in February and September 2023, respectively, contributing to the revenue growth.

Other income and gains increased by RMB2,548.2 million from RMB23.2 million for the year ended December 31, 2022 to RMB2,571.4 million for the year ended December 31, 2023, mainly because funding received from CEPI amounting to RMB2,540.5 million was recognized in other income as the conditions attached to the funding have been fulfilled in 2023.

Selling and distribution expenses were RMB54.8 million for the year ended December 31, 2023, relating to the commencement of commercial sales operations, primarily consisting of salaries and benefits for commercial team and market development expenses.

Administrative expenses significantly decreased by RMB211.4 million, or approximately 52%, from RMB410.2 million for the year ended December 31, 2022 to RMB198.8 million for the year ended December 31, 2023, primarily due to the further headcount reductions to streamline the organization and other administrative cost saving.

R&D expenses decreased by RMB815.4 million, or approximately 56%, from RMB1,465.3 million for the year ended December 31, 2022 to RMB649.9 million for the year ended December 31, 2023, as SCB-2019 (CpG 1018/Alum) related R&D (clinical, CMC and regulatory) activities were substantially completed and the Group continues to streamline corporate operations and prioritize respiratory vaccine products.

Other expenses increased by RMB1,218.2 million from RMB593.7 million for the year ended December 31, 2022 to RMB1,811.9 million for the year ended December 31, 2023, primarily due to a provision of RMB1,697.4 million of inventories mainly relating to raw materials. The provision was estimated based on multiple factors including evolving market conditions and expected future demand which are subject to future market changes. The accrued provision does not have any impacts on our business operation or cash levels.

Loss for the year decreased by RMB2,313.4 million from RMB2,451.9 million for the year ended December 31, 2022 to RMB138.5 million for the year ended December 31, 2023. The decrease was primarily attributable to recognized other income of funding from CEPI and over 50% reduction in R&D and administrative expenditures, partially offset by accrued provision of inventories.

Non-IFRS Measures:

Adjusted loss for the year represents the loss for the year excluding the effect brought by share-based compensation expenses.

The term adjusted loss for the year is not defined under the IFRSs. The table below sets forth reconciliation of the loss for the year to adjusted loss for the year:

	Year Ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(138,539)**	(2,451,903)
Added:		
Share-based compensation expenses	**53,515**	95,023
Adjusted loss for the year	**(85,024)**	(2,356,880)

BUSINESS HIGHLIGHTS

During the Reporting Period, the Company made significant progress in developing our product portfolio and optimizing our business operations:

Our Products and Candidates

Respiratory Syncytial Virus (RSV) Vaccine

- The Company is the first Chinese vaccine corporate with an in-house developed prefusion F (PreF) RSV vaccine candidate entering into clinical trial stage.

- In December 2023, the Company announced that the enrollment of the first participants had been completed in a Phase I first-in-human study evaluating the Company's RSV prefusion F (PreF)-Trimer subunit vaccine candidate (SCB-1019), which is based on the Company's Trimer-Tag vaccine technology platform and in-house proprietary stabilization mutations.

AdimFlu-S (QIS)

- In February 2023, the Company announced that it entered into an exclusive agreement with Adimmune Corporation ("**Adimmune**") to distribute AdimFlu-S (QIS) in mainland China, where it is the only imported seasonal quadrivalent influenza vaccine approved for use in individuals aged three years and older.

- In September 2023, the Company announced the launch of AdimFlu-S (QIS) in mainland China. As at the date of this announcement, the AdimFlu-S (QIS) vaccine has been listed in 28 provinces and municipalities in China.

- In November 2023, The Company announced that the Company had completed the Biologic License Application (the "**BLA**") submission for its seasonal influenza vaccine (AdimFlu-S) to the Brazilian Health Regulatory Agency. Upon approval, the Company will work with its local partner to commercialize the product in Brazil.

SCB-219M

- SCB-219M is a fusion protein (TPO-mimetic bispecific-Fc) targeted to treat chemo-induced thrombocytopenia (CIT).

- In December 2023, the Company announced positive preliminary safety, efficacy and pharmacokinetics data in a Phase I clinical trial evaluating SCB-219M.

COVID-19 Vaccine

- As at the date of this announcement, the Company's COVID-19 vaccine has been listed in 28 provinces and municipalities in China, demonstrating the Company's commercial manufacturing and market access capabilities, which will be leveraged to maximize the commercial opportunities of its quadrivalent influenza vaccine and other vaccine products in the future.

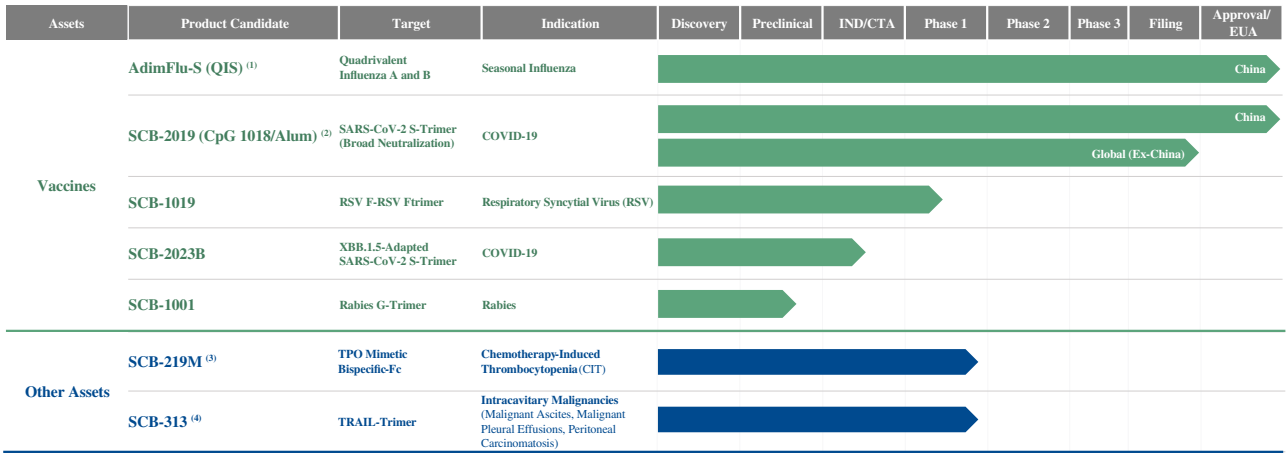
MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Clover is a global commercial-stage biotechnology company committed to unleashing the power of innovative vaccines to save lives and improve health around the world. With integrated research and development, manufacturing and commercial capabilities as well as strong partnerships with organizations globally, the Company has a diverse pipeline of candidates that have the potential to meaningfully reduce the burden of vaccine-preventable diseases and to make more diseases preventable.

The Trimer-Tag technology platform, which was validated by the successful development of COVID-19 vaccine SCB-2019 (CpG 1018/Alum) and is being leveraged for the development of RSV vaccine candidate SCB-1019, is a product development platform for the creation of protein-based vaccines based on naturally trimerization-dependent targets. The Trimer-Tag technology platform can trimerize any protein of interest into covalently-trimerized structures. The trimerization motif of Trimer-Tag is based on a human amino acid sequence derived from human collagen (C-terminal domain of Type I procollagen). Currently, Trimer-Tag is the only trimerization technology platform globally for producing recombinant, covalently-trimerized fusion proteins (trimer-tagged proteins) utilizing a human-derived trimerization tag.

