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**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)**

**GRANT OF OPTIONS PURSUANT TO THE POST-IPO SHARE  
OPTION PLAN  
AND  
GRANT OF RSUS PURSUANT TO THE RSU SCHEME**

The Board announces that, on March 31, 2022, the Company granted a total of 11,326,000 Options and 383,000 RSUs to certain of the Directors pursuant to the terms of the Post-IPO Share Option Plan and the RSU Scheme, respectively.

**GRANT OF OPTIONS PURSUANT TO POST-IPO SHARE OPTION PLAN**

The following disclosure is made pursuant to Rule 17.06A of the Listing Rules.

The Board announces that on March 31, 2022, the Company granted a total of 11,326,000 Options to seven Option Grantees, each being a Director, in accordance with the terms of the Post-IPO Share Option Plan, subject to acceptance.

**Details of the Grant of Options**

The details of the Options granted to the Option Grantees are as follows:

Grant Date	:	March 31, 2022
Number of Option Grantees	:	seven Option Grantees
Total number of Options granted	:	11,326,000
Total number of Shares to be subscribed upon exercise of the Options granted	:	11,326,000 Shares
Consideration for the Grant of Options	:	US\$0.001 to be paid by each Option Grantee upon acceptance of the Options granted

Exercise price of the Options granted	:	HK\$7.30 per Share, representing the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, being HK\$6.90; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Grant Date, being HK\$7.30; and (iii) the nominal value of the Shares
Validity period of the Options	:	10 years from the Grant Date
Exercise period of the Options	:	Mr. LIANG Joshua G (subject to the approval of independent Shareholders at the AGM) and Dr. LIANG Peng: 100% of the Options granted shall become exercisable evenly on a monthly basis within four years from the Grant Date provided that the first few tranches of Options to become exercisable during the Grant Date to May 5, 2022 (being the first half-year anniversary of the Listing Date) shall become exercisable in one go in May 2022

Other Option Grantees: 100% of the Options granted shall vest on the first anniversary of the Grant Date

The table below shows a breakdown of Options granted to the Option Grantees, each being a Director:

Name of Option Grantee	Position held with the Group and relationship with the Group	Number of Shares to be subscribed upon exercise of the Options granted
Mr. LIANG Joshua G	Executive Director, chief executive officer and Controlling Shareholder	9,031,000
Dr. LIANG Peng	Executive Director, chairman of the Board and Controlling Shareholder	992,500
Dr. WANG Xiaodong	Non-executive Director	260,500
Dr. WU Xiaobin	Independent non-executive Director	260,500
Mr. LIAO Xiang	Independent non-executive Director	260,500
Mr. Jeffrey FARROW	Independent non-executive Director	260,500
Mr. Thomas LEGGETT	Independent non-executive Director	260,500
<b>Total</b>		<b>11,326,000</b>

## **Listing Rules Implications**

Pursuant to Rule 17.04(1) of the Listing Rules and the Post-IPO Share Option Plan, each grant of Options by the Company to any Director, chief executive, or substantial Shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the Option Grantee).

The Grant of Options has been reviewed and approved by the independent non-executive Directors accordingly.

Further, pursuant to Rule 17.04(1) of the Listing Rules and the Post-IPO Share Option Plan, any grant of Options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the Grant Date: (i) representing in aggregate over 0.1% of the total number of Shares in issue and (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Grant Date, in excess of HK\$5 million, such further grant of Options must be approved by the Shareholders in general meeting.

As the grant of Options to Mr. LIANG Joshua G would in a 12-month period represent over 0.1% of the Shares in issue, and has an aggregate value, based on the closing price of the Shares on the Grant Date, in excess of HK\$5 million, the grant of the 9,031,000 Options to Mr. LIANG Joshua G is subject to the approval of independent Shareholders pursuant to the Listing Rules at the forthcoming annual general meeting (the “AGM”) of the Company. Pursuant to Rule 17.04(1) of the Listing Rules, Mr. LIANG Joshua G, his associates and all core connected persons of the Company must abstain from voting in favor at the AGM.

A circular containing, amongst other things, further information in relation to the grant of Options to Mr. LIANG Joshua G as required under the Listing Rules, together with the notice of the AGM, will be dispatched to the Shareholders in due course.

## **GRANT OF RSUS PURSUANT TO THE RSU SCHEME**

The Board further announces that on March 31, 2022, an aggregate of 383,000 RSUs were granted to six RSU Grantees, each being a Director, pursuant to the RSU Scheme. The 383,000 RSUs represent 383,000 underlying Shares, and approximately 0.03% of the issued share capital of the Company as of the date of this announcement. Based on the closing price of HK\$6.90 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date, the market value of the 383,000 RSUs granted to the RSU Grantees amounts to HK\$2,642,700.

