



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

INTERIM REPORT

2024



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. LIANG Peng (*Chairman*)
Mr. LIANG Joshua G

Non-executive Directors

Dr. WANG Xiaodong
Dr. Donna Marie AMBROSINO
Dr. Ralf Leo CLEMENS

Independent Non-executive Directors

Dr. WU Xiaobin
Mr. LIAO Xiang
Mr. Jeffrey FARROW
Mr. Thomas LEGGETT

AUDIT COMMITTEE

Mr. Thomas LEGGETT (*Chairman*)
Mr. LIAO Xiang
Mr. Jeffrey FARROW

REMUNERATION COMMITTEE

Dr. WU Xiaobin (*Chairman*)
Dr. WANG Xiaodong
Mr. LIAO Xiang

NOMINATION COMMITTEE

Dr. LIANG Peng (*Chairman*)
Dr. WU Xiaobin
Mr. Thomas LEGGETT

AUTHORISED REPRESENTATIVES

Mr. LIANG Joshua G
Ms. CHAU Hing Ling (周慶齡)

JOINT COMPANY SECRETARIES

Ms. WANG Xiaoyan (王曉艷)
Ms. CHAU Hing Ling (周慶齡)
(Fellow member of The Hong Kong Chartered Governance Institute)

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STOCK CODE

2197

COMPANY WEBSITE

www.cloverbiopharma.com

LISTING DATE

November 5, 2021

FINANCIAL HIGHLIGHTS

	As of June 30, 2024 <i>RMB'000</i> (Unaudited)	As of December 31, 2023 <i>RMB'000</i> (Audited)
Cash and bank balances	829,761	1,095,470

	Six months ended June 30,	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Revenue	(10,100)	257
Other income and gains	67,148	2,510,809
Selling and distribution expenses	(6,684)	(22,511)
Administrative expenses	(42,075)	(109,468)
Research and development expenses	(98,297)	(385,603)
Other expenses	(2,540)	(1,330,909)
(Loss)/Profit for the period	(95,123)	650,624
Adjusted (loss)/profit for the period*	(87,259)	674,468

* Adjusted (loss)/profit for the period is not defined under the IFRSs. It represents the (loss)/profit for the period 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 RMB265.7 million from RMB1,095.5 million as of December 31, 2023 to RMB829.8 million as of June 30, 2024, primarily due to the net cash outflow resulted from daily operation and bank loan repayment.

For the six months ended June 30, 2024, a negative revenue of approximately RMB10.1 million was recorded due to sales return of AdimFlu-S (QIS) recognized in the Reporting Period.

Other income and gains decreased by RMB2,443.7 million from RMB2,510.8 million for the six months ended June 30, 2023 to RMB67.1 million for the six months ended June 30, 2024, mainly because of the funding received from CEPI substantially recognized in other income in 2023 which is not recurring in this Reporting Period, partially offset by a partial waiver of trade payables recognized in other income and gains and the increase in government grants and bank interest income.

Selling and distribution expenses decreased by RMB15.8 million from RMB22.5 million for the six months ended June 30, 2023 to RMB6.7 million for the six months ended June 30, 2024, primarily attributable to reduced salaries and benefits for commercial team as a result of a streamlined commercial workforce and market development expenses deducted in this Reporting Period because of relevant sales return of AdimFlu-S (QIS).

FINANCIAL HIGHLIGHTS

Administrative expenses decreased by RMB67.4 million, or approximately 62%, from RMB109.5 million for the six months ended June 30, 2023 to RMB42.1 million for the six months ended June 30, 2024, primarily due to the headcount reductions as part of the streamlining measures of the organization and other administrative cost-saving measures.

R&D expenses decreased by RMB287.3 million, or approximately 75%, from RMB385.6 million for the six months ended June 30, 2023 to RMB98.3 million for the six months ended June 30, 2024, as SCB-2019 (CpG 1018/Alum) related R&D (clinical, CMC and regulatory) activities were completed and the Group continues to streamline its corporate operations and prioritize respiratory vaccine products.

Other expenses decreased by RMB1,328.4 million from RMB1,330.9 million for the six months ended June 30, 2023 to RMB2.5 million for the six months ended June 30, 2024, primarily due to the impairment provision of COVID-19 vaccine related inventories recognized in 2023 but not in this Reporting Period.

The Group recorded a loss of RMB95.1 million for the six months ended June 30, 2024, as compared with a profit of RMB650.6 million for the six months ended June 30, 2023, primarily due to the combined effect of the recognized other income of funding from CEPI and the provision for inventory impairment recorded in the corresponding period in 2023, both are non-recurring in this Reporting Period.

NON-IFRS MEASURES:

Adjusted (loss)/profit for the period represents the (loss)/profit for the period excluding the effect brought by share-based compensation expenses.

The term adjusted (loss)/profit for the period is not defined under the IFRSs. The table below sets forth conciliation of the (loss)/profit for the period to adjusted (loss)/profit for the period:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/Profit for the period	(95,123)	650,624
Added:		
Share-based compensation expenses	7,864	23,844
Adjusted (loss)/profit for the period	(87,259)	674,468

BUSINESS HIGHLIGHTS

During the Reporting Period, the Company made significant progress in expanding 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) bivalent RSV vaccine candidate entering into clinical trial stage.
- In December 2023, the Company announced that the enrolment 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.
- In April and June 2024, the Company announced two preliminary phase I results in the young adult cohort (aged 18-59) and older adult and elderly cohort (aged 60-85) which demonstrated the positive preliminary immunogenicity and safety data.

AdimFlu-S (QIS)

- In February 2023, the Company announced that it entered into an exclusive agreement with Adimmune Corporation ("Adimmune") to distribute AdimFlu-S in mainland China, where it is the only imported seasonal quadrivalent influenza vaccine approved for use in individuals aged three years and older.
- At the end of July 2024, the Company completed the batch release of AdimFlu-S from National Institutes for Food and Drug Control (NIFDC), allowing us to improve market access and distribution ahead of the fall and winter vaccination campaign in mainland China.

SCB-219M

- SCB-219M is a fusion protein (TPO-mimetic bispecific-Fc) targeted to treat chemo-induced thrombocytopenia (CIT).
- The Company is actively looking for Business Development (BD) opportunities for SCB-219M while we are evaluating a potential Phase I b trial in CIT patients before the end of 2024.

COVID-19 Vaccine

- The emergency use authorization (EUA) of our COVID-19 vaccine issued in December 2022 remains active.
- Since July 15 2024, the commercialization of COVID-19 vaccines in mainland China has transitioned from the public market to the private market.

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. Particularly, the Company's bivalent RSV prefusion-stabilized F (PreF)-Trimer subunit vaccine candidate SCB-1019 demonstrated encouraging preliminary immunogenicity and safety data from phase I in the young (aged 18-59) and older (aged ≥ 60) adults. The Company will continue to develop our RSV vaccine candidate as it is a potential best-in-field and differentiated RSV vaccine globally in a large market that achieved blockbuster status in its first season of launch in the second half of 2023. Current untapped global market opportunities for RSV vaccines where SCB-1019 could be differentiated and positioned to address include re-vaccination in older adults (aged ≥ 60 years), vaccination in young children (aged 2-5 years), and development as a combination respiratory vaccine. Meanwhile, the Company also continues to strategically position our respiratory vaccine portfolio by improving our domestic commercialization capabilities in mainland China, having managed to successfully complete batch release and commercial launch of AdimFlu-S (seasonal influenza vaccine) before the end of July in 2024 (compared to mid-September in 2023), allowing us to improve market access and distribution ahead of the fall and winter vaccination campaign.

MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCT PIPELINE

Assets	Product Candidate	Target	Indication	Discovery	Preclinical	IND/CTA	Phase 1	Phase 2	Phase 3	Filing	Approval/ EUA
	AdimFlu-S (QIS)⁽¹⁾	Quadrivalent Influenza A and B	Seasonal Influenza								China
	SCB-2019 (CpG 1018/Alum)⁽²⁾	SARS-CoV-2 S-Trimer (Broad Neutralization)	COVID-19								China
Vaccines	SCB-1019	RSV F-trimer	Respiratory Syncytial Virus (RSV)								Global (Ex-China)
	SCB-2023B	XBB.1.5-Adapted SARS-CoV-2 S-Trimer	COVID-19								
	SCB-1001	Rabies G-Trimer	Rabies								
Other Assets	SCB-219M⁽³⁾	TPO Mimetic Bispecific-Fc	Chemotherapy-Induced Thrombocytopenia (CIT)								
	SCB-313⁽⁴⁾	TRAIL-Trimer	Intracavitary Malignancies (Malignant Ascites, Malignant Pleural Effusions, Peritoneal Carcinomatosis)								

(1) Clover entered into an exclusive agreement with Adimmune to 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 bivalent RSV vaccine candidate based on prefusion-stabilized F (PreF) protein leveraging the validated Trimer-Tag platform.

The Company initiated the phase I clinical trial in Australia in Dec 2023 which 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.

In the middle of June 2024, the Company announced the positive preliminary immunogenicity and safety data in the older adult and elderly cohort from Phase I trial evaluating SCB-1019. There were 48 subjects enrolled in the older adult and elderly cohort and received either SCB-1019 or saline placebo. These preliminary results in the older adult and elderly cohort (aged 60-85) are consistent with the positive results in the young adult cohort (aged 18-59) announced earlier this year.

- RSV-A nAbs: SCB-1019 induced geometric mean titers (GMTs) in RSV-A nAbs of up to 7,906 IU/mL compared to 1,078 IU/mL for placebo at Day 28.
- RSV-B nAbs: SCB-1019 induced geometric mean titers (GMTs) in RSV-B nAbs of up to 46,674 IU/mL compared to 12,185 IU/mL for placebo at Day 28.
- The results of both RSV-A nAbs and RSV-B nAbs that SCB-1019 targets appear to be in-line or potentially favourable compared to other protein subunit RSV PreF vaccines^{1, 2, 3} and continue to be supportive of Clover's bivalent RSV-A/B approach, given that other monovalent RSV-A vaccines have previously observed lower immune responses and/or efficacy against RSV-B^{1, 4, 5}.
- The results further confirm that Clover's PreF antigens in SCB-1019 are in the stabilized prefusion and trimeric form, additionally supported by exploratory immunogenicity results demonstrating significant increases in Site Ø and Site V nAb-competitive titers.

1. Icosavax Company Presentations (28-JUN-2022 & 22-MAY-2023) and Press Release (12-DEC-2023)

2. NIH DS-Cav1 (DOI: 10.1016/S2213-2600(21)00098-9)

3. Pfizer (DOI: 10.1093/infdis/jiab612)

4. GSK ACIP Presentation (21-JUN-2023)

5. Moderna ACIP Presentation (29-FEB-2024)

MANAGEMENT DISCUSSION AND ANALYSIS

- SCB-1019 was generally well-tolerated. Local and systemic adverse events (AEs) were generally mild for SCB-1019 and were comparable to saline placebo.
- No serious adverse events (SAEs), adverse events of special interest (AESIs), or AEs leading to discontinuation were observed.
- The results indicated that SCB-1019 could potentially have a differentiated and favourable safety & reactogenicity profile compared to currently-approved oil-in-water adjuvanted⁴ and/or mRNA⁵-based RSV vaccines.