During the Reporting Period, the Company achieved multiple key milestones in R&D, manufacturing, and commercialization. In the beginning of 2023, the Company entered into an exclusive agreement with Adimmune to distribute AdimFlu-S (QIS) in mainland China, demonstrating integrated business development and commercial capabilities as a leading vaccine company in the region. After announcing the updated pipeline strategy, the Company committed resources on the development of RSV vaccine candidate leveraging the validated Trimer-Tag platform and successfully completed enrollment of the first participants in Phase I clinical study in Australia.



(1) Clover entered into an exclusive agreement with Adimmuneto commercialize AdimFlu-S (QIS) in mainland China in February 2023. **(2)** COVID-19 vaccine received EUA in China in December 2022. **(3)** Interim Phase 1 data anticipated in Q4-2023. **(4)** Oncology product candidate for the treatment of malignant ascites (MA), malignant pleural effusions (MPE), and peritoneal carcinomatosis (PC) to address global unmet medical need of intracavitary malignancies. Five Phase 1 trials completed in China and Australia. Continued internal development of SCB-313 has been paused and pending further assessment of development strategy and resource allocation.

BUSINESS REVIEW

Our Products and Candidates

The Company focused on building a leading respiratory vaccine franchise to address unmet needs in preventing serious respiratory infectious diseases and to capture related significant cross-promotion, co-administration, and long-term lifecycle management opportunities.

RSV Vaccine Candidate

SCB-1019 is the Company's RSV vaccine candidate based on prefusion-stabilized F (PreF) protein leveraging the validated Trimer-Tag platform.

- In December 2023, the Company announced that enrollment of the first participants had been completed in a Phase I first-in-human study evaluating SCB-1019, the Company's RSV prefusion F (PreF)-Trimer subunit vaccine candidate.
    - The Phase I clinical trial in Australia is a randomized, placebo-controlled study to assess the safety, reactogenicity and immunogenicity of SCB-1019 at multiple dose levels and in different formulations in young and older adults. Safety and immunogenicity results are expected by the second half of 2024.
- Leveraging Trimer-Tag platform, the Company believes it can uniquely address the high technical hurdles for RSV vaccine development, enabling it to be a leading RSV vaccine developer in China with differentiation to compete in global markets.
    - Stabilized PreF Antigen: Stabilization of RSV fusion (F) antigen in its native prefusion and trimeric conformation ("**PreF**") is critical to conferring protective efficacy by preserving the most potent neutralizing antibody epitopes. To date, the Company has confirmed that SCB-1019 preserves all of the most prominent neutralizing antibody epitopes (sites Ø, V, IV, III, II, I) and importantly does not bind to postfusion-specific monoclonal antibody, which may enable SCB-1019 to potentially achieve a top-tier protective efficacy profile.

- Immunological Breadth: SCB-1019 is designed to induce neutralization across both RSV A and RSV B which is important to conferring broad and durable protection against RSV across different regions and seasons.

- Safety & Tolerability: The safety and tolerability profile of vaccines is important to maximizing uptake and differentiating against competition. Based on preclinical studies to date, SCB-1019 is planned to be developed without the use of an oil-in-water emulsion adjuvant and is thus expected to potentially have a best-in-field safety and tolerability profile, which may also enable it to be developed for the infant population.

- Commercial Manufacturing Readiness: SCB-1019 is produced utilizing the same Trimer-Tag platform used in Clover's COVID-19 vaccine, and commercial production is planned at Clover's Changxing facility which has passed multiple GMP inspections and has also received a vaccine Drug Manufacturing License (DML) from China NMPA.

AdimFlu-S (QIS)

- In February 2023, the Company announced that it entered into an exclusive agreement with Adimmune to distribute AdimFlu-S (QIS) in mainland China, where it is the only imported seasonal quadrivalent influenza vaccine approved for use in individuals aged three years and older.

  - The Exclusive Agreement also grants the Company rights to commercialize AdimFlu-S (QIS) in Bangladesh, Brazil and Philippines, contingent on regulatory approvals, and to potentially collaborate with Adimmune on the development of additional vaccine candidates including next generation influenza vaccines.

- In May 2023, the Company announced a collaboration with Keyuan Xinhai (Beijing) Medical Products Trading Co. Ltd. (科園信海(北京)醫療用品貿易有限公司) ("**Kyuan Trade**") to leverage Kyuan Trade's extensive sales and distribution network to complement in-house capabilities and maximize access to AdimFlu-S (QIS).

- In September 2023, the Company announced the launch of AdimFlu-S (QIS) in mainland China. As at the date of this announcement, the AdimFlu-S (QIS) vaccine has been listed in 28 provinces and municipalities in China.

- In November 2023, The Company announced that the Company had completed the Biologic License Application (the "**BLA**") submission for AdimFlu-S to the Brazilian Health Regulatory Agency. Upon approval, the Company will work with its local partner to commercialize the product in Brazil.

  - If approved in Brazil, the Company's seasonal influenza vaccine would have access to the southern hemisphere market, enabling annual sales in the first half of the year to supplement sales in the second half of the year in northern hemisphere markets such as China, while also better utilizing Adimmune Corporation's production capacity year-round. Brazil is an important vaccine market strategically, as the country has the world's second largest seasonal influenza vaccine market.

SCB-219M

SCB-219M is a fusion protein (TPO-mimetic bispecific-Fc) targeted to treat chemo-induced thrombocytopenia (CIT). Compared to native TPO-based therapy which is commercially available in China, SCB-219M could potentially overcome reduced efficacy due to anti-drug antibodies (ADA) and achieve a more convenient dosing regimen attributed to its longer half-life.

- In December 2023, the Company announced positive preliminary safety, efficacy and pharmacokinetics data in a Phase I clinical trial evaluating SCB-219M.

    - Preliminary data showed that all cancer patients enrolled (n=9) receiving chemotherapy plus a single subcutaneous dose of SCB-219M observed platelet counts maintained or recovered at >75 x 10^9/L (threshold level for CIT) after one week, with responses durable through at least three weeks (i.e. through the chemotherapy cycle). In comparison, following administration of the same chemotherapy (but without SCB-219M) in the same cancer patients prior to enrolling into the trial, all evaluable patients had observed platelet counts drop to <75 x 10^9/L between one and three weeks. The durable preliminary efficacy and pharmacokinetic profile observed for SCB-219M are potentially supportive of dosing intervals ≥2-weeks. If further confirmed, this profile could enable convenient dosing of SCB-219M synchronized with any given patient's chemotherapy regimen, typically 2-3 weeks per cycle. A favorable safety and tolerability profile for SCB-219M has also been observed to-date, with no serious adverse events (SAEs) and no dose-limiting toxicity (DLT) identified.

    - A Phase I b trial evaluating repeated dosing of SCB-219M in CIT and CTIT (cancer treatment-induced thrombocytopenia) patients is planned to initiate in 2024.

COVID-19 Vaccine

- As at the date of this announcement, the Company's COVID-19 vaccine has been listed in 28 provinces and municipalities in China, demonstrating the Company's commercial manufacturing and market access capabilities, which will be leveraged to maximize the commercial opportunities of its quadrivalent influenza vaccine and other vaccine products in the future. In 2023, the Company made a rolling regulatory submission to the Chinese regulatory authorities for its XBB.1.5-adapted COVID-19 vaccine candidate.

- Global demand for COVID-19 vaccines is relatively low at present. Nonetheless, SARS-CoV-2 variants still exist and have continued to evolve. The Company will continue to engage with regulatory authorities and policymakers regarding COVID-19 vaccines and will allocate resources accordingly based on changing policies and market dynamics. In the future, we think the potential private market of COVID-19 vaccine in China and globally could generate more significant commercial value. We will continue evaluating this sizable business opportunity, subject to policy and operation dynamics.

