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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)

**COMPLETION OF PLACING OF
NEW SHARES UNDER GENERAL MANDATE**

Overall Coordinator and Placing Agent



Reference is made to the announcement of Clover Biopharmaceuticals, Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated December 6, 2022 in relation to the placing of new Shares under the General Mandate (the “**Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same respective meanings as those defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all conditions set out in the Placing Agreement have been fulfilled and that the Placing has been completed on December 13, 2022. A total of 128,000,000 Shares, representing approximately 9.90% of the issued share capital of the Company immediately upon completion of the Placing, have been successfully placed by the Placing Agent to not less than six Placees, who/which are professional, institutional and/or other investors at the Placing Price of HK\$3.95 per Placing Share in accordance with the terms and conditions of the Placing Agreement.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are independent of the Company and its connected persons, and none of the Placees has become a substantial shareholder of the Company as a result of the Placing.

The net proceeds from the Placing (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are estimated to be approximately HK\$500.5 million, and are intended to be utilized as follows:

Intended use of net proceeds	Details of usage	Approximate percentage	Approximate allocation of net proceeds (HK\$ in million)	Expected timeline for use of proceeds ⁽¹⁾
1. For expanding commercialization capabilities and production capacity	For (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%	450.4	By December 2023
2. For extended working capital needs	Including staff costs, rental payments, professional fees, office overhead expenses and other day-to-day operation and business expenses	10%	50.1	By June 2023

Note:

1. The expected timeline for use of proceeds is based on the best estimation of the future progress of regulatory approval, commercialization, post-marketing research and development 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.

As of June 30, 2022, the Company had unutilized proceeds of approximately RMB685 million from its global offering as disclosed in the Company's interim report for the six months ended June 30, 2022, of which only RMB26.5 million was for the regulatory submission, commercial preparation and launch, and post-marketing studies of SCB-2019 (CpG 1018/Alum). Taking into account the latest development status of SCB-2019 (CpG 1018/Alum), in particular that it has been included for emergency use in the PRC, it is expected that further capital is required for the expanding of the production capacity for commercialization of SCB-2019 (CpG 1018/Alum) and building the commercialization team and enhancing full commercial platform. Therefore, the Company considers that there is a justifiable need for the Company to conduct the Placing to raise additional funds for such use to improve its cash and financial position, enhance the Group's capital structure,

strengthen its cash reserve and maintain the Group’s financial flexibility, and last but not least, to further fund and support the commercialization of the Company’s most competitive and promising core product, SCB-2019 (CpG 1018/Alum), which the Company believes is in the best interests of the Company and its Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) immediately before completion of the Placing; and (ii) immediately upon completion of the Placing is set out as follows:

	Immediately before completion of the Placing		Immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Single Largest Group of Shareholders ⁽¹⁾	338,962,748	29.10%	338,962,748	26.22%
Placees	–	–	128,000,000	9.90%
Other shareholders	825,672,485	70.90%	825,672,485	63.88%
Total	1,164,635,233	100.00%	1,292,635,233	100.00%

Note:

- Pursuant to an acting-in-concert deed entered into by Dr. Peng LIANG and Mr. Joshua G LIANG on March 16, 2021, they agreed to act in concert by aligning their votes at Shareholders’ meetings of the Company. Therefore, they were deemed to be jointly interested in the aggregate number of Shares held by each other. Pursuant to the voting proxy agreements entered into on March 16, 2021 by each of Dr. Xiaodong WANG, Mr. Jianwei ZHU, Mr. Pu JIANG and Mr. Zheng PING (the “Grantors”) and Dr. Peng LIANG, respectively, each of the Grantors granted the voting right of the Shares held by them to Dr. Peng LIANG. Therefore, Dr. Peng LIANG was deemed to be interested in the Shares held by the Grantors under the SFO. Mr. Joshua G LIANG is the adviser of the trust established for the purpose of facilitating the administration of the RSU Scheme and is entitled to exercise voting rights attached to the Shares held by Super Novel International Limited, which holds the Shares underlying the awards under the RSU Scheme.

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

Shanghai, PRC, December 13, 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, 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.