Full safety and immunogenicity results in the Phase I clinical trial of SCB-1019 are expected by the end of 2024 to support further development and strengthen our potentially differentiated profile for markets globally.

AdimFlu-S

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

At the end of July 2024, the Company completed the batch release of AdimFlu-S from National Institutes for Food and Drug Control (NIFDC), allowing us to improve market access and distribution ahead of the fall and winter vaccination campaign in mainland China. We believe AdimFlu-S has contributed to the strategic positioning of our respiratory vaccine portfolio, as we believe there are significant development and commercial synergies across respiratory vaccines, including our RSV vaccine candidate.

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.
- We are actively looking for Business Development (BD) opportunities for SCB-219M while we are evaluating a potential Phase I b trial in CIT patients before the end of 2024.

⁴. GSK ACIP Presentation (21-JUN-2023)

⁵. Moderna ACIP Presentation (29-FEB-2024)

MANAGEMENT DISCUSSION AND ANALYSIS

COVID-19 Vaccine

- Since July 15 2024, the commercialization of COVID-19 vaccines in mainland China has transitioned from the public market to the private market.
- The emergency use authorization (EUA) of our COVID-19 vaccine issued in December 2022 remains active. Pending potential updated guidance from China NMPA regarding regulatory approval (BLA) pathways for COVID-19 vaccine platforms and future strain changes, we will continue to evaluate the potential endemic market opportunity for COVID-19 vaccines in the future and plan our resources prudently.

We cannot guarantee that we will ultimately develop or market our core product successfully. Shareholders and potential investors of our Company are advised to exercise due care when dealing in the Shares of our Company.

R&D

As a 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 June 30, 2024, the Company's in-house R&D activities were supported by 124 employees across regions.

Manufacturing

During the Reporting Period, the Company maintained its established commercial vaccine manufacturing capabilities 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 a proven commercial scale production track record and will be valuable to the development of the Company's other product candidates, including RSV vaccine candidate SCB-1019.

Other Key Corporate Developments

To navigate the challenges of the macroeconomic environment at the moment, the Company continued to take 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Outlook

Since 2023, the Company has determined to build a leading respiratory vaccine franchise across the globe, based on our validated Trimer-Tag platform, while the economic environment and the capital market have remained being very challenging. Based on our positive preliminary Phase I clinical trial results, we continue to prioritize resources to advance the development of our proprietary bivalent PreF RSV vaccine candidate and look forward to full Phase I clinical trial results by the end of 2024 to support further development and strengthen our potentially differentiated profile for markets globally.

In terms of corporate governance, the Company will keep taking significant measures towards corporate financial sustainability by improving operating efficiency and maintaining a resilient cash position to support future success.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
REVENUE	(10,100)	257
Cost of sales	1,767	(202)
Gross (loss)/profit	(8,333)	55
Other income and gains	67,148	2,510,809
Selling and distribution expenses	(6,684)	(22,511)
Administrative expenses	(42,075)	(109,468)
Research and development expenses	(98,297)	(385,603)
Other expenses	(2,540)	(1,330,909)
Finance costs	(4,342)	(11,749)
(LOSS)/PROFIT BEFORE TAX	(95,123)	650,624
Income tax expense	–	–
(LOSS)/PROFIT FOR THE PERIOD	(95,123)	650,624
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	33,043	194,901
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	33,043	194,901
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(45,731)	(173,688)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(45,731)	(173,688)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	(12,688)	21,213
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(107,811)	671,837
Non-IFRS Measures		
Adjusted (loss)/profit for the period	(87,259)	674,468

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

At the end of each reporting period, the Group estimates the future sales return of the goods sold and a corresponding adjustment to revenue is recognised for those products expected to be returned. The estimation of sales return requires the use of judgment and estimates. Where the actual return rate is different from the original estimate, such a difference will be trued up in subsequent periods.

For the six months ended June 30, 2024, the Group recorded a negative revenue of approximately RMB10.1 million due to sales return of AdimFlu-S (QIS) recognized in the Reporting Period.

When estimating the sales return of the seasonal influenza vaccine that the Company distributes in Chinese Mainland, the Company considers all relevant factors including but not limited to the epidemiology data and market trends from prior years, the development trend of the epidemic in the current period as well as the most updated information about market demand based on the Company's research.

It was noted that there was an increase in influenza vaccination caused by the influenza epidemic at the end of 2022 and the influenza outbreak in the spring of 2023, since a significant influenza outbreak also occurred around the end of 2023, the Company anticipated that another influenza epidemic might break out in the spring of 2024 which would lead to an increase in demand for influenza vaccination. The Company also considered the inventory situation of its influenza vaccines in different districts and counties in early 2024 and that there was no actual sales return during the first quarter of 2024. However, no significant influenza outbreaks ultimately occurred during the first half of 2024, resulting in the actual return rate being higher than the initial estimate as at the end of 2023 and causing a negative impact on revenue recognised for the six months ended 30 June 2024.

Other Income and Gains

The Group's other income and gains primarily consist of government grants, bank interest income and waiver of trade payables.

For the six months ended June 30, 2024, other income and gains decreased by RMB2,443.7 million from RMB2,510.8 million for the six months ended June 30, 2023 to RMB67.1 million. This decrease was mainly because the funding from CEPI in the amount of RMB2,494.1 million was recognized in the first half of 2023 but not recurring in this Reporting Period, the effect of which is partially offset by a partial waiver of trade payables recognized in other income and gains and the increase in government grants and bank interest income.

In June 2024, the Group entered into a settlement agreement with one of its vendors, pursuant to which the vendor waived partial of the Group's payables under the service agreement between the two parties as an incentive for the Group to settle the amount due to the vendor. This waiver of debt is recognized in other income and gains, as all contractual obligations under the service agreement have been fulfilled by the vendor, and no additional services or goods are to be exchanged for the waived liability.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consist of salaries and benefits for commercial team and market development expenses.

For the six months ended June 30, 2024, selling and distribution expenses decreased by RMB15.8 million from RMB22.5 million for the six months ended June 30, 2023 to RMB6.7 million. This decrease was primarily due to reduced salaries and benefits for commercial team as a result of a streamlined commercial workforce with higher efficiency to support the commercialization of the Company's respiratory vaccine products and market development expenses deducted in this Reporting Period because of relevant sales return of AdimFlu-S (QIS).

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 and (iv) office expenses. Other administrative expenses include IT software license expenses and other miscellaneous expenses in connection with administration activities.

For the six months ended June 30, 2024, administrative expenses decreased by RMB67.4 million, or approximately 62%, from RMB109.5 million for the six months ended June 30, 2023 to RMB42.1 million. This reduction was primarily attributable to the decrease 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 depreciation and amortization expenses decreased, as a result of enhanced operational efficiency and cost-saving measures.

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
Employee salaries and benefits	26,918	67,634
– Share-based compensation expenses	8,510	11,531
Consulting fees	6,002	13,244
Depreciation and amortization	4,589	14,638
Office expenses	1,231	4,620
Others	3,335	9,332
Total	42,075	109,468

MANAGEMENT DISCUSSION AND ANALYSIS

Research and Development Expenses

The Group's R&D expenses primarily consist of: (i) employee salaries and benefits, including accrued share-based compensation; (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 six months ended June 30, 2024, R&D expenses decreased by RMB287.3 million, or approximately 75%, from RMB385.6 million for the six months ended June 30, 2023 to RMB98.3 million. The decrease was primarily attributable to (i) a significant decrease in CDMO service fees, raw materials and consumables used and clinical trial expenses, as SCB-2019 (CpG 1018/Alum) related R&D (clinical, CMC and regulatory) activities were completed; and (ii) the decrease in employee salaries and benefits, as the Group continues to streamline corporate operations and prioritize respiratory vaccine products.

	Six months ended June 30,	
	2024 RMB'000	2023 RMB'000
Employee salaries and benefits	56,502	152,842
– Share-based compensation expenses	(1,154)	7,941
Clinical trial expenses	8,603	99,240
R&D consultation and service fees	2,160	44,633
Costs of raw materials and consumables	3,939	43,391
Depreciation and amortization	16,698	13,823
Others	10,395	31,674
Total	98,297	385,603

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 six months ended June 30, 2024, other expenses decreased by RMB1,328.4 million from RMB1,330.9 million for the six months ended June 30, 2023 to RMB2.5 million, primarily due to the impairment provision of RMB1,236.7 million of COVID-19 vaccine related inventories recognized in 2023 but not in this Reporting Period. In addition, net foreign exchange loss decreased due to foreign exchange rate activity.

MANAGEMENT DISCUSSION AND ANALYSIS

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 and Chengdu.

For the six months ended June 30, 2024, finance costs decreased by RMB7.4 million from RMB11.7 million for the six months ended June 30, 2023 to RMB4.3 million, primarily due to the decrease in interest expenses on bank loans.

(Loss)/Profit for the Period

As a result of the above, the Group recorded a loss of RMB95.1 million for the six months ended June 30, 2024, as compared with a profit of RMB650.6 million for the six months ended June 30, 2023.

Non-IFRS Measure

To supplement the Group's interim condensed consolidated financial statements, which are presented in accordance with the IFRSs, the Group also provides adjusted (loss)/profit for the period 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 interim condensed consolidated financial results.

Adjusted (loss)/profit for the period represents the (loss)/profit for the period 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)/profit for the period to the adjusted (loss)/profit for the period during the periods indicated:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/Profit for the period	(95,123)	650,624
Added:		
Share-based compensation expenses	7,864	23,844
Adjusted (loss)/profit for the period	(87,259)	674,468

MANAGEMENT DISCUSSION AND ANALYSIS

Selected Data from Interim Condensed Consolidated Statement of Financial Position

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Total current assets	1,614,337	1,899,519
Total non-current assets	182,934	201,915
Total Assets	1,797,271	2,101,434
Total current liabilities	2,073,246	2,277,003
Total non-current liabilities	556,800	557,264
Total liabilities	2,630,046	2,834,267
Net current liabilities	(458,909)	(377,484)

Liquidity and Source of Funding and Borrowings

As of June 30, 2024, the Group's cash and bank balances, including cash and cash equivalents, time deposits, restricted cash and pledged deposits, decreased by RMB265.7 million from RMB1,095.5 million as of December 31, 2023 to RMB829.8 million, which was primarily due to the net cash outflow during the Reporting Period resulted from daily operation and bank loan repayment. The Group can maintain a sufficient cash flow through optimizing operating expenses and enhancing revenue streams.

As of June 30, 2024, the current assets of the Group totaled RMB1,614.3 million, including cash and cash equivalents, time deposits, restricted cash and pledged deposits of RMB829.8 million, prepayments, other receivables and other assets of RMB73.6 million, inventories of RMB696.7 million and financial assets at fair value through profit or loss of RMB14.2 million.

As of June 30, 2024, the current liabilities of the Group were RMB2,073.2 million, including contract liabilities of RMB1,589.1 million, trade payables of RMB181.2 million, other payables and accruals of RMB77.9 million, lease liabilities of RMB12.1 million and interest-bearing bank borrowings of RMB212.9 million.