SCB-808

- After internal scientific, financial and strategic assessments, the Company decided to suspend certain programs including SCB-808 and to allocate more resources mainly to the R&D of respiratory vaccine product pipelines.

R&D

Transitioning to a commercial-stage biotechnology company, the Company continues to value scientific innovation and expand its product and candidate portfolio to achieve long-term and sustainable development.

The Company has been equipped and empowered by a comprehensive R&D team enabling product candidate discovery, proof-of-concept, preclinical and clinical development. As of December 31, 2023, the Company's in-house R&D activities were supported by 145 employees across regions.

Manufacturing

During the Reporting Period, the Company established commercial manufacturing capability to produce and supply its COVID-19 vaccine at its in-house manufacturing facility in Changxing, Zhejiang province. The facility has achieved commercial GMP status in China and received a vaccine Drug Manufacturing License (DML) from the China NMPA, representing potential advantages compared to other domestic manufacturers utilizing new manufacturing sites. This in-house manufacturing site has proven commercial scale production track record and will be valuable to the development of the Company's other product candidate, including RSV vaccine candidate SCB-1019.

Other Key Corporate Developments

- In May 2023, the Company was included in the Hang Seng Innovative Drug Index, which aims to reflect the performance of companies in the research, development and manufacture of innovative drugs. The inclusion represents R&D strength the Company has established over the years and recognition by the financial community.

- To navigate the challenges of the macroeconomic environment at the moment, the Company took significant measures to (1) heighten focus on its core strengths and capabilities in vaccine development and (2) prudently evaluate its expenses and streamline the organization to increase efficiency and improve effectiveness. The Company will continue to focus resources on achieving its top priorities while continuing to build an innovative portfolio that can potentially generate significant value-creation opportunities.

Future Outlook

Since the beginning of 2023, The Company has achieved significant progress on building a leading respiratory vaccine franchise with the addition of a commercial-stage quadrivalent flu vaccine and advancement of our RSV vaccine candidate, which is under development utilizing the validated Trimer-Tag platform. Looking forward, the Company will continue to prioritize resources to accelerate the development of our RSV vaccine candidate, in pursuit of a blockbuster and a growing market opportunity.

In terms of corporate governance, the Company has taken significant measures towards corporate financial sustainability by improving operating efficiency, pursuing commercialization opportunities and maintaining a resilient cash position to support future success.

FINANCIAL REVIEW

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
REVENUE	**39,255**	–
Cost of sales	**(15,014)**	–
Gross profit	**24,241**	–
Other income and gains	**2,571,354**	23,246
Selling and distribution costs	**(54,766)**	–
Administrative expenses	**(198,816)**	(410,237)
Research and development expenses	**(649,885)**	(1,465,324)
Other expenses	**(1,811,944)**	(593,658)
Finance costs	**(18,723)**	(5,930)
LOSS BEFORE TAX	**(138,539)**	(2,451,903)
Income tax expense	**–**	–
LOSS FOR THE YEAR	**(138,539)**	(2,451,903)

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	**88,246**	399,857
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**88,246**	399,857
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(69,237)**	(379,402)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(69,237)**	(379,402)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**19,009**	20,455
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(119,530)**	(2,431,448)
Non-IFRS Measures		
Adjusted loss for the year	**(85,024)**	(2,356,880)

Revenue

The Group's revenue derives from the commercial launch of SCB-2019 (CpG 1018/Alum) and AdimFlu-S (QIS) in China since February and September 2023, respectively, and amounted to RMB39.3 million for the year ended December 31, 2023.

Other Income and Gains

The Group's other income and gains primarily consist of funding from CEPI, government grants and bank interest income.

For the year ended December 31, 2023, other income and gains increased by RMB2,548.2 million from RMB23.2 million for the year ended December 31, 2022 to RMB2,571.4 million, primarily due to recognised funding from CEPI of RMB2,540.5 million. Given that the conditions attached to the funding agreement with CEPI in relation to certain amount have been fulfilled by the Company in 2023, the deferred revenue was recognised in other income in accordance with IAS 20.

Selling and Distribution Expenses

For the year ended December 31, 2023, selling and distribution expenses of the Group were RMB54.8 million, relating to the commencement of commercial sales operations, primarily consisting of salaries and benefits for commercial team and market development expenses.

Administrative Expenses

The Group's administrative expenses primarily consist of (i) employee salaries and benefits, including accrued share-based compensation expenses; (ii) consulting fees; (iii) depreciation and amortization expenses; (iv) office expenses; and (v) professional service fees, which mainly include third-party recruitment agency costs. Other administrative expenses include IT software license expenses and other miscellaneous expenses in connection with administration activities.

For the year ended December 31, 2023, administrative expenses of the Group significantly decreased by RMB211.4 million, or approximately 52%, from RMB410.2 million for the year ended December 31, 2022 to RMB198.8 million. This reduction was primarily attributable to a decrease of RMB135.5 million in employee salaries and benefits, due to the further headcount reductions in general and administrative functions to streamline the organization. In addition, consulting fees and third-party recruitment agency costs decreased, as a result of enhanced operational efficiency and cost-saving measures.

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Employee salaries and benefits	**132,871**	268,350
– Share-based compensation expenses	***34,626***	*62,637*
Consulting fees	**26,260**	54,973
Depreciation and amortization	**13,471**	28,817
Office expenses	**8,450**	17,726
Professional service fees	**2,509**	18,815
Others	**15,255**	21,556
Total	**198,816**	410,237

Research and Development Expenses

The Group's R&D expenses primarily consist of: (i) employee salaries and benefits, including accrued share-based compensation expenses; (ii) clinical trial expenses, mainly consisting of payments to CROs, hospitals and other medical institutions and related fees; (iii) costs of raw materials and consumables used for R&D activities; (iv) R&D consulting and service fees, mainly related to preclinical study costs and service fees incurred by CDMOs to prepare for commercial launch; and (v) depreciation and amortization in relation to our leasehold buildings, machinery and equipment.

For the year ended December 31, 2023, R&D expenses decreased by RMB815.4 million, or 56%, from RMB1,465.3 million for the year ended December 31, 2022 to RMB649.9 million. The decrease was primarily attributable to (i) a significant decrease in CDMO service fees related to technology transfer and process validation, raw materials and consumables used, and clinical trial expenses, as SCB-2019 (CpG 1018/Alum) related R&D (clinical, CMC and regulatory) activities were substantially completed; and (ii) the decrease in employee salaries and benefits, as the Group continues to streamline corporate operations and prioritize respiratory vaccine products.

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Employee salaries and benefits	**236,323**	386,584
– Share-based compensation expenses	***16,443***	*30,408*
Clinical trial expenses	**196,479**	413,021
R&D consulting and service fees	**50,692**	322,864
Costs of raw materials and consumables	**57,986**	245,258
Depreciation and amortization	**53,764**	29,263
Others	**54,641**	68,334
Total	**649,885**	1,465,324

Other Expenses

The Group's other expenses primarily consist of write-down of inventories to net realizable value, net foreign exchange loss and severance costs.

For the year ended December 31, 2023, other expenses of the Group increased by RMB1,218.2 million from RMB593.7 million for the year ended December 31, 2022 to RMB1,811.9 million, primarily due to a provision of RMB1,697.4 million of inventories mainly relating to raw materials. Due to the evolving landscape of market environment to date, the Company updated the forecasted future sales of its COVID-19 vaccine products based on decreasing demands for COVID-19 vaccines, so as to estimate the future usage of COVID-19 vaccine related inventories and made provision accordingly. Impairment loss of inventories is also due to the shrinking market for quadrivalent seasonal influenza vaccine during the Reporting Period compared to previous flu season. The determination of the provision of inventories involves critical management estimates and is subject to market changes.

