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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 July 19, 2022, the Company granted a total of 695,000 Options and 116,000 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 July 19, 2022, the Company granted a total of 695,000 Options to the Grantees 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 Grantees are as follows:

Grant Date	:	July 19, 2022
Number of Grantees	:	two Grantees
Total number of Options granted	:	695,000
Total number of Shares to be subscribed upon exercise of the Options granted	:	695,000 Shares
Consideration for the Grant of Options	:	US\$0.001 to be paid by each Grantee upon acceptance of the Options granted

Exercise price of the Options granted	:	HK\$3.894 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\$3.640; (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\$3.894; and (iii) the nominal value of the Shares
Validity period of the Options	:	10 years from the Grant Date
Vesting period of the Options	:	Twenty-five percent (25%) of the Options granted shall vest on June 15, 2023 and the rest of the Options granted will vest yearly thereafter

The table below shows a breakdown of Options granted to the Grantees, each being a non-executive Director, on the Grant Date:

Name of Grantee	Number of Shares to be subscribed upon exercise of the Options granted
Dr. Donna Marie AMBROSINO	347,500
Dr. Ralf Leo CLEMENS	347,500
Total	<u>695,000</u>

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 a grantee).

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

GRANT OF RSUS PURSUANT TO THE RSU SCHEME

The Board further announces that on July 19, 2022, an aggregate of 116,000 RSUs were granted to the Grantees, each being a non-executive Director, pursuant to the RSU Scheme. The 116,000 RSUs represent 116,000 underlying Shares, and approximately 0.01% of the issued share capital of the Company as of the date of this announcement. Based on the closing price of HK\$3.640 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date, the market value of the 116,000 RSUs granted to the Grantees amounts to HK\$422,240.

The table below shows a breakdown of RSUs that were granted to the Grantees on the Grant Date:

Name of Grantee	Number of Shares underlying the RSUs granted
Dr. Donna Marie AMBROSINO ⁽¹⁾	58,000
Dr. Ralf Leo CLEMENS ⁽¹⁾	58,000
Total	116,000

Note:

1. Twenty-five percent (25%) of the RSUs granted shall vest on June 15, 2023 and the rest of the RSUs granted will vest yearly thereafter.

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 Grantees is a non-executive 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 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 Grantees is less than 0.1%, the grant of RSUs to each of the 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 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 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 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 the Group.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it by the Listing Rules
“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
“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
“connected person”	has the meaning ascribed to it by the Listing Rules
“Directors”	the directors of the Company
“Grant of Options”	the grant of an aggregate of 695,000 Options to the Grantees in accordance with the terms of the Post-IPO Share Option Plan
“Grant of RSUs”	the grant of an aggregate of 116,000 RSUs to the Grantees in accordance with the terms of the RSU Scheme
“Grant Date”	July 19, 2022
“Grantees”	Dr. Donna Marie AMBROSINO and Dr. Ralf Leo CLEMENS, who were granted Options in accordance with the Post-IPO Share Option Plan and RSUs in accordance with the RSU Scheme on the Grant Date
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“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
“Post-IPO Share Option Plan”	the post-IPO share option plan 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 unit
“Shareholder(s)”	holder(s) of shares of 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

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

Shanghai, PRC, July 19, 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. Dong LYU, 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.