As of June 30, 2024, the Group had short-term bank loans of RMB212.9 million, bearing fixed interest rates ranging from 2.4% to 6.4805% per annum.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments, Material Acquisitions and Disposals

As of June 30, 2024, 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 six months ended June 30, 2024.

Future Plans for Material Investments or Capital Assets

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

Contingent Liabilities

As of June 30, 2024, 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 June 30, 2024, 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 June 30, 2024 were RMB13.9 million, reflecting a decrease of RMB2.2 million from RMB16.1 million as of December 31, 2023, primarily attributable to the decrease in our future payments in relation to the intangible assets.

Pledge of Assets

As of June 30, 2024, the Group had a total of RMB347.2 million of time deposits pledged under our credit arrangements with banks.

MANAGEMENT DISCUSSION AND ANALYSIS

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, other receivables, trade and 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 June 30, 2024, the Group had 323 employees. The total remuneration cost incurred by the Group for the six months ended June 30, 2024 was RMB94.1 million. The following table sets forth the details of our employees by function as of June 30, 2024:

Function	Number of employee	% of total
R&D	124	38.4%
Manufacturing and CMC	109	33.7%
General and Administrative	48	14.9%
Selling and Marketing	42	13.0%
Total	323	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.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2024, the interests and short positions of the Directors or the chief executive of our Company in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director or Chief Executive	Nature of Interest	Number of Shares/ Underlying Shares Held (Long position)	Approximate Percentage of Shareholding Interest ⁽⁶⁾
Dr. LIANG Peng	Beneficial owner	209,711,997	16.17%
	Beneficial owner ⁽¹⁾	2,729,927	0.21%
	Interest of a party to an agreement ⁽²⁾	20,489,909	1.58%
	Interest of a party to an agreement ⁽³⁾	55,700,000	4.29%
Mr. LIANG Joshua G	Beneficial owner	20,489,909	1.58%
	Beneficial owner ⁽⁴⁾	13,014,958	1.00%
	Interest of a party to an agreement ⁽²⁾	209,711,997	16.17%
Dr. WANG Xiaodong	Beneficial owner ⁽⁵⁾	1,099,750	0.08%
	Beneficial owner	28,300,750	2.18%
Dr. WU Xiaobin	Beneficial owner ⁽⁵⁾	1,099,750	0.08%
	Beneficial owner	300,750	0.02%
Mr. LIAO Xiang	Beneficial owner ⁽⁵⁾	1,099,750	0.08%
	Beneficial owner	300,750	0.02%
Mr. Jeffrey FARROW	Beneficial owner ⁽⁵⁾	1,099,750	0.08%
	Beneficial owner	300,750	0.02%
Mr. Thomas LEGGETT	Beneficial owner ⁽⁵⁾	1,099,750	0.08%
	Beneficial owner	300,750	0.02%
Dr. Ralf Leo CLEMENS	Beneficial owner ⁽⁵⁾	1,180,855	0.09%
	Beneficial owner	736,616	0.06%
Dr. Donna Marie AMBROSINO	Beneficial owner ⁽⁵⁾	1,033,610	0.08%
	Beneficial owner	176,686	0.01%

OTHER INFORMATION

Notes:

- (1) Referring to the Shares underlying the RSUs and options granted to Dr. Liang under the RSU Scheme and the Post-IPO Share Option as of June 30, 2024.
- (2) Pursuant to the Acting-in-concert Deed, Dr. Liang and Mr. Joshua Liang 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.
- (3) Pursuant to the voting proxy agreements entered into on March 16, 2021 by each of Dr. WANG Xiaodong, Mr. ZHU Jianwei, Mr. JIANG Pu and Mr. PING Zheng (the "Grantors") and Dr. Liang, respectively, each of the Grantors granted the voting right of the then shares of the Company held by them to Dr. Liang. Therefore, Dr. Liang was deemed to be interested in the then shares of the Company held by the Grantors under the SFO.
- (4) Referring to the Shares underlying the RSUs and options granted to Mr. Joshua Liang under the RSU Scheme and the Post-IPO Share Option as of June 30, 2024.
- (5) Referring to the Shares underlying the RSUs and options granted to each of these Directors under the RSU Scheme and Post-IPO Share Option as of June 30, 2024.
- (6) Calculated based on 1,297,048,929 total issued Shares of the Company as of June 30, 2024.

Save as disclosed above, as of June 30, 2024, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2024, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by the Company under Section 336 of the SFO:

Long Positions in the Shares of the Company

Name of Substantial Shareholder	Nature of interest	Shares/Underlying Shares Held as of June 30, 2024	
		Number of Shares	Approximate percentage ⁽⁴⁾
JNRY ⁽¹⁾	Beneficial owner	91,217,442	7.03%
AUT-XXI ⁽¹⁾	Beneficial owner	66,375,987	5.12%
Shanghai Tianhe ⁽²⁾	Beneficial owner	69,999,500	5.40%
Ms. Wang Shibi ⁽²⁾	Interest in controlled corporation	90,589,500	6.98%
Lapam Fund IV ⁽³⁾	Beneficial owner	49,213,878	3.79%
Lapam Fund III ⁽³⁾	Beneficial owner	35,152,768	2.71%

Notes:

- (1) AUT-XXI Hong Kong Holdings Limited (“**AUT-XXI**”) is wholly owned by AUT-XXI Holdings Limited (“**AUT Holding**”). The sole shareholder of AUT Holding is HH IMV Holdings, L.P. (“**HH IMV**”). The sole limited partner of HH IMV is Hillhouse Fund IV, L.P. (“**Hillhouse Fund**”), which is managed and controlled by Hillhouse Investment Management, Ltd. (“**Hillhouse Investment**”). Therefore, each of AUT Holding, HH IMV, Hillhouse Fund, and Hillhouse Investment, was deemed to be interested in the Shares held by AUT-XXI under the SFO.

JNRY V Holdings Limited (“**JNRY**”) is ultimately managed and controlled by Hillhouse Investment. Therefore, each of Hillhouse Investment was deemed to be interested in the Shares held by JNRY under the SFO.

- (2) Chengdu Tianhe Conventional Chinese and Medicine Technology Nurture Co., Ltd. (成都天河中西醫科技保育有限公司) (“**Chengdu Tianhe**”) is a limited partner and holds 99% of the equity interest in Shanghai Tianhe Shengtai Enterprise Management Partnership (Limited Partnership) (上海天合生泰企業管理合夥企業(有限合夥)) (“**Shanghai Tianhe**”). Chengdu Tianhe was controlled by Ms. WANG Shibi and Ms. CHENG Xinxin, Ms. WANG Shibi’s daughter, as to 42% and 58% of the equity interests, respectively. Chengdu Hejisheng Health Technology Co., Ltd. (成都和濟生健康科技有限公司) (“**Chengdu Hejisheng**”) is the general partner of Shanghai Tianhe. Chengdu Hejisheng is wholly controlled by (成都標匯檢測技術有限公司) (“**Chengdu Biaohui**”). Chengdu Biaohui is wholly controlled by Chengdu Tianhe. Therefore, each of Chengdu Tianhe, Chengdu Hejisheng, Chengdu Biaohui, Ms. WANG Shibi and Ms. CHENG Xinxin was deemed to be interested in the Shares in which Shanghai Tianhe was interested under the SFO.

Sichuan Tianhe Biomedicine Venture Capital Fund Partnership Enterprise (Limited Partnership) (四川天河生物醫藥產業創業投資基金合夥企業(有限合夥)) (“**Sichuan Tianhe**”), which was beneficially interested in 30,660,000 Shares as of June 30, 2024, is managed by its general partner, Chengdu Ronghui Datong Equity Investment Fund Management Co., Limited (成都融匯大通股權投資基金管理有限公司) (“**Ronghui Datong**”). Ronghui Datong was controlled by Chengdu Tianhe which held 70% equity interests in Ronghui Datong. Therefore, each of Ronghui Datong, Chengdu Tianhe, Ms. WANG Shibi and Ms. CHENG Xinxin was deemed to be interested in the Shares in which Sichuan Tianhe was interested under the SFO.

- (3) Beijing Lapam Healthcare Investment Center (Limited Partnership) (北京龍磐健康醫療投資中心(有限合夥)) (“**Lapam Fund III**”) is a limited partnership established under the laws of the PRC. The general partner of Lapam Fund III is Tibet Lapam Yijing Chuangye Investment Center (Limited Partnership) (西藏龍磐怡景創業投資中心(有限合夥)) (“**Tibet Yijing**”), which is in turn managed by its general partner, Beijing Lapam Investment Management Consulting Center (General Partnership) (北京龍磐投資管理諮詢中心(普通合夥)) (“**Lapam Investment**”). The general partner of Lapam Investment is Mr. YU Zhihua (余治華). The single largest limited partner of Lapam Investment is Tibet Lapam Management Consulting Center (Limited Partnership) (西藏龍磐管理諮詢中心(有限合夥)) (“**Tibet Lapam Consulting**”) which is controlled by Mr. YU Zhihua. Hangzhou Yuhang Lapam Healthcare Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州余杭龍磐健康醫療股權投資基金合夥企業(有限合夥)) (“**Lapam Fund IV**”), is a limited partnership established under the laws of the PRC. The general partner of Lapam Fund IV is Tibet Lapam Consulting that is controlled by Mr. YU Zhihua. The single largest limited partner of Lapam Fund IV is National Council for Social Security Fund (全國社會保障基金理事會), which is controlled by the State Council of China.

- (4) Calculated based on 1,297,048,929 total issued Shares of the Company as of June 30, 2024.

Save as disclosed above, as of June 30, 2024, so far as the Directors are aware, no person, other than the Directors or the chief executive of the Company whose interests are set out in the section headed “Directors’ and the Chief Executive’s Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or Any of its Associated Corporations” above, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this interim report, at no time for the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares (as defined in the Listing Rules)) of the Company for the Reporting Period.

As at the end of the Reporting Period, the Company did not hold any treasury shares (as defined in the Listing Rules).

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.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code. 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. In the case the Company becomes aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

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.

CHANGES IN THE INFORMATION OF THE DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Director of the Company since the beginning of the Reporting Period of the Company are set out below:

Since April 2024, Dr. LIANG Peng has been appointed as a director of UK Clover.

Since January 2024, Mr. LIANG Joshua G has been appointed as a director of UK Clover.

Since April 2024, Mr. LIANG Joshua G has been appointed as a director of Ireland Clover.

OTHER INFORMATION

Since May 2024, Mr. Thomas LEGGETT serves as the chief financial officer of Stoke Therapeutics, Inc., a company whose shares are listed on the NASDAQ (ticker symbol: STOK).

Since January 2024, Dr. Ralf Leo CLEMENS ceased to be member of the selection committee of Global Health Innovative Technology Fund from Japan and has been appointed as the member of scientific advisory board of Arcturus Therapeutics (a company listed on NASDAQ as ARCT).