Finance Costs

The Group's finance costs primarily consist of (i) interest on bank loans and (ii) interest on lease liabilities, mainly in relation to its offices in Shanghai, Chengdu and Beijing.

For the year ended December 31, 2023, finance costs of the Group increased by RMB12.8 million from RMB5.9 million for the year ended December 31, 2022 to RMB18.7 million, primarily due to the increase in interest expenses on bank loans.

Loss for the Year

As a result of the above, the loss of the Group decreased by RMB2,313.4 million from RMB2,451.9 million for the year ended December 31, 2022 to RMB138.5 million for the year ended December 31, 2023.

Non-IFRS Measure

To supplement the Group's annual consolidated financial statements, which are presented in accordance with the IFRSs, the Group also provides adjusted loss for the year as supplemental information. Such measures are not required by the IFRSs, but the Group deems it useful information to its Shareholders and potential investors for the evaluation of the Group's annual consolidated financial results.

Adjusted loss for the year represents the loss for the year excluding the effect brought by share-based compensation expenses. This non-IFRS measure should not be considered in isolation from, or as a substitute for the analysis of, the Group's IFRS reporting. The Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this non-IFRS measure is a better indication of the Group's normal operating results and a better basis for the comparison of operating performance from period to period.

The table below sets forth a reconciliation of the loss for the year to the adjusted loss for the year during the years indicated:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(138,539)**	(2,451,903)
Added:		
Share-based compensation expenses	**53,515**	95,023
Adjusted loss for the year	**(85,024)**	(2,356,880)

Selected Data from Consolidated Statement of Financial Position

	As of December 31,	
	2023	2022
	RMB'000	*RMB'000*
Total current assets	**1,899,519**	4,389,929
Total non-current assets	**201,915**	304,777
Total Assets	**2,101,434**	4,694,706
Total current liabilities	**2,277,003**	2,829,205
Total non-current liabilities	**557,264**	2,533,638
Total liabilities	**2,834,267**	5,362,843
Net current assets	**(377,484)**	1,560,724

Liquidity and Source of Funding and Borrowings

As of December 31, 2023, the Group's cash and bank balances, including cash and cash equivalents, time deposits, restricted cash and pledged deposits, decreased by RMB761.0 million from RMB1,856.5 million as of December 31, 2022 to RMB1,095.5 million. The decrease primarily resulted from market access capabilities expansion, continued investment in R&D activities and daily operation payout. The sustainability of cash position can be achieved through enhancing revenue streams and optimizing operating expenses.

As of December 31, 2023, the current assets of the Group totaled RMB1,899.5 million, including cash and cash equivalents, time deposits, restricted cash and pledged deposits of RMB1,095.5 million, trade receivables of RMB24.1 million, prepayments, other receivables and other assets of RMB68.8 million, inventories of RMB697.0 million and financial assets at fair value through profit or loss of RMB14.1 million.

As of December 31, 2023, the current liabilities of the Group were RMB2,277.0 million, including contract liabilities of RMB1,577.8 million, trade payables of RMB247.8 million, other payables and accruals of RMB124.8 million, lease liabilities of RMB18.5 million and interest-bearing bank borrowings of RMB308.1 million.

As of December 31, 2023, the Group had short-term bank loans of RMB308.1 million, bearing fixed interest rates ranging from 3.45% to 7.3261% per annum. The new borrowings during the Reporting Period were raised to fully enhance the efficiency of capital.

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and mitigate potential risks. The Group endeavors to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's funding and treasury policy from time to time to ensure its adequacy and effectiveness.

Significant Investments, Material Acquisitions and Disposals

As of December 31, 2023, the Group did not hold any significant investments. The Group also did not have material acquisitions or disposals of subsidiaries, associates, and joint ventures for the year ended December 31, 2023.

Future Plans for Material Investments or Capital Assets

The Group had no other material capital expenditure plan as of the date of this announcement.

Contingent Liabilities

As of December 31, 2023, the Group did not have any contingent liabilities that we expected, would materially adversely affect our business, financial position or results of operations.

Gearing Ratio

The gearing ratio is calculated using interest-bearing bank borrowings less cash and bank balances, divided by total equity and multiplied by 100%. As of December 31, 2023, the Group was in a net cash position and thus, gearing ratio is not applicable.

Capital Commitments

The capital commitments of the Group as of December 31, 2023 were RMB16.4 million, reflecting a decrease of RMB5.7 million from RMB22.1 million as of December 31, 2022, primarily attributable to the decrease in our future payments in relation to the construction of manufacture facilities and intangible assets.

Pledge of Assets

As of December 31, 2023, the Group had a total of RMB343.4 million of time deposits pledged to secure its bank borrowings.

Foreign Exchange Exposure

The Company's functional currency is USD and the functional currency of the Company's subsidiaries in China is RMB. During the Reporting Period, the Group mainly operated in China with most of its transactions settled in RMB and USD. Our financial assets and liabilities are subject to foreign currency risk as a result of certain cash and bank balances, trade receivables, other receivables, trade payables, other payables and interest-bearing bank borrowings denominated in non-functional currencies. Therefore, fluctuations in the exchange rate of functional currency against non-functional currency could affect our results of operations. The Group currently does not have a foreign currency hedging policy. However, its management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Employees and Remuneration

As of December 31, 2023, the Group had 387 employees. The total remuneration cost incurred by the Group for the year ended December 31, 2023 was RMB390.3 million. The following table sets forth the details of our employees by function as of December 31, 2023:

Function	Number of employees	% of total
R&D	145	37.5%
Manufacturing and CMC	114	29.5%
General and Administrative	64	16.5%
Selling and Marketing	64	16.5%
Total	387	100%

The remuneration package of the Group's employees includes salary, bonus and equity incentives, which is generally determined by their qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds in accordance with relevant laws and regulations.