The table below shows a breakdown of RSUs granted to the RSU Grantees:

<b>Name of RSU Grantee</b>	<b>Number of Shares underlying the RSUs granted</b>
Dr. LIANG Peng <sup>(1)</sup>	165,500
Dr. WANG Xiaodong <sup>(2)</sup>	43,500
Dr. WU Xiaobin <sup>(2)</sup>	43,500
Mr. LIAO Xiang <sup>(2)</sup>	43,500
Mr. Jeffrey FARROW <sup>(2)</sup>	43,500
Mr. Thomas LEGGETT <sup>(2)</sup>	43,500
<b>Total</b>	<b>383,000</b>

*Note:*

1. 100% of the RSUs granted shall vest evenly on a monthly basis within four years from the Grant Date provided that the first few tranches of RSUs to vest during the Grant Date to May 5 2022 (being the first half-year anniversary of the Listing Date) shall vest in one go in May 2022.
2. 100% of the RSUs granted shall vest on the first anniversary of the Grant Date.

### **Listing Rules Implications**

The RSU scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

Each of the RSU Grantees is a Director and therefore a connected person of the Company under Rule 14A.07 of the Listing Rules. The grant of RSUs to each of the RSU Grantees constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, as the highest applicable percentage ratio of the grant of RSUs to each of the RSU Grantees is less than 0.1%, the grant of RSUs to each of the RSU Grantees is fully exempted from the reporting, announcement, or independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company has appointed Super Novel as the trustee to assist with the administration and vesting of the RSUs. A certain amount of Shares have been allotted and issued to Super Novel which are held in trust by it for the satisfaction of RSUs upon vesting (including all the RSUs granted as mentioned above). As the vesting of RSUs granted to the RSU Grantees will be satisfied by the Shares currently held by Super Novel, no new Shares will be issued by the Company, and accordingly, the Grant of RSUs will not result in any dilution effect on the shareholdings of existing Shareholders.

## REASONS AND BENEFITS OF THE GRANT OF OPTIONS AND RSUS

The Post-IPO Share Option Plan and the RSU Scheme form parts of the incentive plan of the Group. The Board considers that the Grant of Options and the Grant of RSUs are to (i) reward the Option Grantees and the RSU Grantees for their contributions to the growth and development of the Group and to give incentives thereto in order to retain them for the continual development and long-term strategic goals of the Group; and (ii) align the interests of the Option Grantees and the RSU Grantees with those of the Group through ownership of the Shares to encourage and retain them to make contributions to the long-term and profits of our Group.

### DEFINITIONS

“Board”	the board of Directors
“Business Day”	a day banks in Hong Kong are generally open for normal banking business to the public and is not a Saturday, Sunday or public holiday in Hong Kong
“core connected person(s)”	has the meaning ascribed to it by the Listing Rules
“Company”	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
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules, and unless the context otherwise requires, refers to Dr. LIANG Peng and Mr. LIANG Joshua G
“Directors”	the directors of the Company
“Grant of Options”	the grant of an aggregate of 11,326,000 Options to seven Option Grantees in accordance with the terms of the Post-IPO Share Option Plan
“Grant of RSUs”	the grant of an aggregate of 383,000 RSUs to six RSU Grantees in accordance with the terms of the Post-IPO RSU Scheme
“Grant Date”	March 31, 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Date”	November 5, 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Options”	rights to subscribe for Shares which were granted under the Post-IPO Share Option Plan
“Option Grantee(s)”	the person(s) who were granted Options in accordance with the Post-IPO Share Option Plan on the Grant Date
“Prospectus”	the prospectus of the Company dated October 25, 2021 in connection with the initial public offering of the Company on the Stock Exchange
“Post-IPO Share Option Plan”	the post-IPO share option scheme adopted by the Company on September 26, 2021
“RSU Scheme”	the restricted share units scheme adopted by the Company on April 15, 2021 and amended on September 26, 2021
“RSU”	restricted share units
“RSU Grantee(s)”	the person(s) who were granted RSUs in accordance with the RSU Scheme on the Grant Date
“Shareholder(s)”	holder(s) of shares in the Company
“Shares”	shares in the share capital of the Company, with a nominal value of US\$0.0001 each
“Super Novel”	SUPER NOVEL INTERNATIONAL LIMITED, a BVI company which holds the Shares underlying the awards under the RSU Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it by the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States

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

Shanghai, PRC, March 31, 2022

*As of the date of this announcement, the Board comprises Dr. Peng LIANG and Mr. Joshua G LIANG as executive Directors; Dr. Xiaodong WANG, Mr. Ting XIAO and Mr. Dong LYU as non-executive Directors; and Dr. Xiaobin WU, Mr. Xiang LIAO, Mr. Jeffrey FARROW and Mr. Thomas LEGGETT as independent non-executive Directors.*