Since March 2024, Dr. Ralf Leo CLEMENS ceased to be the member of scientific advisory board of Icosavax, Inc., a company whose shares are listed on NASDAQ (ticker symbol: ICVX).

Since May 2024, Dr. Ralf Leo CLEMENS ceased to be the member of scientific advisory board of Valenva SE, a company whose shares are listed on NASDAQ (ticker symbol: VALN) and Euronext Paris (ticker symbol: VLA), and serves as a consultant of Valenva SE.

Since May 2024, Dr. Ralf Leo CLEMENS ceased to be the member of the board of trustees of the International Vaccine Institute, a leading global vaccinology organization initiated by the United Nations Development Programme.

Since May 2024, Dr. Ralf Leo CLEMENS has been appointed as the member of scientific advisory board of ILiAD Biotechnologies.

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

On March 27, 2024, 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 also proposed to adopt the fifth amended and restated memorandum and articles of association of the Company (the “**New M&A**”).

The Proposed Amendments and the proposed adoption of the New M&A have been approved by the Shareholders at the annual general meeting of the Company held on June 20, 2024.

The latest version of the memorandum and articles of association of the Company is available on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

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 Company has established the Audit Committee and has formulated its written terms of reference, which will from time to time be modified, in accordance with the prevailing provisions of the Corporate Governance Code.

OTHER INFORMATION

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 as set out in Appendix C1 to the Listing Rules. 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 unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2024 have been reviewed by the Audit Committee. 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.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividends for Reporting Period.

PRE-IPO SHARE OPTION PLAN

The Pre-IPO Share Option Plan was approved and adopted by the resolutions of the Board and the Shareholders dated April 15, 2021.

The following is a summary of the principal terms of the Pre-IPO Share Option Plan.

(a) Purpose of the Pre-IPO Share Option Plan

The purpose of the Pre-IPO Share Option Plan is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

(b) Who May Join

Eligible participants include:

- (i) any full-time employees of the Group or any of the company in which the Company or any subsidiary has any equity interest (the “Invested Entity”);
- (ii) any non-executive directors of the Group or any of the Invested Entities but excluding any independent non-executive directors;

- (iii) consultants and advisors, provided that such consultants and advisors render bona fide services and that such services are not in connection with the offer and sale of securities in a capital-raising transaction; and
- (iv) general partners.

The options under this Pre-IPO Share Option Plan can be granted to any company wholly owned by one or more eligible participants, or any discretionary trust where any eligible participant is a discretionary object.

(c) Maximum Number of Shares Available for Subscription

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Plan is 25,947,096 Shares (the “Plan Limit”). Option lapsed and/or canceled in accordance with the terms of this plan shall not be counted for the purpose of calculating the Plan Limit, and the number of Shares in respect of which options may be granted under this plan shall be increased by the same number of options lapsed and/or canceled.

Under the Pre-IPO Share Option Plan, there is no specific limit on the maximum number of options which may be granted to a single Eligible participant.

No options under the Pre-IPO Share Option Plan shall be granted after the Listing Date.

(d) Exercise Price

The exercise price in relation to each option offered to an eligible participant shall, subject to the adjustments as a result of capital restructuring in accordance with the Prospectus, be a price that is set out in the offer notice representing not less than the par value of a Share.

(e) Duration of the Pre-IPO Share Option Plan

The Pre-IPO Share Option Plan shall be valid and effective for a period commencing on the date of its adoption and ending immediately prior to the Listing Date (both dates inclusive). No further options shall be granted under this plan after the Listing Date but the provisions of this Plan shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of this plan and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this plan.

(f) Outstanding Options

No options under the Pre-IPO Share Option Plan were granted after the Listing Date. The exercise period of the options granted is ten years commencing from the date upon which the options are deemed to be granted and accepted pursuant to the terms of the Pre-IPO Share Option Plan. The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Option Plan as of June 30, 2024.

OTHER INFORMATION

Name	Date of Grant	Exercise Price	Number of Shares underlying the options outstanding as of January 1, 2024	Number of options granted during the Reporting Period	Exercise Date	Number of options exercised during the Reporting Period	Number of options lapsed during the Reporting Period	Number of options canceled during the Reporting Period	Number of Shares underlying the options as of June 30, 2024	Approximate percentage of the Shares underlying the options ⁽²⁾	Weighted average closing price of the Shares immediately before the dates on which the options exercised
Mr. JIANG Yuting (江宇霆) ⁽¹⁾	August 6, 2021	USD0.001	4,000	-	-	-	-	-	4,000	0.0003%	-
Employees	Between April 18, 2021 to October 11, 2021	USD0.001	2,906,013	-	Between January 9, 2024 and June 27, 2024	759,196	298,000	-	1,848,817	0.14%	HKD0.54
Total			2,910,013	-		759,196	298,000	-	1,852,817	0.14%	HKD0.54

Notes:

- (1) Mr. JIANG Yuting is the nephew of Dr. Liang, our executive Director, and therefore a connected person.
- (2) Calculated based on 1,297,048,929 total issued Shares of the Company as of June 30, 2024.

As of the Latest Practicable Date, a total of 1,848,817 shares may be issued under the Pre-IPO Share Option Plan, representing 0.14% of the total issued shares of the Company.

Further details of the Pre-IPO Share Option Plan are set out in the Prospectus.

RSU SCHEME

The RSU Scheme was approved and adopted by the resolutions of the Board and the Shareholders dated April 15, 2021 and amended on September 26, 2021, and is subject to certain applicable requirements under Chapter 17 of the Listing Rules. As disclosed in the announcement of the Company dated April 2, 2024, the RSU Scheme will be funded solely by the existing Shares and will not be funded by any new Shares.

(a) Purpose of the RSU Scheme

The purpose of the RSU Scheme is to enable the Company to grant RSUs to eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

(b) Who May Join

Eligible participants (the “**Eligible Participants**”) means any person belonging to any of the following classes of persons:

- (i) any full-time employees of the Group or any of the company in which the Company or any subsidiary has any equity interest (the “**Invested Entity**”);
- (ii) any non-executive directors of the Group or any of the Invested Entities;
- (iii) consultants and advisors, provided that such consultants and advisors render bona fide services and that such services are not in connection with the offer and sale of securities in a capital-raising transaction; and
- (iv) general partners.

The RSUs under this Scheme can be granted to any company wholly owned by one or more Eligible Participants, or any discretionary trust where any Eligible Participant is a discretionary object.

(c) Maximum Number of Underlying Shares

Pursuant to the RSU Scheme, the overall limit on the number of underlying Shares to be granted under the RSU Scheme is 77,350,000 Shares, which represents approximately 5.96% of the total issued share capital of the Company as of the Latest Practicable Date. As of the Latest Practicable Date, the number of Shares available for issue under the RSU Scheme was nil as all Shares underlying the RSUs granted and to be granted under the RSU Scheme have been allotted and issued to the trustee of the RSU Scheme before the Listing Date.

Under the RSU Scheme, there is no specific limit on the maximum number of RSUs which may be granted to a single Eligible participant.

(d) Awards

A grant shall be made to an Eligible Participant by a letter and/or any such notice or document in such form as the Board may from time to time determine (the “**Notice of Grant**”) and such grant shall be subject to the terms as specified in this Scheme and the Notice of Grant shall be substantially in the form set out in the RSU Scheme. The Eligible Participant shall undertake to hold the award on the terms on which it is granted and be bound by the provisions of this Scheme and the terms set forth in the Notice of Grant. Such award shall remain open for acceptance by the Eligible Participant to whom a grant is made for a period to be determined by the Board, provided that no such grant shall be open for acceptance after the expiry of the Term or after this Scheme has been terminated in accordance with the provisions hereof. To the extent that the award is not accepted within the period determined by the Board, it will be deemed to have been irrevocably declined and shall immediately lapse.

OTHER INFORMATION

If the Eligible Participant accepts the offer of grant of RSUs, he/she is required to sign a acceptance notice (the “**Acceptance Notice**”) and return it to the Company within the period specified and in a manner prescribed in the Notice of Grant. Upon the receipt from the Eligible Participant of a duly executed Acceptance Notice, the RSUs are granted to such Eligible Participant, who becomes a grantee in this Scheme.

The Board shall, after any RSUs have been granted and duly accepted by the Eligible Participant(s), inform the trustee (the “**Trustee**”) of the name(s) of the Eligible Participant(s), the number of RSUs and the number of underlying Shares that can be acquired by each Eligible Participant upon exercise of the RSUs granted to each such Eligible Participant, the vesting schedule of RSUs (if any) and other terms and conditions (if any) that RSUs are subject to as determined by the Board. The RSUs will be granted to the Eligible Participant(s) at nil consideration.

(e) Vesting Period

Unless otherwise provided hereof, the RSUs granted under this Scheme shall be vested to grantees in the manner set forth in the Notice of Grant (unless otherwise agreed by the Board in writing, in no event can any RSU granted be vested earlier than the day after the first half-year anniversary of the Listing Date).

Upon fulfillment or waiver of the vesting period and vesting conditions (if any) applicable to each of the grantees, a vesting notice (the “**Vesting Notice**”) will be sent to the grantee by the Board confirming (a) the extent to which the vesting period and vesting conditions (if any) have been fulfilled or waived and, (b) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the grantee will receive.

RSUs held by a grantee that are vested as evidenced by the Vesting Notice may be exercised (in whole or in part) by the grantee serving an exercise notice (the “**Exercise Notice**”) in writing on the Trustee and copied to the Company. Any exercise of RSUs must be in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof (except where the number of Shares underlying the RSUs which remains unexercised is less than one board lot). In an Exercise Notice, the grantee shall, subject to the paragraph below, request the Trustee to, and the Board shall direct and procure the Trustee to within five (5) business days, transfer the Shares underlying the RSUs exercised (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the grantee which the Company has allotted and issued to the Trustee as fully paid up Shares or which the Trustee has either acquired by purchasing existing Shares or by receiving existing Shares from any Shareholder of the Company, subject to the grantee paying all tax, stamp duty, levies and charges applicable to such transfer to the Trustee or as the Trustee directs.

The grantee acknowledges that, at least three months in advance of the vesting of any installment of the RSUs held by him, the Company will instruct the Trustee to, promptly after such RSUs vest, sell certain number of Shares (being in a board lot or an integral multiple thereof except where the number of Shares underlying the RSUs which remains unexercised is less than one board lot) underlying such RSUs and Shares that have been vested but not yet transferred by the Trustee to him on the open market following the trading method designated by the grantee.

(f) Duration of the RSU Scheme

The RSU Scheme shall be valid and effective commencing on the date of passing the resolutions of the Board and the Shareholders and shall remain in effect for a period of 10 years from such date which may be refreshed from time to time in the sole discretion of the Board (the “Term”), after which period no further awards will be granted, but the provisions of this Scheme shall in all other respects remain in full force and effect and awards that are granted during the Term may continue to be exercisable in accordance with their terms of issue. The RSU Scheme was approved and adopted by the resolutions of the Board and the Shareholders dated April 15, 2021 and amended on September 26, 2021. Accordingly, the remaining life of the RSU Scheme is approximately 7 years as of the Latest Practicable Date.