The Company has also adopted a restricted share unit scheme and a pre-IPO share option plan on April 15, 2021 and a post-IPO share option plan on September 26, 2021 to provide incentives for the eligible participants. For details, please refer to the paragraph headed "D. Share Incentive Plans" in Appendix IV to the Prospectus.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**2023**	2022
		RMB'000	*RMB'000*
REVENUE	*4*	**39,255**	–
Cost of sales	*7*	**(15,014)**	–
Gross profit		**24,241**	–
Other income and gains	*5*	**2,571,354**	23,246
Selling and distribution expenses		**(54,766)**	–
Administrative expenses		**(198,816)**	(410,237)
Research and development expenses		**(649,885)**	(1,465,324)
Other expenses	*6*	**(1,811,944)**	(593,658)
Finance costs		**(18,723)**	(5,930)
LOSS BEFORE TAX	*7*	**(138,539)**	(2,451,903)
Income tax expense	*8*	**–**	–
LOSS FOR THE YEAR		**(138,539)**	(2,451,903)
Attributable to:			
Owners of the parent		**(138,539)**	(2,451,903)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (EXPRESSED IN RMB PER SHARE)	*10*		
Basic and diluted		**(0.11)**	(2.22)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2023	2022
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(138,539)**	(2,451,903)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	**88,246**	399,857
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**88,246**	399,857
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(69,237)**	(379,402)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(69,237)**	(379,402)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**19,009**	20,455
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(119,530)**	(2,431,448)
Attributable to:		
Owners of the parent	**(119,530)**	(2,431,448)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2023**	2022
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**149,720**	185,790
Right-of-use assets		**12,336**	55,954
Intangible assets		**39,859**	34,998
Other non-current assets		**–**	28,035
Total non-current assets		**201,915**	304,777
CURRENT ASSETS			
Inventories		**696,978**	2,384,340
Trade receivables	*11*	**24,106**	–
Prepayments, other receivables and other assets		**68,800**	135,147
Financial assets at fair value through profit or loss		**14,165**	13,929
Time deposits and restricted cash		**16,228**	19,243
Pledged deposits		**343,378**	229,861
Cash and cash equivalents		**735,864**	1,607,409
Total current assets		**1,899,519**	4,389,929
CURRENT LIABILITIES			
Trade payables	*12*	**247,829**	856,964
Other payables and accruals		**124,731**	99,314
Interest-bearing bank borrowings		**308,063**	294,060
Contract liabilities		**1,577,845**	1,555,297
Lease liabilities		**18,535**	23,570
Total current liabilities		**2,277,003**	2,829,205
NET CURRENT (LIABILITIES)/ASSETS		**(377,484)**	1,560,724
TOTAL ASSETS LESS CURRENT LIABILITIES		**(175,569)**	1,865,501
NON-CURRENT LIABILITIES			
Lease liabilities		**7,853**	36,738
Deferred income	*13*	**44,364**	2,496,900
Non-current portion of trade payables	*12*	**505,047**	–
Total non-current liabilities		**557,264**	2,533,638
Net liabilities		**(732,833)**	(668,137)
EQUITY			
Equity attributable to owners of the parent			
Share capital		**838**	835
Treasury shares		**(30)**	(36)
Reserves		**(733,641)**	(668,936)
Total deficit		**(732,833)**	(668,137)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 31 October 2018. The registered address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the year, the Group was principally engaged in the research and development, manufacturing and commercialisation of innovative vaccines.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") effective from 5 November 2021.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value through profit or loss. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

The consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the coming twelve months notwithstanding that as at 31 December 2023, the Group had net liabilities of RMB732,833,000 and accumulated losses of RMB9,640,268,000. In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have the necessary liquid fund to finance its working capital and capital expenditure requirements for the next twelve months after 31 December 2023, which include, but not limited to, the following:

(a) The primary cause for the net liabilities as at 31 December 2023 was the significant contract liabilities, details of which are included in the financial statements. The Group is not expected to incur any cash outflows in the next twelve months after 31 December 2023 for the contract liabilities;

(b) The Group had cash and cash equivalents of RMB735,864,000; and

(c) The Group had unutilised banking facilities available to the Group that the directors of the Company are confident of them being able to be continuously renewed upon their respective expirations in the foreseeable future based on the Group's past experience and good credit standing.

In light of the available funding and factors as mentioned above, and after taking into account the active measures taken by the Group to control operating costs and contain capital expenditures, the Group has prepared a cash flow forecast for the next twelve months, which indicated that the Group would have sufficient working capital to finance its operations. Hence the directors of the Company are of the opinion that it is appropriate to prepare these consolidated financial statements under the going concern basis.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and the impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset of RMB16,421,000 for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability of RMB16,421,000 for all taxable temporary differences associated with right-of-use assets at 1 January 2022.

The adoption of amendments to IAS 12 did not have any impact on the basic and diluted loss per share attributable to ordinary equity holders of the parent, other comprehensive income and the consolidated statements of cash flows for the years ended 31 December 2023 and 2022.

(d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one operating segment, which is the research and development, manufacturing and commercialisation of innovative vaccines. Since this is the only reportable operating segment of the Group, no further operating segment analysis therefore is presented.

Geographical information

(a) Revenue from external customers

	2023	2022
	RMB'000	*RMB'000*
Chinese Mainland	**39,255**	–

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	2023	2022
	RMB'000	*RMB'000*
Chinese Mainland	**199,090**	295,569
Other countries/regions	**2,825**	9,208
Total non-current assets	**201,915**	304,777

The non-current asset information above is based on the locations of the assets.

Information about a major customer

Revenue amounting to RMB39,247,000 (2022: nil) was derived from sales to a single customer.

4. REVENUE

An analysis of revenue is as follows:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers	**39,255**	–

Revenue from contracts with customers

(a) Disaggregated revenue information

	2023	2022
	RMB'000	*RMB'000*
Types of good		
Vaccines	**39,255**	–
Timing of revenue recognition		
Goods transferred at a point in time	**39,255**	–

(b) Performance obligations

Sale of vaccines

The performance obligation is satisfied upon delivery of the vaccines or receipt of the vaccines by customers and payment is generally due within 3 months to 1 year from release or delivery. Some contracts provide customers with rights of return which give rise to variable consideration subject to constraint.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2023	2022
	RMB'000	*RMB'000*
Funding from Coalition for Epidemic Preparedness Innovations ("**CEPI**")*	**2,540,497**	–
Bank interest income	**16,118**	8,507
Government grants**	**7,136**	14,409
Fair value gains, net:		
Financial assets at fair value through profit or loss	**–**	229
Rental income	**2,040**	101
Gain on disposal of right-of-use assets	**2,309**	–
Others	**3,254**	–
Total	**2,571,354**	23,246

* Funding received from CEPI amounting to RMB2,540,497,000 was recognised in other income because the conditions attached to the funding have been fulfilled during the year ended 31 December 2023 as further explained in note 13.

** Government grants have been received from the local government authorities to support the subsidiaries' research and development activities and purchase of certain items of property, plant and equipment. There are no unfulfilled conditions related to these government grants.

6. OTHER EXPENSES

	2023	2022
	RMB'000	*RMB'000*
Write-down of inventories to net realisable value/(reversal of inventory provision)*	**1,697,406**	475,643
Foreign exchange differences, net	**34,982**	25,412
Severance costs	**33,630**	21,319
Loss on disposal of intangible assets	**7,047**	–
Additional costs for termination of the Shanghai R&D Center project	**3,981**	13,842
Loss on disposal of property, plant and equipment	**3**	8,432
Impairment of prepayments, other receivables and other assets	**10,108**	34,155
Impairment of right-of-use assets	**8,210**	–
Impairment of property, plant and equipment	**2,099**	–
Others	**14,478**	14,855
Total	**1,811,944**	593,658

* During the year, the Group accrued a provision of RMB1,697,406,000 for raw materials, work in progress and finished goods that were not expected to be used or sold within the useful life due to the changes in the market conditions, which have affected the respective sales plans and expected future usage.

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2023	2022
	RMB'000	*RMB'000*
Cost of inventories sold	**15,014**	–
Research and development costs (excluding related employee benefit expenses, depreciation and amortisation)	**359,798**	1,049,477
Depreciation of property, plant and equipment	**34,183**	26,966
Depreciation of right-of-use assets	**30,935**	27,690
Amortisation of intangible assets	**5,507**	3,424
Lease payments not included in the measurement of lease liabilities	**3,020**	5,559
Auditor's remuneration	**2,891**	1,100
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages, salaries and welfare	**315,905**	530,528
Pension scheme contributions	**22,193**	31,361
Share-based compensation expenses	**52,155**	93,045
Total of employee benefit expenses	**390,253**	**654,934**

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong. The first HKD2,000,000 (2022: HKD2,000,000) of assessable profits of this subsidiary are subject to 8.25% (2022: 8.25%) and the remaining assessable profits are subject to 16.5% (2022: 16.5%). No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong during the year.

Chinese Mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Chinese Mainland are subject to CIT at a rate of 25% (2022: 25%) on the taxable income.

