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**CanSino Biologics Inc.**  
**康希諾生物股份公司**

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

**(Stock code: 6185)**

**PROPOSED CHANGE IN USE OF PROCEEDS  
FROM THE H SHARE OFFERING**

References are made to (i) the prospectus of CanSino Biologics Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated March 18, 2019 in relation to the initial public offering and listing (the “**H Share Offering**”) of the H shares of the Company (the “**H Shares**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), (ii) the announcement of the Company dated August 21, 2020 in relation to the proposed change in use of proceeds from the H Share Offering, and (iii) the circular of the Company dated September 21, 2020 in relation to, among other things, change in use of the remaining unutilized proceeds received from the H Share Offering.

**PROPOSED CHANGE IN USE OF H SHARE IPO PROCEEDS**

The Company received the net proceeds of approximately HK\$1,309.8 million (equivalent to approximately RMB1,122.3 million) from the H Share Offering (including the exercise of over-allotment option and after deduction of underwriting commissions and related costs and expenses) (the “**H Share IPO Proceeds**”).

It was disclosed under the section headed “Future Plans and Use of Proceeds” in the prospectus for the H Share Offering that the Company intended to use the H Share IPO Proceeds (adjusted on a pro-rata basis according to the net proceeds) for the following purposes:

- (1) approximately RMB897.9 million (representing 80% of the net proceeds) is expected to be used for the research and development and commercialization of the Company’s core products, as well as other key products in the product pipeline, in which:
  - (a) approximately RMB505.1 million (representing 45% of the net proceeds) is expected to be used for the research and development and commercialization of MCV candidates;
  - (b) approximately RMB224.5 million (representing 20% of the net proceeds) is expected to be used for the research and development of DTcP candidates; and
  - (c) approximately RMB168.3 million (representing 15% of the net proceeds) is expected to be used for the research and development of other key products of the Company;

- (2) approximately RMB112.2 million (representing 10% of the net proceeds) is expected to be used for continued research and development of the Company's pre-clinical vaccine candidates; and
- (3) approximately RMB112.2 million (representing 10% of the net proceeds) is expected to be used for working capital and other general corporate purposes.

On October 9, 2020, the Company held its 2020 first extraordinary general meeting to review and approve, among others, the proposed change in use of the unutilized H Share IPO Proceeds of approximately RMB682.8 million in total, pursuant to which the use of RMB420.0 million of the H Share IPO Proceeds originally allocated to the commercialization of MCV candidates was changed to be used in the (i) cooperation, licensing and introduction of advanced technologies, vaccine candidates and biological products; (ii) development of vaccine candidates; and (iii) acquisition of high-quality assets related to vaccines and biological products. For further details of the aforesaid change, please refer to the Company's announcement and circular dated August 21, 2020 and September 21, 2020, respectively.

As of November 30, 2022, approximately RMB578.1 million of the H Share IPO Proceeds has been utilized and approximately RMB544.3 million of the H Share IPO Proceeds remained unutilized.

For the reasons set out below, on December 2, 2022, the board (the **"Board"**) of directors (the **"Directors"**) of the Company resolved to change the use of RMB100 million of the unutilized H Share IPO Proceeds, which was originally allocated for the research and development of DTcP candidates, to the research and development of combined vaccine candidates containing DTcP components to enrich the product portfolio of vaccines and enhance the market competitiveness of the Company (the **"Proposed Change in Use of H Share IPO Proceeds"**). Save for the aforesaid change, there are no other proposed changes in the use of the H Share IPO Proceeds. An analysis of the utilization of the H Share IPO Proceeds as of November 30, 2022 and the Proposed Change in Use of H Share IPO Proceeds are summarized as follows:

Use of H Share IPO Proceeds	Revised allocation of unutilized H Share IPO Proceeds approved on October 9, 2020 (RMB million)	Unutilized H Share IPO Proceeds as of November 30, 2022 (RMB million)	Proposed Change in Use of H Share IPO Proceeds (RMB million)	Remaining unutilized balance after the Proposed Change in Use of H Share IPO Proceeds (RMB million)	Expected time of full utilization of remaining balance
Research and development and commercialization of MCV candidates	38.2	—	—	—	N/A
Research and development of DTcP candidates	166.6	149.3	(100.0)	49.3	By the end of 2024

Use of H Share IPO Proceeds	Revised allocation of unutilized H Share IPO Proceeds approved on October 9, 2020 (RMB million)	Unutilized H Share IPO Proceeds as of November 30, 2022 (RMB million)	Proposed Change in Use of H Share IPO Proceeds (RMB million)	Remaining unutilized balance after the Proposed Change in Use of H Share IPO Proceeds (RMB million)	Expected time of full utilization of remaining balance
Research and development of other key products	41.8	10.7	–	10.7	By the end of 2023
Continued research and development of our pre-clinical vaccine candidates	10.7	–	–	–	N/A
Working capital and other general corporate purposes	5.5	–	–	–	N/A
(i) cooperation, licensing and introduction of advanced technologies, vaccine candidates and biological products; (ii) development of vaccine candidates; and (iii) acquisition of high-quality assets related to vaccines and biological products	420.0	384.3	–	384.3	By the end of 2023
Research and development of combined vaccine candidates containing DTcP components	–	–	100.0	100.0	By the end of 2024
<b>Total</b>	<b>682.8</b>	<b>544.3</b>	<b>100.0</b>	<b>544.3</b>	<b>N/A</b>

*Note:* Figures shown as totals in the table above may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments.

## REASONS FOR THE PROPOSED CHANGE IN USE OF H SHARE IPO PROCEEDS

With a view to achieving the long-term interests of the Company and its shareholders (the “Shareholders”) and the strategic development goals of the Company, and taking into account the actual demands of the market as well as the enhancement of efficiency of funds utilization, the Company proposed to allocate more resources to the research and development of the non-COVID-19 vaccine product pipeline. The Proposed Change in Use of H Share IPO Proceeds is expected to enrich the product portfolio of vaccines and enhance the market competitiveness of the Company.

The Board confirms that there is no material change in the business nature of the Group and considers that the Proposed Change in Use of H Share IPO Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interests of the Company and its Shareholders as a whole.

## **EXTRAORDINARY GENERAL MEETING**

The Proposed Change in Use of H Share IPO Proceeds shall be subject to the approval by way of ordinary resolution of the Shareholders at the extraordinary general meeting of the Company to be convened on December 21, 2022 (the “EGM”). The notice of the EGM together with a circular containing, among other things, further details of the Proposed Change in Use of H Share IPO Proceeds will be published on the websites of the Company ([www.cansinotech.com](http://www.cansinotech.com)) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and despatched by the Company to the Shareholders on or before December 5, 2022.

## **CLOSURE OF REGISTER OF MEMBERS OF H SHARES**

The register of members of H Shares will be closed from Tuesday, December 20, 2022 to Wednesday, December 21, 2022, both days inclusive, during which period no transfer of H Shares shall be registered, in order to determine the holders of the H Shares who are entitled to attend and vote at the forthcoming EGM.

To be eligible to attend and vote at the EGM, all properly completed transfer documents must be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, December 19, 2022 for registration.

By order of the Board  
**CanSino Biologics Inc.**  
**Xuefeng YU**  
*Chairman*

Hong Kong, December 2, 2022

*As of the date of this announcement, the Board comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO, Dr. Tao ZHU, Dr. Dongxu QIU and Ms. Jing WANG as executive Directors, Mr. Liang LIN, Ms. Nisa Bernice Wing-Yu LEUNG and Mr. Zhi XIAO as non-executive Directors, and Mr. Shiu Kwan Danny WAI, Ms. Zhu XIN, Mr. Shuifa GUI and Mr. Jianzhong LIU as independent non-executive Directors.*