(g) Outstanding RSUs

As of June 30, 2024, 54 grantees were granted with RSUs with a total of 15,557,014 underlying Shares under the RSU Scheme. The table below shows the details of RSUs granted to Directors that are outstanding as of June 30, 2024.

Name	Position	Date of Grant	Vesting Period	Number of Shares underlying the RSUs as of January 1, 2024	Number of RSUs granted during the Reporting Period	Vesting Date	Number of RSUs vested during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of RSUs canceled during the Reporting Period	Number of Shares underlying the RSUs as of June 30, 2024	Approximate percentage of the Shares underlying the RSUs ⁽¹⁾	Weighted average closing price of the Shares immediately before the dates on which the RSUs vested
Directors												
Mr. LIANG Joshua G	Executive Director and chief executive officer	April 18, 2021	Note (2) and Note (12)	1,364,944	-	Between January 15, 2024 and April 15, 2024	454,986	-	-	909,958	0.07%	HKD0.46
Dr. LIANG Peng	Executive Director and chief scientific officer	April 2, 2024	Note (15)	-	3,074,000	-	-	-	-	3,074,000	0.24%	-
		April 18, 2021	Note (2) and Note (12)	780,003	-	Between January 15, 2024 and April 15, 2024	259,980	-	-	520,023	0.04%	HKD0.46
		March 31, 2022	Note (3) and Note (12)	93,092	-	Between March 31, 2024 and June 30, 2024	20,688	-	-	72,404	0.006%	HKD0.38
Dr. WANG Xiaodong	Non-executive Director	April 2, 2024	Note (15)	-	1,145,000	-	-	-	-	1,145,000	0.09%	-
		October 11, 2021	Note (4)	208,250	-	-	-	-	-	208,250	0.02%	-
		April 11, 2023	Note (5)	49,000	-	April 1, 2024	49,000	-	-	-	0.00%	HKD0.41
		April 2, 2024	Note (16)	-	49,000	-	-	-	-	49,000	0.004%	-
Dr. WU Xiaobin	Independent non-executive Director	October 11, 2021	Note (4)	208,250	-	-	-	-	-	208,250	0.02%	-
		April 11, 2023	Note (5)	49,000	-	April 1, 2024	49,000	-	-	-	0.00%	HKD0.41
		April 2, 2024	Note (16)	-	49,000	-	-	-	-	49,000	0.004%	-

OTHER INFORMATION

Name	Position	Date of Grant	Vesting Period	Number of Shares underlying the RSUs as of January 1, 2024	Number of RSUs granted during the Reporting Period	Vesting Date	Number of RSUs vested during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of RSUs canceled during the Reporting Period	Number of Shares underlying the RSUs as of June 30, 2024	Approximate percentage of the Shares underlying the RSUs ⁽¹⁾	Weighted average closing price of the Shares immediately before the dates on which the RSUs vested
Mr. LIAO Xiang	Independent non-executive Director	October 11, 2021	Note (4)	208,250	-	-	-	-	-	208,250	0.02%	-
		April 11, 2023	Note (5)	49,000	-	April 1, 2024	49,000	-	-	-	0.00%	HKD0.41
		April 2, 2024	Note (16)	-	49,000	-	-	-	-	49,000	0.004%	-
Mr. Jeffrey FARROW	Independent non-executive Director	October 11, 2021	Note (4)	208,250	-	-	-	-	-	208,250	0.02%	-
		April 11, 2023	Note (5)	49,000	-	April 1, 2024	49,000	-	-	-	0.00%	HKD0.41
		April 2, 2024	Note (16)	-	49,000	-	-	-	-	49,000	0.004%	-
Mr. Thomas LEGGETT	Independent non-executive Director	October 11, 2021	Note (4)	208,250	-	-	-	-	-	208,250	0.02%	-
		April 11, 2023	Note (5)	49,000	-	April 1, 2024	49,000	-	-	-	0.00%	HKD0.41
		April 2, 2024	Note (16)	-	49,000	-	-	-	-	49,000	0.004%	-
Dr. Ralf Leo CLEMENS	Non-executive Director	April 18, 2021	Note (3)	277,347	-	Between January 15, 2024 and June 15, 2024	103,992	-	-	173,355	0.01%	HKD0.44
		July 19, 2022	Note (6)	43,500	-	June 15, 2024	14,500	-	-	29,000	0.002%	HKD0.38
		April 11, 2023	Note (5)	49,000	-	April 1, 2024	49,000	-	-	-	0.00%	HKD0.41
Dr. Donna Marie AMBROSINO	Non-executive Director	April 2, 2024	Note (16)	-	49,000	-	-	-	-	49,000	0.004%	-
		April 18, 2021	Note (3)	41,692	-	Between January 15, 2024 and June 15, 2024	15,582	-	-	26,110	0.002%	HKD0.44
		July 19, 2022	Note (6)	43,500	-	June 15, 2024	14,500	-	-	29,000	0.002%	HKD0.38
5 highest paid individuals (excluding Directors)		April 11, 2023	Note (5)	49,000	-	April 1, 2024	49,000	-	-	-	0.00%	HKD0.41
		April 2, 2024	Note (16)	-	49,000	-	-	-	-	49,000	0.004%	-
		Between April 18, 2021 and April 11, 2023	Note (3), Note (7), Note (8) or Note (9)	3,610,334	-	Between January 1, 2024 and June 4, 2024	709,944	690,226	-	2,210,164	0.17%	HKD0.45
Other grantees (including employees (excluding Directors) and consultant advisors)		Between April 18, 2021 and October 11, 2021	Note (2) or Note (3)	1,849,715	-	Between January 1, 2024 and June 15, 2024	728,658	181,419	-	939,638	0.07%	HKD0.44
		Between May 12, 2022 and April 11, 2023	Note (7), Note (8) or Note (9)	3,977,687	-	Between January 1, 2024 and June 12, 2024	767,122	703,453	-	2,507,112	0.19%	HKD0.42
		April 2, 2024	Note (17), Note (18)	-	2,537,000	-	-	-	-	2,537,000	0.20%	-
Total				13,466,064	7,099,000		3,432,952	1,575,098	-	15,557,014	1.20%	HKD0.44

Notes:

- (1) Calculated based on 1,297,048,929 total issued Shares of the Company as of June 30, 2024.
- (2) 25% of the RSU granted will vest on the 1st anniversary of the vesting commencement date as contemplated in the notice of grant, and forty-eighth (1/48th) of the RSU granted shall vest upon each month after that during a 36-month term. In addition, all the RSU shall only be vested subject to the satisfaction of listing-based condition on the date after the first half year anniversary of the Listing Date.
- (3) 100% of the RSUs granted shall vest evenly on a monthly basis within four years from the vesting commencement date as contemplated in the notice of grant, in addition, all the RSU shall only be vested subject to the satisfaction of listing-based condition on the date after the first half-year anniversary of the Listing Date.
- (4) 25% of the RSU granted will vest on the 1st anniversary of the vesting commencement date as contemplated in the notice of grant, and 25% of the RSU granted shall vest upon each anniversary after that during a three-year term. In addition, all the RSUs shall only be vested subject to the satisfaction of listing-based condition on the date after the first half-year anniversary of the Listing Date.
- (5) Subject to both a service condition (100% of the RSUs will vest on the first anniversary of April 1, 2023) and a performance condition (both the group level performance targets and the individual annual and/or semi-annual performance targets shall be satisfied).
- (6) 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.
- (7) Pursuant to the relevant notice of grant issued to each grantee, the RSUs granted are subject to either of the following vesting schedules: (i) one-forty-eighth (1/48th) of the RSUs granted shall vest on monthly basis with one-year cliff, which means the first 25% will vest on the first anniversary of the first Business Day of the grantee's onboarding month, and the remaining 75% of RSUs granted will vest on monthly basis thereafter; or (ii) one-forty-eighth (1/48th) of the RSUs granted shall vest on monthly basis starting from the date of grant.
- (8) Pursuant to the relevant notice of grant issued to each grantee, the RSUs granted are subject to either of the following vesting schedules: (i) twenty-five percent (25%) of the RSUs granted shall vest on the first anniversary of the first day of the grantee's onboarding month and the rest of the RSUs granted will vest monthly in three years thereafter equally; or (ii) Twenty-five percent (25%) of the RSUs granted shall vest on December 1, 2023 and the rest of the RSUs granted will vest monthly in three years thereafter equally.
- (9) Subject to both a service condition (twenty-five percent (25%) of the RSUs will vest on the first anniversary of April 1, 2023, and the remaining seventy-five percent (75%) of the RSUs will vest in six equal installments on a semi-annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual and/or semi-annual performance targets shall be satisfied).
- (10) The vesting of the RSUs granted to the RSU grantees will be subject to both the group level performance targets and the individual annual and/or semi-annual performance targets as stipulated in the respective grant letter issued by the Company to each of the RSU grantees. For the group level performance, the Board and management of the Company will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as progress of R&D programs and pipeline, product commercialization performance and the Company's financial conditions. For the individual level performance, the Group has established a standard performance appraisal system for the Directors, senior management and employees to evaluate their performance and contribution to the Group. The Company will determine whether the RSU grantees meet the individual performance targets based on their performance appraisal results for the relevant vesting period. The RSUs will only be vested if the RSU grantees pass their respective performance evaluation in the annual and/or semi-annual assessment (as the case may be) for the corresponding vesting period.

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- (11) The closing price of the Shares immediately before the date of grant on March 31, 2022, May 12, 2022, July 19, 2022, December 15, 2022, April 11, 2023 and April 2, 2024 was HK\$6.99, HK\$3.11, HK\$3.62, HK\$3.5, HK\$1.65 and HK\$0.41, respectively. The fair values per RSU granted under the RSU Scheme on March 31, 2022, May 12, 2022, July 19, 2022, December 15, 2022, April 11, 2023 and April 2, 2024 were HK\$6.9, HK\$2.82, HK\$3.64, HK\$3.24, HK\$1.82 and HK\$0.40, respectively, which were measured based on the closing price of the Shares at the respective date of grant. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period was HK\$0.44. As for the accounting standard and policy adopted, please refer to Note 2.4 and Note 30 to the consolidated financial statements of the 2023 annual report of the Company.
- (12) On December 16, 2022, The Board resolved to amend the vesting schedule so that the unvested RSUs as of January 31, 2023 shall vest quarterly thereafter equally.
- (13) On May 30, 2023, the Board was informed by Dr. Liang and Mr. Joshua Liang that after due and careful considerations, each of Dr. Liang and Mr. Joshua Liang decided not to accept the RSUs granted in the year of 2023.
- (14) During the Reporting Period, save as disclosed above, no RSUs were granted to consultants and advisors and general partners.
- (15) Mr. Joshua G LIANG, Dr. Peng LIANG and RSU Grantees other than Non-Executive Directors and Independent Non-Executive Directors: twenty-five percent (25%) of the RSUs will vest on the first anniversary of the Grant Date, and the rest RSUs will vest in three equal installments on an annual basis thereafter, to be satisfied over a four-year term and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (16) 100% of the RSUs will vest on the first anniversary of the Grant Date, to be satisfied over a one-year term and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (17) Subject to both a service condition (twenty-five percent (25%) of the RSUs will vest on the first anniversary of April 2, 2024, and the remaining seventy-five percent (75%) of the RSUs will vest in three equal installments on an annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (18) Due to personal reason, one consultant rejected the RSU grant of 106,000 shares, which was not included in the April 2, 2024 grant.