Australia

The subsidiary incorporated in the Australia is subject to Australia statutory corporate income tax at a rate of 30% (2022: 30%). However, the rate is reduced to 25% (2022: 25%) following a preliminary assessment of the base rate entity rules in accordance with the Australian tax law during the year.

United States of America

The subsidiary incorporated in Delaware, United States was subject to statutory United States federal corporate income tax at a rate of 21% (2022: 21%) during the year.

United Kingdom

The subsidiary incorporated in the United Kingdom is subject to corporation income tax on its worldwide profits at 19% (2022: 19%) during the year.

Ireland

The subsidiary incorporated in Ireland is subject to Ireland corporate income tax at a rate of 25% (2022: 25%) on the estimated assessable profits arising in Ireland during the year.

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the jurisdiction in which the majority of the Group's subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	2023	2022
	RMB'000	*RMB'000*
Loss before tax	**(138,539)**	(2,451,903)
Tax at the statutory tax rate of 25%	**(34,635)**	(612,976)
Effect of tax rate differences in other jurisdictions	**30,684**	41,499
Expenses not deductible for tax	**8,315**	12,827
Additional deductible allowance for qualified research and development costs	**(17,964)**	(19,403)
Tax losses utilised from previous periods	**(1,506)**	–
Deductible temporary differences not recognised	**(253,482)**	249,109
Tax losses not recognised	**268,588**	328,944
Tax charge at the Group's effective tax rate	**–**	–

The Group had accumulated tax losses of RMB2,755,266,000 (2022: RMB1,933,254,000) as at 31 December 2023, out of which the Group's entities in the Chinese Mainland had accumulated tax losses of RMB2,047,015,000 (2022: RMB1,350,422,000), while the Group's overseas entities had accumulated tax losses of RMB708,251,000 (2022: RMB582,832,000). Tax losses in the Chinese Mainland are available for a maximum of five years for offsetting against future taxable profits of the companies in which the losses arose, while the tax losses incurred by overseas entities can be carried forward without a period limit.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

9. DIVIDENDS

No dividends have been declared and paid by the Company for the year ended 31 December 2023 (2022: nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent of RMB138,539,000 (2022: RMB2,451,903,000) and the weighted average number of ordinary shares. The weighted average number of shares for the year ended 31 December 2023 is determined based on 1,243,504,146 shares in issue during the year (2022: 1,102,103,513).

As the Group incurred losses, no adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2023 (2022: nil) as the impact of the share options and restricted share units outstanding had an anti-dilutive effect on the basic loss per share amount presented. Accordingly, the dilutive loss per share amounts for the years ended 31 December 2023 and 2022 are the same as the basic loss per share amounts.

The calculation of basic and diluted loss per share is based on:

	2023	2022
	RMB'000	*RMB'000*
Loss		
Loss attributable to owners of the parent, used in the basic loss per share calculation:	**(138,539)**	(2,451,903)

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation:	**1,243,504,146**	1,102,103,513

11. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**24,106**	–
Impairment	**–**	–
Net carrying amount	**24,106**	–

The Group's trading terms with its customers are mainly on credit. The credit period is generally 3 months to 1 year, depending on the contract terms. Each customer has a maximum credit limit. The majority of the Group's trade receivables relate to one major customer, as such, there is a concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 6 months	**24,104**	–
Over 6 months	**2**	–
Total	**24,106**	–

An impairment analysis is performed at each reporting date. The Group has applied the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The directors of the Company are of the opinion that the ECL in respect of the balance of trade receivables is minimal. No loss allowance for impairment of trade receivables is provided as at 31 December 2023.

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 6 months	**156,119**	385,856
6 to 12 months	**52,815**	108,730
Over 1 year	**543,942**	362,378
Total	**752,876**	856,964
Analysed into:		
Current portion	**247,829**	(856,964)
Non-current portion	**505,047**	–

The trade payables are non-interest-bearing and are normally settled on 60-day terms, except for certain suppliers with specified payment terms.

Non-current portion of trade payables of USD71,307,000 (equivalent to RMB505,047,000) represented the trade payables due to Dynavax Technologies Corporation ("**Dynavax**") for procurement of CpG 1018 adjuvant, which was included in trade payables as of 31 December 2022. During the year ended 31 December 2023, the Company has reassessed the payment terms under the purchase agreement with Dynavax and confirmed with Dynavax on the amounts payable and the respective timing of payment. The amount of USD71,307,000 (equivalent to RMB505,047,000 as of 31 December 2023) was classified as non-current portion of trade payables to reflect the timing of settlement of the payables to Dynavax, which would be over 12 months from the balance sheet date.

13. DEFERRED INCOME

	2023	2022
	RMB'000	*RMB'000*
Deferred revenue (a)	**17,414**	2,468,950
Deferred government grants (b)	**26,950**	27,950
Total	**44,364**	2,496,900

(a) Deferred revenue represented the amount of funding received from CEPI by the end of the reporting period. Sichuan Clover Biopharmaceuticals, Inc. ("**Clover Sichuan**") and Clover Biopharmaceuticals AUS Pty Ltd. ("**Clover AUS**") signed the Outbreak Response Funding Agreement (the "**Agreement**") with CEPI in 2020, pursuant to which CEPI is to provide funding to Clover Sichuan and Clover AUS to support the Group's research and development of COVID-19 vaccine under the project of "Outbreak Response To Novel Coronavirus (COVID-19)" (the "**Project**").

According to the Agreement, ownership of all data, assays, protocols, and materials made under the Project ("**Project Results**"), including vaccines ("**Products**"), as well as all intellectual property rights, including those for inventions, know-how, patents, trademarks arising in relation to the Project Results or otherwise under the Project ("**Project IP**") shall vest in the Company from creation. CEPI is committed to achieving equitable access to the results of all CEPI-supported programmes pursuant to the "Equitable Access Policy", which means that any form or dosage of pharmaceutical composition or preparation made or developed under the Project ("**Project Vaccine**") is first available to populations when and where it is needed to end an outbreak or contain an epidemic, regardless of whose ability to pay. A global allocation and purchasing mechanism (the "**Global Allocation Mechanism**") is to be constituted subsequent to the Agreement to purchase, allocate, and direct the distribution of COVID-19 vaccines including Project Vaccine.

According to the Agreement, the Group agrees to (i) supply all doses of the Project Vaccine up to the capacity as may be required by the Global Allocation Mechanism during the Pandemic Period (the period of time between the date that World Health Organization ("**WHO**") declared COVID-19 to be a Public Health Emergency of International Concern ("**PHEIC**", that is, 30 January 2020) and the date that WHO declares the PHEIC to have ended); and, (ii) during the period of five years after the Pandemic Period ends, supply the Project Vaccine as may be required by the Global Allocation Mechanism for use in LMICs (Low and Middle Income Countries as defined by the Organisation for Economic Co-operation and Development), not to exceed 50% of the Project Vaccine unless mutually agreed to.

The funding received from CEPI is for the Group's commitment to supply the Project Vaccine as agreed in the Agreement after the commercialisation of the Project Vaccine in the future, therefore, it should be recognised in income in line with the Group's fulfilment of its obligation to supply the Project Vaccine as required by the Global Allocation Mechanism. As such, the amount received by the end of 2022 was recorded as deferred revenue.

In March 2023, CEPI's Stage Gate Review Committee approved that the Stage Gate Criteria for the final Stage Gate as defined in the Agreement had been met, therefore, the Project was substantially completed and subject to continuing closure of the final stage which comprises only the final work packages and certain administrative close-out activities. The funding received from CEPI of USD389,865,000 (equivalent to RMB2,540,497,000) was confirmed to be non-refundable.