The number of RSUs available for grant under the RSU Scheme at the beginning and the end of the Reporting Period is 33,400,606 and 27,876,704, respectively.

POST-IPO SHARE OPTION PLAN

The Post-IPO Share Option Plan was approved and adopted by the resolutions of the Board and the Shareholders dated September 26, 2021, and is subject to the requirements under Chapter 17 of the Listing Rules.

The following is a summary of principal terms of the Post-IPO Share Option Plan.

(a) Purpose of the Post-IPO Share Option Plan

The purpose of the Post-IPO Share Option Plan is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

(b) Who May Join

Eligible participants include:

- (i) any full-time employees of the Group or any of the company in which the Company or any subsidiary has any equity interest (the “**Invested Entity**”);
- (ii) any non-executive directors of the Group or any of the Invested Entities;
- (iii) consultants and advisors, provided that such consultants and advisors render bona fide services and that such services are not in connection with the offer and sale of securities in a capital-raising transaction; and
- (iv) general partners.

The options under this Post-IPO Share Option Plan can be granted to any company wholly owned by one or more eligible participants, or any discretionary trust where any eligible participant is a discretionary object.

(c) Maximum Number of Shares Available for Subscription

At the time of adoption by the Company of the Post-IPO Share Option Plan or any new share option scheme (the “**New Scheme**”), the aggregate number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Plan, the New Scheme and all schemes, which became effective after the Shares were listed on the Stock Exchange, existing at such time (the “**Existing Scheme(s)**”) of the Company must not in aggregate exceed 10% of the total number (i.e., 115,811,472) of Shares in issue as of the date the Shares commence trading on the Stock Exchange (i.e., 1,158,114,723) or the date of adoption of the New Scheme (as the case may be) (the “**Scheme Mandate Limit**”). As of the date of the Latest Practicable Date, 115,751,136 Shares are available for issue under the Post-IPO Share Option Plan (i.e. Shares underlying (i) options available for grant and (ii) outstanding options under the Post-IPO Share Option Plan), representing approximately 8.92% of the total number of Shares in issue as of the Latest Practicable Date. For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) shall not be counted.

(d) Maximum Entitlement of Each Eligible Participant

No option shall be granted to any eligible participants (the “**Relevant Eligible Participants**”) if, at the relevant time of grant, the total number of Shares issued and to be issued upon exercise of all options and options under any other share option schemes of the Company (including those options granted and proposed to be granted, whether exercised, canceled or outstanding) to the Relevant Eligible Participants in the 12-month period up to and including the date of such grant would exceed 1% of the total number of shares in issue at such time, within any 12-month period unless approved by the Shareholders in accordance with the Listing Rules.

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(e) Option Period

Option period (a period within which an option may be exercised) is to be determined and notified by the Board to each grantee during which the option may be exercised, which period shall expire in any event not later than last day of 10-year period after the date of grant of the option (subject to provisions for early termination contained in the Post-IPO Share Option Plan).

(f) Exercise Price

The price at which each Share subject to an option may be subscribed for on the exercise of that option (the “**Subscription Price**”) shall be a price solely determined by the Board and notified to an eligible participant and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the offer date, which must be a Business Day;
- (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 offer date; and
- (iii) the nominal value of the Shares.

(g) Vesting

The Board may in its absolute discretion specify such conditions as it thinks fit when making an offer to an Eligible Participant (including as to performance criteria and vesting period).

(h) Duration of the Post-IPO Share Option Plan

The Post-IPO Share Option Plan shall be valid and effective for a period of 10 years commencing on the date on which it is adopted by ordinary resolution of the Shareholders in general meeting which is September 26, 2021, after which period, no further options shall be granted. Accordingly, the remaining life of the Post-IPO Share Option Plan is approximately 7 years as of the Latest Practicable Date. Subject to the above, in all other respects, in particular, in respect of options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the Post-IPO Share Option Plan shall remain in full force and effect.

(i) Outstanding Options

As of June 30, 2024, 133 grantees were granted with outstanding options with a total of 35,401,791 underlying Shares under the Post-IPO Share Option Plan. The table below shows details of the outstanding share options granted to all grantees under the Post-IPO Share Option Plan as of June 30, 2024.

Name	Date of Grant	Exercise Price ⁽¹⁾	Vesting Period ⁽²⁾	Number of Shares underlying the options as of January 1, 2024	Number of options granted during the Reporting Period	Exercise Date	Number of options exercised during the Reporting Period	Number of options lapsed during the Reporting Period	Number of options cancelled during the Reporting Period	Number of Shares underlying the options as of June 30, 2024	Approximate percentage of the Shares underlying the outstanding option ⁽³⁾	Weighted average closing price of the Shares immediately before the dates on which the Options exercised
Directors												
Mr. LIANG Joshua G	March 31, 2022	HKD7.30	Note (4)	9,031,000	-	-	-	-	-	9,031,000	0.70%	-
Dr. LIANG Peng	March 31, 2022	HKD7.30	Note (4)	992,500	-	-	-	-	-	992,500	0.08%	-
Dr. WANG Xiaodong	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	-	291,000	-	-	-	-	291,000	0.02%	-
Dr. WU Xiaobin	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	-	291,000	-	-	-	-	291,000	0.02%	-
Mr. LIAO Xiang	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	-	291,000	-	-	-	-	291,000	0.02%	-
Mr. Jeffrey FARROW	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	-	291,000	-	-	-	-	291,000	0.02%	-
Mr. Thomas LEGGETT	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	-	291,000	-	-	-	-	291,000	0.02%	-
Dr. Ralf Leo CLEMENS	July 19, 2022	HKD3.894	Note (6)	347,500	-	-	-	-	-	347,500	0.03%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	-	291,000	-	-	-	-	291,000	0.02%	-
Dr. Donna Marie AMBROSINO	July 19, 2022	HKD3.894	Note (6)	347,500	-	-	-	-	-	347,500	0.03%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	-	291,000	-	-	-	-	291,000	0.02%	-
Employees (excluding Directors)	May 12, 2022	HKD4.116	Note (8)	12,603,925	-	-	-	8,167,677	-	4,436,248	0.34%	-
	December 15, 2022	HKD3.83	Note (9)	3,687,370	-	-	-	1,488,452	-	2,198,918	0.17%	-
	April 11, 2023	HKD1.82	Note (10)	11,231,000	-	-	-	5,947,875	-	5,283,125	0.41%	-
	April 2, 2024	HKD0.432	Note (14)	-	7,426,000	-	-	37,500	-	7,388,500	0.57%	-
Total				41,580,295	9,463,000			15,641,504		35,401,791	2.73%	-

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Notes:

- (1) The closing price of the Shares immediately before the date of grant on March 31, 2022, May 12, 2022, July 19, 2022, December 15, 2022, April 11, 2023 and April 2, 2024 was HK\$6.99, HK\$3.11, HK\$3.62, HK\$3.5, HK\$1.65 and HK\$0.41, respectively. The fair values per option granted under the Post-IPO Share Option Plan on March 31, 2022, May 12, 2022, July 19, 2022, December 15, 2022, April 11, 2023 and April 2, 2024 were HK\$4.15, HK\$1.24, HK\$2.23, HK\$1.60, HK\$0.99 and HK\$0.22, respectively. As for the accounting standard and policy adopted, please refer to Note 2.4 and Note 30 to the consolidated financial statements of the 2023 annual report of the Company.
- (2) The validity period is 10 years from the date of grant.
- (3) Calculated based on 1,297,048,929 total issued Shares of the Company as of June 30, 2024.
- (4) 100% of the options granted shall become exercisable evenly on a monthly basis within four years from the date of grant provided that the first few tranches of options to become exercisable during the date of grant to May 5, 2022 (being the first half-year anniversary of the Listing Date) shall become exercisable in one go in May 2022.
- (5) 100% of the options granted shall vest on the first anniversary of the date of grant.
- (6) 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.
- (7) Subject to both a service condition (100% of the options will vest on the first anniversary of April 1, 2023.) and a performance condition (both the group level performance targets and the individual annual and/or semi-annual performance targets shall be satisfied).
- (8) Pursuant to the relevant offer letter issued to each grantee, the options granted are subject to either of the following vesting schedules: (i) one-forty-eighth (1/48th) of the options granted shall vest on monthly basis with one-year cliff, which means the first 25% will vest on the first anniversary of the first Business Day of the grantee's onboarding month, and the remaining 75% of options granted will vest on monthly basis thereafter; or (ii) one-forty-eighth (1/48th) of the options granted shall vest on monthly basis starting from the date of grant.
- (9) Pursuant to the relevant offer or award letter issued to each grantee, the options granted are subject to either of the following vesting schedules: (i) twenty-five percent (25%) of the options granted shall vest on the first anniversary of the first day of the option grantee's onboarding month and the rest of the options granted will vest monthly in three years thereafter equally; or (ii) Twenty-five percent (25%) of the options granted shall vest on December 1, 2023 and the rest of the options granted will vest monthly in three years thereafter equally.
- (10) Subject to both a service condition (twenty-five percent (25%) will vest on the first anniversary of April 1, 2023, and the remaining seventy-five percent (75%) of the options will vest in six equal installments on a semi-annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual and/or semi-annual performance targets shall be satisfied).
- (11) The vesting of the options granted to the option grantees will be subject to both the group level performance targets and the individual annual and/or semi-annual performance targets as stipulated in the respective grant letter issued by the Company to each of the option grantees. For Group level performance, the Board and management of the Company will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as progress of R&D programs and pipeline, product commercialization performance and the Company's financial conditions. For individual level performance, the Group has established a standard performance appraisal system for the Directors, senior management and employees to evaluate their performance and contribution to the Group. The Company will determine whether the option grantees meet the individual performance targets based on their performance appraisal results for the relevant vesting period. The options will only be vested if the option grantees pass their respective performance evaluation in the annual and/or semi-annual assessment (as the case may be) for the corresponding vesting period.

OTHER INFORMATION

- (12) On May 30, 2023, the Board was informed by Dr. Liang and Mr. Joshua Liang that after due and careful considerations, each of Dr. Liang and Mr. Joshua Liang decided not to accept the options granted in the year of 2023.
- (13) 100% of the Options will vest on the first anniversary of the Grant Date, to be satisfied over a one-year term and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (14) Subject to both a service condition (twenty-five percent (25%) will vest on the first anniversary of April 2, 2024, and the remaining seventy-five percent (75%) of the options will vest in 3 equal installments on an annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).

The total number of options available for grant under the Post-IPO Share Option Plan at the beginning and the end of the Reporting Period is 74,170,841 and 80,349,345, respectively.

The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period divided by weighted average number of Shares in issue for the Reporting Period is 0.76%.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The 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, 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 June 30, 2024, approximately RMB1,398.2 million, accounting for 90.3% 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.