The Company's Project Vaccine had realised commercialisation in February 2023. In May 2023, WHO announced that COVID-19 Pandemic Period ends. The demand for the Project Vaccine reduced to minimal levels as the emergency phase of the pandemic finished. The Company's obligation under the Agreement to supply Project Vaccine for a period of five years after the Pandemic Period ends was fulfilled by an amendment to the Advance Purchase Agreement ("**the amended APA**") entered into and signed by the Company and GAVI in September 2022 as an option arrangement for GAVI to procure 64 million doses of Project Vaccine. As of 31 December 2023, the Company has reserved sufficient raw materials and production capacities to meet the requirement of GAVI, should GAVI exercise its options to purchase the Project Vaccine under the amended APA.

Based on the foregoing, the Company assessed that all conditions attached to the CEPI funding of RMB2,540,497,000 (equivalent to USD389,865,000) have been fulfilled in 2023, therefore, deferred revenue of RMB2,540,497,000 was recognised in other income in 2023.

In 2023, the Group offset a portion of the inventory balance of vials donated by CEPI with the corresponding amount of CEPI's donation recorded in deferred income. The Group has retained a sufficient quantity of vials, amounting to 64 million doses, to meet the requirements of the amended APA with GAVI. The vial donation agreement with CEPI had expired, and in 2023, the Group decided to abandon the remaining vials, excluding those retained for the amended APA with GAVI, due to radical changes of the business and operation needs. As a result, the Group was relieved from both the rights and obligations associated with the vials, including the vial-related donation recorded as deferred income. Therefore, the Group offset the respective CEPI donation recorded as deferred income, amounting to RMB 58,787,000, against the inventory balance of abandoned vials.

As at 31 December 2023, the deferred revenue balance of RMB17,414,000 represented the amount of cash funding of RMB11,733,000 received from CEPI on certain work packages pending for CEPI's approval, and certain vials amounting to RMB5,681,000, donated by CEPI in prior years for use under the Project. The aforesaid amounts will be recognised as other income when they have been approved by CEPI or used under the Project.

(b) The movements in government grants during the year are as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
At beginning of year	**27,950**	32,117
Grants received during the year	**–**	1,900
Amount recognised in profit or loss	**(1,000)**	(6,067)
At end of year	**26,950**	27,950

OTHER INFORMATION

Final Dividend

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2023.

Compliance with the Corporate Governance Code

The Company strives to achieve high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices. The Company has applied the principles and code provisions as set out in the Corporate Governance Code and has complied with the code provisions in the Corporate Governance Code during the Reporting Period.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices.

Full details of the Company's corporate governance practices will be set out in the Company's annual report.

Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

The Company has also established a policy on "Inside Information" to comply with its obligations under the SFO and the Listing Rules.

The Company's relevant employees, who are likely to be in possession of Inside Information of the Company, have also been subject to the Model Code. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the Reporting Period.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company's shares during the Reporting Period.

Audit Committee

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise.

The Group has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee comprises three independent non-executive Directors, namely Mr. Thomas Leggett, Mr. Jeffrey Farrow and Mr. Liao Xiang. Mr. Thomas Leggett is the chairman of the Audit Committee. Mr. Jeffrey Farrow is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Group's annual results for the year ended December 31, 2023 have been reviewed by the Audit Committee and the annual results have also been audited by the independent auditor of the Company, Ernst & Young. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company during the Reporting Period.

Scope of work of Ernst & Young

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

Use of Net Proceeds from the Global Offering

The Company's Shares were listed on the Stock Exchange on November 5, 2021. The net proceeds from the Global Offering amounted to approximately HKD1,884.3 million (equivalent to RMB1,549.0 million).

Reference is made to the announcement of the Company dated August 23, 2023 in relation to the change in use of proceeds from the Global Offering. In order to navigate the current macroeconomic environment and focus on programs that will bring long-term value, on August 22, 2023 ("**IPO UOP Change Date**"), the Board has resolved to change the intended use of the unutilized net proceeds from the Global Offering of approximately RMB415.2 million in total as of August 22, 2023.

As of December 31, 2023, approximately RMB1,298.9 million, accounting for 83.9% of the net proceeds from the Global Offering had been utilized in accordance with the use as stated in the section headed "Future Plans and Use of Proceeds" in the Prospectus or the use after change approved on August 22, 2023 (see below).

The utilization of the net proceeds from the Global Offering during the period from the Listing Date to the IPO UOP Change Date is as follows:

Original use of proceeds	**Original percentage of net proceeds**	**Original allocation of net proceeds** *HKD million*	**Original allocation of net proceeds** *RMB million*	**Unutilized net proceeds as of December 31, 2022** *RMB million*	**Actual usage during the period from January 1, 2023 to August 22, 2023** *RMB million*	**Unutilized net proceeds as of August 22, 2023** *RMB million*	**Actual usage during the period from the Listing Date to August 22, 2023** *RMB million*
1. For the research and development, manufacturing and commercialization of our Core Products and related products	65.0%	1,224.8	1,006.9	305.3	12.8	292.5	714.4
2. For the research and development, manufacturing and commercialization of other products in our pipeline	22.5%	424.0	348.5	122.7	–	122.7	225.8
3. For working capital and other general corporate purposes	12.5%	235.5	193.6	–	–	–	193.6
Total	**100.0%**	**1,884.3**	**1,549.0**	**428.0**	**12.8**	**415.2**	**1,133.8**

Details of the utilization of the unutilized net proceeds from the Global Offering of approximately RMB415.2 million from the IPO UOP Change Date to December 31, 2023 and the expected timeline for utilization are as follows:

Use of proceeds after change	Revised percentage of unutilized net proceeds	Revised allocation of unutilized net proceeds approved on August 22, 2023 *RMB million*	Actual usage during the period from August 23, 2023 to December 31, 2023 *RMB million*	Unutilized net proceeds as of December 31, 2023 *RMB million*	Expected timeline of full utilization of the unused net proceeds
For the preclinical development and clinical trials of RSV vaccine candidate, SCB-1019	55.0%	228.4	53.5	174.9	By December 2024
For the R&D of other product candidates, including ≥ 1 mid-to late-stage in-licensed vaccines	22.5%	93.4	18.2	75.2	By June 2024
For the R&D and regulatory submission for updated version of COVID-19 vaccine including the XBB.1.5 variant	12.5%	51.9	51.9	–	Completed
For working capital and other general corporate purposes	10.0%	41.5	41.5	–	Completed
Total	**100.0%**	**415.2**	**165.1**	**250.1**	

Notes:

1. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future progress of R&D and market conditions and is subject to changes.

2. The net proceeds were received in HKD and translated to RMB for application planning. As of the date of this announcement, the unused net proceeds were deposited with certain licensed banks in Hong Kong and the PRC.

Use of Net Proceeds from the Placing

References are made to the Company's announcements dated December 6, 2022 and December 13, 2022 in relation to the Placing. On December 6, 2022, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as agent of the Company to procure subscribers, on a best effort basis, to subscribe for a total of 128,000,000 Placing Shares at the Placing Price upon the terms and subject to the conditions set out in the Placing Agreement. The Placing was completed on December 13, 2022. The net proceeds from the Placing (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HKD500.5 million.

Reference is made to the announcement of the Company dated August 23, 2023 in relation to the change in use of proceeds from the Placing. In order to expand commercialization capabilities to support the commercialization of the Company's respiratory vaccine products including seasonal influenza and COVID-19 vaccines, on August 22, 2023 ("**Placing UOP Change Date**"), the Board has resolved to change the intended use of the unutilized net proceed from the Placing of approximately RMB69.4 million in total as of August 22, 2023.

As of December 31, 2023, approximately RMB398.5 million, accounting for 88.8% of the net proceeds from the Placing had been utilized in accordance with the use as stated in the Placing Agreement or the use after change approved on August 22, 2023.

Utilization of the net proceeds from the Placing from January 1, 2023 to the Placing UOP Change Date is as follows:

Original use of proceeds	**Original percentage of net proceeds**	**Original allocation of net proceeds** *HKD million*	**Original allocation of net proceeds** *RMB million*	**Unutilized net proceeds as of December 31, 2022** *RMB million*	**Actual usage during the period from January 1, 2023 to August 22, 2023** *RMB million*	**Unutilized net proceeds as of August 22, 2023** *RMB million*
For expanding commercialization capabilities and production capacity (i) expanding the production capacity for commercialization of SCB-2019 (CpG 1018/Alum) and (ii) building the commercialization team and enhancing full commercial platform	90.0%	450.4	404.1	362.6	293.2	69.4
For extended working capital needs	10.0%	50.1	44.9	39.1	39.1	–
Total	**100.0%**	**500.5**	**449.0**	**401.7**	**332.3**	**69.4**

Set out below is the utilization of the net proceeds from the Placing since the Placing UOP Change Date to December 31, 2023 and the expected timeline for utilization:

Use of proceeds after change	Revised percentage of unutilized net proceeds approved on August 22, 2023	Revised allocation of net proceeds approved on August 22, 2023 *RMB million*	Actual usage during the period from August 23, 2023 to December 31, 2023 *RMB million*	Unutilized net proceeds as of December 31, 2023 *RMB million*	Expected timeline of full utilization of the unused net proceeds
For expanding commercialization capabilities to support the commercialization of respiratory vaccine products including seasonal influenza and COVID-19 vaccine	100.0%	69.4	18.9	50.5	By June 2024
Total	**100.0%**	**69.4**	**18.9**	**50.5**	

Notes:

1. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future progress of regulatory approval, commercialization, post-marketing R&D and market conditions made by the Company. It will be subject to changes in accordance with the Company's actual business operations and market conditions.

2. The net proceeds were received in HKD and translated to RMB for application planning. As of the date of this announcement, the unused net proceeds were deposited with certain licensed banks in Hong Kong.

Events After the End of Reporting Period

Save as disclosed in this announcement, no important events affecting the Company occurred subsequent to December 31, 2023 and up to the date of this announcement.

Principal Risks and Uncertainties

The Group's business, financial condition and results of operations could be materially and adversely affected by certain risks and uncertainties. For details, please see the section headed "Risk Factors" of the Prospectus.

Publication of Annual Results Announcement and Annual Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cloverbiopharma.com).

The annual report for the year ended December 31, 2023 containing all the information required by Appendix D2 (formerly known as Appendix 16) to the Listing Rules will be published on the websites of the Stock Exchange and the Company in April 2024.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposed to amend the existing memorandum and articles of association of the Company (the "**Existing M&A**") to (i) facilitate electronic dissemination of corporate communications in accordance with the amended Listing Rules in relation to the expanded paperless listing regime which took effect on 31 December 2023; and (ii) better align the amendments of the Existing M&A for housekeeping purposes with the provisions of the Listing Rules (collectively, the "**Proposed Amendments**"). For the purposes of the Proposed Amendments, the Board proposed to adopt the fifth amended and restated memorandum and articles of association of the Company (the "**New M&A**") in substitution for and to exclusion of the Existing Articles.

The Proposed Amendments and the proposed adoption of the New M&A are subject to the approval by the shareholders of the Company by way of a special resolution at the forthcoming AGM.

A circular of the AGM containing, among other things, particulars relating to the Proposed Amendments and the proposed adoption of the New M&A, together with a notice convening the AGM will be published in due course.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The Board proposed to convene the AGM to be held on Thursday, June 20, 2024.

For determining the eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Friday, June 14, 2024 to Thursday, June 20, 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer of Shares documents, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, June 13, 2024.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contribution to the Group.

The Company cannot guarantee that it will be able to ultimately develop and market its drug and vaccine candidates successfully. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

Definitions and Glossary of Technical Teams

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

"AGM"	the annual general meeting of the Company to be held on June 20, 2024 or any adjournment thereof
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"CDMO(s)"	contract development and manufacturing organization(s), a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"CEPI"	Coalition for Epidemic Preparedness Innovations, a foundation that takes donations from public, private, philanthropic, and civil society organizations, to finance independent research projects to develop vaccines against emerging infectious diseases
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company" or "Clover"	Clover Biopharmaceuticals, Ltd. (三葉草生物製藥有限公司), an exempted company incorporated in the Cayman Islands on October 31, 2018
"connected transaction"	has the meaning ascribed thereto under the Listing Rules
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purpose of the prospectus, our Core Products refers to SCB-2019 (CpG 1018/Alum) and SCB-808

"Corporate Governance Code"	Part 2 of Appendix C1 to the Listing Rules
"CRO(s)"	contract research organizations
"Director(s)"	the director(s) of the Company
"Dynavax"	Dynavax Technologies Corporation, a fully-integrated pharmaceutical company develops, and commercializes novel vaccines
"GAVI"	the Vaccine Alliance, a public-private global health partnership with the goal of increasing access to immunization in poor countries
"Global Offering"	the Hong Kong Public Offering (as defined in the Prospectus) and the International Offering (as defined in the Prospectus)
"GMP"	good manufacturing practices, the aspect of quality assurance that ensures that medicinal products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the product specification
"Group", "we" or "us"	our Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Listing"	the initial public offering or initial listing of our Shares on the Stock Exchange
"Listing Date"	November 5, 2021, the date on which dealings in our Shares first commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Memorandum and Articles of Association"	the fourth amended and restated memorandum and articles of association of our Company adopted on May 27, 2022
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules

"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"Placee(s)"	professional, institutional or other investor(s) selected and procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of the Placing Shares by the Placing Agent to the Placees at the Placing Price pursuant to the Placing Agreement
"Placing Agent"	Credit Suisse (Hong Kong) Limited, incorporated in Hong Kong with limited liability and a registered institution under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, each as defined under the SFO
"Placing Agreement"	the placing agreement entered into between the Company and the Placing Agent dated December 6, 2022 in respect of the Placing
"Placing Price"	HK$3.95 per Placing Share
"Placing Shares"	128,000,000 new Shares allotted and issued by the Company pursuant to the Placing Agreement
"Prospectus"	the prospectus issued by the Company dated October 25, 2021
"R&D"	research and development
"Reporting Period"	the year ended December 31, 2023
"RMB"	Renminbi Yuan, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	shares in the share capital of our Company, with a nominal value of USD0.0001 each

"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD"	United States dollars, the lawful currency of the United States
"WHO"	World Health Organization, a specialized agency of the United Nations responsible for international public health

By order of the Board
Clover Biopharmaceuticals, Ltd.
Dr. Peng LIANG
Chairman of the Board

Shanghai, PRC, March 26, 2024

As of the date of this announcement, the Board comprises Dr. Peng LIANG and Mr. Joshua G LIANG as executive Directors; Dr. Xiaodong WANG, Dr. Donna Marie AMBROSINO and Dr. Ralf Leo CLEMENS as non-executive Directors; and Dr. Xiaobin WU, Mr. Xiang LIAO, Mr. Jeffrey FARROW and Mr. Thomas LEGGETT as independent non-executive Directors.