OTHER INFORMATION

The utilization of the net proceeds from the Global Offering during the six months ended June 30, 2024 and the expected timeline for utilization are as follows:

	Revised percentage of unutilized net proceeds approved on August 22, 2023	Revised allocation of unutilized net proceeds approved on August 22, 2023 <i>RMB million</i>	Unutilized net proceeds as of December 31, 2023 <i>RMB million</i>	Actual usage during the six months ended June 30, 2024 <i>RMB million</i>	Unutilized net proceeds as of June 30, 2024 <i>RMB million</i>	Expected timeline of full utilization of the unused net proceeds
Use of proceeds after change						
For the preclinical development and clinical trials of RSV vaccine candidate, SCB-1019	55.0%	228.4	174.9	76.6	98.3	By June 2025
For the R&D of other product candidates, including ≥ 1 mid-to late-stage in-licensed vaccines	22.5%	93.4	75.2	22.7	52.5	By June 2025
For the R&D and regulatory submission for updated version of COVID-19 vaccine including the XBB.1.5 variant	12.5%	51.9	-	-	-	Completed
For working capital and other general corporate purposes	10.0%	41.5	-	-	-	Completed
Total	100.0%	415.2	250.1	99.3	150.8	

Notes:

- 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.
- The net proceeds were received in HKD and translated to RMB for application planning. As of the date of this report, 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 (equivalent to RMB449.0 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 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, the Board has resolved to change the intended use of the unutilized net proceeds from the Placing of approximately RMB69.4 million in total as of August 22, 2023.

OTHER INFORMATION

As of June 30, 2024, approximately RMB416.6 million, accounting for 92.8% 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.

The utilization of the net proceeds from the Placing during the six months ended June 30, 2024 is as follows:

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 <i>RMB million</i>	Unutilized net proceeds as of December 31, 2023 <i>RMB million</i>	Actual usage during the six months ended June 30, 2024 <i>RMB million</i>	Unutilized net proceeds as of June 30, 2024 <i>RMB million</i>	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	50.5	18.1	32.4	By December 2024
Total	100.0%	69.4	50.5	18.1	32.4	

Notes:

- 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.
- The net proceeds were received in HKD and translated to RMB for application planning. As of the date of this report, 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 interim report, no important events affecting the Company occurred subsequent to June 30, 2024 and up to the Latest Practicable Date.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize the Group's product candidates, or experience significant delays in doing so, our business will be significantly harmed;
- If the Group encounters difficulties enrolling patients or participants in our clinical trials, our clinical development activities could be delayed and result in increased costs and longer development periods or otherwise adversely affected;

OTHER INFORMATION

- If clinical trials of product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates;
- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results;
- The regulatory approval processes of regulatory authorities of national and multilateral institutions are lengthy, time-consuming and inherently unpredictable. If the Group is ultimately unable to obtain regulatory approval for product candidates, our business will be substantially harmed;
- The Group's rights to develop and commercialize our Trimer-Tag pipeline products are subject, in part, to the terms and conditions of licenses granted to us by the Group's licensor GenHunter;
- If the Group is unable to maintain sufficient distribution, marketing, and sales capabilities, the Group may not be able to generate product sales revenues;
- The regulatory pathway for vaccines is highly dynamic and continues to evolve and may result in unexpected or unforeseen delays or challenges;
- The manufacture of biologics is a complex process which requires significant expertise and capital investment, and if the Group encounters problems in manufacturing our future products, the business could suffer;
- If the Group is unable to obtain and maintain patent protection for our product candidates or the Trimer-Tag technology platform, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against the Group, and our ability to successfully commercialize any product or technology may be adversely affected;
- The Group engages CROs to conduct certain elements of its pre-clinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties, meet expected deadlines, or comply with regulatory requirements, the Group may not be able to obtain regulatory approval for or commercialize product candidates and its business could be substantially harmed; and
- The Group has entered into collaborations and may seek collaborations or form strategic alliances or enter into licensing arrangements in the future, and the Group may not realize the benefits of such alliances or licensing arrangements.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
REVENUE	5	(10,100)	257
Cost of sales	7	1,767	(202)
Gross (loss)/profit		(8,333)	55
Other income and gains	6	67,148	2,510,809
Selling and distribution expenses		(6,684)	(22,511)
Administrative expenses		(42,075)	(109,468)
Research and development expenses		(98,297)	(385,603)
Other expenses		(2,540)	(1,330,909)
Finance costs		(4,342)	(11,749)
(LOSS)/PROFIT BEFORE TAX	7	(95,123)	650,624
Income tax expense	8	–	–
(LOSS)/PROFIT FOR THE PERIOD		(95,123)	650,624
Attributable to:			
Owners of the parent		(95,123)	650,624
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (EXPRESSED IN RMB PER SHARE)	10		
Basic		(0.08)	0.52
Diluted		(0.08)	0.52

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
(LOSS)/PROFIT FOR THE PERIOD	(95,123)	650,624
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	33,043	194,901
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	33,043	194,901
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(45,731)	(173,688)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(45,731)	(173,688)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	(12,688)	21,213
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(107,811)	671,837
Attributable to:		
Owners of the parent	(107,811)	671,837

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	135,033	149,720
Right-of-use assets	13	11,156	12,336
Intangible assets		36,745	39,859
Total non-current assets		182,934	201,915
CURRENT ASSETS			
Inventories	14	696,733	696,978
Trade receivables	12	4	24,106
Prepayments, other receivables and other assets		73,585	68,800
Financial assets at fair value through profit or loss		14,254	14,165
Time deposits and restricted cash	15	23,821	16,228
Pledged deposits	15	347,166	343,378
Cash and cash equivalents	15	458,774	735,864
Total current assets		1,614,337	1,899,519
CURRENT LIABILITIES			
Trade payables	16	181,233	247,829
Other payables and accruals		77,917	124,731
Interest-bearing bank borrowings		212,947	308,063
Contract liabilities	17	1,589,092	1,577,845
Lease liabilities	13	12,057	18,535
Total current liabilities		2,073,246	2,277,003
NET CURRENT LIABILITIES		(458,909)	(377,484)
TOTAL ASSETS LESS CURRENT LIABILITIES		(275,975)	(175,569)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	13	6,096	7,853
Deferred income	18	42,513	44,364
Non-current portion of trade payables	16	508,191	505,047
Total non-current liabilities		556,800	557,264
NET LIABILITIES		(832,775)	(732,833)
EQUITY			
Equity attributable to owners of the parent			
Share capital	19	838	838
Treasury shares	19	(28)	(30)
Reserves		(833,585)	(733,641)
TOTAL DEFICIT		(832,775)	(732,833)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the parent							
	Share capital RMB'000 (note 19)	Treasury shares RMB'000 (note 19)	Merger reserve RMB'000	Share premium RMB'000 (note 19)	Share-based compensation reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2024 (audited)	838	(30)	51,703	8,620,777	87,391	146,756	(9,640,268)	(732,833)
Loss for the period	-	-	-	-	-	-	(95,123)	(95,123)
Other comprehensive income/(loss) for the period:								
Exchange differences on translation of the Company	-	-	-	-	-	33,043	-	33,043
Exchange differences on translation of foreign operations	-	-	-	-	-	(45,731)	-	(45,731)
Total comprehensive loss for the period	-	-	-	-	-	(12,688)	(95,123)	(107,811)
Share-based compensation	-	-	-	-	7,864	-	-	7,864
Vesting of restricted share units	-	2	-	12,495	(12,497)	-	-	-
Exercise of share options	**	-	-	2,716	(2,711)	-	-	5
At 30 June 2024 (unaudited)	838	(28)	51,703*	8,635,988*	80,047*	134,068*	(9,735,391)*	(832,775)

* These reserve accounts comprise the consolidated reserves of RMB833,585,000 as at 30 June 2024 in the interim condensed consolidated statement of financial position.

** The amount is less than RMB1,000.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the parent							
	Share capital	Treasury shares	Merger reserve	Share premium	Share-based compensation reserve	Exchange fluctuation reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 (audited)	835	(36)	51,703	8,562,410	90,933	127,747	(9,501,729)	(668,137)
Profit for the period	-	-	-	-	-	-	650,624	650,624
Other comprehensive income/(loss) for the period:								
Exchange differences on translation of the Company	-	-	-	-	-	194,901	-	194,901
Exchange differences on translation of foreign operations	-	-	-	-	-	(173,688)	-	(173,688)
Total comprehensive income for the period	-	-	-	-	-	21,213	650,624	671,837
Share issue expenses	-	-	-	(54)	-	-	-	(54)
Share-based compensation	-	-	-	-	24,897	-	-	24,897
Vesting of restricted share units	-	4	-	20,197	(20,201)	-	-	-
Exercise of share options	1	-	-	6,083	(6,074)	-	-	10
At 30 June 2023 (unaudited)	836	(32)	51,703	8,588,636	89,555	148,960	(8,851,105)	28,553

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(95,123)	650,624
Adjustments for:			
Interest income	6	(13,107)	(9,818)
Finance costs		4,342	11,749
Depreciation of property, plant and equipment		14,866	14,723
Depreciation of right-of-use assets	7	3,214	10,922
Amortisation of intangible assets	7	3,207	2,584
Gain on reassessment of a lease term arising from a decision not to exercise the extension option		–	(3)
Share-based compensation expenses		7,864	23,844
Foreign exchange differences, net	7	334	67,614
Write-down of inventories to net realisable value	7	1,925	1,236,704
Loss on disposal of intangible assets		–	3,590
Gain on disposal of right-of-use assets	6	(2,109)	–
Impairment of prepayments, other receivables and other assets		–	201
Loss on disposal of property, plant and equipment		16	–
		(74,571)	2,012,734
Increase in inventories		(1,680)	(16,202)
Decrease/(increase) in trade receivables		24,102	(581)
(Increase)/decrease in prepayments, other receivables and other assets		(4,785)	36,291
Decrease in trade payables		(63,452)	(115,335)
Decrease in deferred income		(1,851)	(2,351,124)
Decrease in other payables and accruals		(60,043)	(55,982)
Increase in contract liabilities		11,247	49,988
Cash used in operations		(171,033)	(440,211)
Interest received		13,107	9,818
Net cash flows used in operating activities		(157,926)	(430,393)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(1,225)	(3,747)
Additions to intangible assets	(193)	(659)
Increase in time deposits and restricted cash and pledged deposits	(7,593)	(410)
Net cash flows used in investing activities	(9,011)	(4,816)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans	7,234	225,294
Repayment of bank borrowings	(101,913)	(119,171)
Interest paid	(4,872)	(1,717)
Lease payments	(8,553)	(16,239)
Share issue expenses	–	(54)
Proceeds from exercise of options	5	68
Increase in pledged deposits	(3,788)	(8,903)
Net cash flows (used in)/from financing activities	(111,887)	79,278
NET DECREASE IN CASH AND CASH EQUIVALENTS	(278,824)	(355,931)
Cash and cash equivalents at beginning of period	735,864	1,607,409
Effect of foreign exchange rate changes, net	1,734	12,977
CASH AND CASH EQUIVALENTS AT END OF PERIOD	458,774	1,264,455
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	829,761	1,522,872
Time deposits and restricted cash	(23,821)	(19,653)
Pledged deposits	(347,166)	(238,764)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	458,774	1,264,455

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, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the period, the Group was principally engaged in the research and development, manufacturing and commercialization 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. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The interim condensed 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 30 June 2024, the Group had net liabilities of RMB832,775,000 and accumulated losses of RMB9,735,391,000. 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 30 June 2024, which include, but not limited to, the following:

- (a) The primary cause for the net liabilities as at 30 June 2024 was the significant contract liabilities amounting to RMB1,589,092,000. The Group is not expected to incur any cash outflows in the next twelve months after 30 June 2024 for the contract liabilities;
- (b) The Group had cash and cash equivalents of RMB458,774,000; 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2024

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one operating segment, which is the research and development, manufacturing and commercialization 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*

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Chinese Mainland	(10,100)	257

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

(b) *Non-current assets*

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
	Chinese Mainland	181,262
Other countries/regions	1,672	2,825
	182,934	201,915

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue from contracts with customers	(10,100)	257

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Types of good		
Vaccines	(10,100)	257
Timing of revenue recognition		
Goods transferred at a point in time	(10,100)	257

At the end of each reporting period, the Group estimates the future sales return of the goods sold and a corresponding adjustment to revenue is recognised for those products expected to be returned. The estimation of sales return requires the use of judgment and estimates. Where the actual return rate is different from the original estimate, such difference will be trued up in subsequent periods. For the six months ended 30 June 2024, the Group recorded a negative revenue of approximately RMB10.1 million due to sales return of AdimFlu-S (QIS) recognised in the reporting period.

When estimating the sales return of the seasonal influenza vaccine that the Company distributes in Chinese Mainland, the Company considers all relevant factors including but not limited to the epidemiology data and market trends from prior years, the development trend of the epidemic in the current period as well as the most updated information about market demand based on the Company's research.

It was noted that there was an increase in influenza vaccination caused by the influenza epidemic at the end of 2022 and the influenza outbreak in the spring of 2023, since a significant influenza outbreak also occurred around the end of 2023, the Company anticipated that another influenza epidemic might break out in the spring of 2024 which would lead to an increase in demand for influenza vaccination. The Company also considered the inventory situation of its influenza vaccines in different districts and counties in early 2024 and that there was no actual sales return during the first quarter of 2024. However, no significant influenza outbreaks ultimately occurred during the first half of 2024, resulting in the actual return rate being higher than the initial estimate as at the end of 2023 and causing a negative impact on revenue recognised for the six months ended 30 June 2024.

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Waiver of trade payables*	33,952	–
Government grants**	14,328	2,057
Bank interest income	13,107	9,818
Gain on disposal of right-of-use assets	2,109	–
Funding from Coalition for Epidemic Preparedness Innovations (“CEPI”)	–	2,494,123
Rental income	1,048	999
Others	2,604	3,812
	67,148	2,510,809

* In June 2024, the Group entered into a settlement agreement with one of its vendors, pursuant to which the vendor waived partial of the Group’s payables under the service agreement between the two parties as an incentive for the Group to settle the amount due to the vendor. This waiver of debt is recognised in other income and gains, as all contractual obligations under the service agreement have been fulfilled by the vendor, and no additional services or goods are to be exchanged for the waived liability.

** 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Note	For the six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cost of inventories sold		(1,767)	202
Research and development costs (excluding related employee benefit expenses, depreciation and amortisation)		25,097	218,938
Depreciation of property, plant and equipment		14,866	14,955
Depreciation of right-of-use assets		3,214	10,922
Amortisation of intangible assets		3,207	2,584
Lease payments not included in the measurement of lease liabilities	13	413	1,080
Auditor's remuneration		1,653	1,580
Employee benefit expenses (including directors' and chief executive's remuneration):			
Wages, salaries and welfare		80,237	205,578
Pension scheme contributions		6,704	10,946
Share-based compensation expenses		7,160	23,098
Total of employee benefit expenses		94,101	239,622
Write-down of inventories to net realisable value*		1,925	1,236,704
Foreign exchange differences, net*		334	67,614
Severance costs*		100	16,746

* Write-down of inventories to net realisable value (note 14), foreign exchange differences and severance costs are included in "other expenses" in the consolidated statement of profit or loss.

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% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong. The first HKD2,000,000 (2023: HKD2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

Chinese Mainland

Pursuant to the Corporate Income Tax Law of the People's Republic of China (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% (2023: 25%) on the taxable income.

Australia

The subsidiary incorporated in Australia is subject to Australia statutory corporate income tax at a rate of 30% (2023: 30%). However, the rate is reduced to 25% (2023: 25%) following a preliminary assessment of the base rate entity rules in accordance with the Australian tax law during the period.

United States of America

The subsidiary incorporated in Delaware, the United States was subject to statutory United States federal corporate income tax at a rate of 21% (2023: 21%).

United Kingdom

The subsidiary incorporated in the United Kingdom is subject to corporation income tax on its worldwide profits at 19% (2023: 19%).

Ireland

The subsidiary incorporated in Ireland is subject to Ireland corporate income tax at a rate of 25% (2023: 25%) on the estimated assessable profits arising in Ireland during the period.

No current income tax and deferred income tax were charged for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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9. DIVIDENDS

No dividends have been declared or paid by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent of RMB(95,123,000) (six months ended 30 June 2023: RMB650,624,000), and the weighted average number of ordinary shares. The weighted average number of shares for the six months ended 30 June 2024 is determined based on 1,251,950,701 shares in issue during the period (six months ended 30 June 2023: 1,240,429,953).

The calculation of the diluted (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

As the Group incurred losses during the six months ended 30 June 2024, no adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2024 as share options and restricted share units outstanding had an anti-dilutive effect on the basic loss per share amount presented. Accordingly, the diluted loss per share amount for the six months ended 30 June 2024 was the same as the basic loss per share amount.

The calculations of basic and diluted (loss)/earnings per share are based on:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation	(95,123)	650,624
	Number of shares	
	For the six months ended 30 June	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic (loss)/earnings per share calculation	1,251,950,701	1,240,429,953
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	5,687,391
	1,251,950,701	1,246,117,344

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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11. PROPERTY, PLANT AND EQUIPMENT

30 June 2024	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
At beginning of period/year		
Cost	238,117	233,788
Accumulated depreciation	(88,397)	(47,998)
Net carrying amount	149,720	185,790
At beginning of period/year, net of accumulated depreciation	149,720	185,790
Additions	196	4,072
Depreciation provided during the period/year	(14,866)	(38,300)
Disposals	(16)	(3)
Impairment	–	(2,099)
Exchange realignment	(1)	260
At end of period/year, net of accumulated depreciation	135,033	149,720
At end of period/year:		
Cost	230,935	238,117
Accumulated depreciation	(95,902)	(88,397)
Net carrying amount	135,033	149,720

12. TRADE RECEIVABLES

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:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Within 6 months	–	24,104
Over 6 months	4	2
Total	4	24,106

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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13. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings used in its operations. Leases of buildings generally have lease terms between 2 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(1) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period/year are as follows:

	Leasehold buildings RMB'000	Office equipment RMB'000	Total RMB'000
At 1 January 2023 (audited)	55,926	28	55,954
Reassessment of a lease term arising from a decision not to exercise the extension option	–	(25)	(25)
Reassessment of a lease term arising from a decision to exercise the extension option	2,740	–	2,740
Disposals	(7,585)	–	(7,585)
Depreciation charge	(30,932)	(3)	(30,935)
Impairment	(8,210)	–	(8,210)
Exchange realignment	397	–	397
At 31 December 2023 and 1 January 2024 (audited)	12,336	–	12,336
Additions	2,125	–	2,125
Disposals	(90)	–	(90)
Depreciation charge	(3,214)	–	(3,214)
Exchange realignment	(1)	–	(1)
At 30 June 2024 (unaudited)	11,156	–	11,156

13. LEASES (CONTINUED)

The Group as a lessee (Continued)

(2) Lease liabilities

The carrying amount of the Group's lease liabilities and the movements during the period/year are as follows:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Carrying amount at beginning of period/year	26,388	60,308
New leases	2,125	–
Accretion of interest recognised during the period/year	392	2,392
Reassessment of a lease term arising from a decision not to exercise the extension option	–	(25)
Reassessment of a lease term arising from a decision to exercise the extension option	–	2,740
Disposals	(2,199)	(9,894)
Payments	(8,553)	(28,568)
Exchange realignment	–	(565)
Carrying amount at end of period/year	18,153	26,388
Analysed into:		
Current portion	12,057	18,535
Non-current portion	6,096	7,853

(3) The amounts recognised in profit or loss in relation to leases are as follows:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Interest on lease liabilities	392	1,479
Depreciation charge of right-of-use assets (note 7)	3,214	10,922
Expense relating to short-term leases and leases of low-value assets (note 7)	413	1,080
Total amount recognised in profit or loss	4,019	13,481

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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14. INVENTORIES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Raw materials	2,478,641	2,496,550
Work in progress	191,586	190,495
Finished goods	88,153	86,938
Impairment	(2,061,647)	(2,077,005)
	696,733	696,978

The Company periodically analyzes the inventories for excess amounts or obsolescence and makes inventory provision to write down obsolete or otherwise unmarketable inventory to its estimated net realisable value. The inventory provision is estimated based on multiple factors, including assumptions about expected future demand and market conditions, current sales orders, the estimated costs to be incurred to sale, and the expiry dates of inventories.

During the six months ended 30 June 2024, the Group has made provision of RMB1,925,000 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.

During the six months ended 30 June 2024, as certain inventories were scrapped or utilised, the Group wrote off the inventory provision of RMB17,283,000.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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15. CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Cash and cash equivalents	458,774	735,864
Time deposits and restricted cash	23,821	16,228
Pledged deposits	347,166	343,378
	829,761	1,095,470
Less:		
Time deposits with original maturity more than three months	(7,943)	(2,943)
Restricted cash*	(15,878)	(13,285)
Pledged for short-term bank loans	(204,630)	(201,724)
Pledged for banking facilities	(142,536)	(141,654)
Cash and cash equivalents	458,774	735,864
Denominated in:		
RMB	303,354	566,718
USD	57,014	72,720
AUD	11,918	15,674
HKD	79,128	80,011
GBP	7,359	740
EUR	1	1
Cash and cash equivalents	458,774	735,864

* The restricted cash at 30 June 2024 and 31 December 2023 mainly included government funding received by Sichuan Clover Biopharmaceuticals, Inc. ("Clover Sichuan"), the withdrawal of which is subject to the approval of the government authority. The restricted cash at 30 June 2024 also included deposits pledged for credit card and deposits as guarantee for payment, which could not be freely withdrawn.

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Chinese Mainland is subject to exchange restrictions imposed by the PRC government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for periods between three months and one year depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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16. TRADE PAYABLES

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

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Within 6 months	75,054	156,119
6 to 12 months	48,783	52,815
Over 1 year	565,587	543,942
	689,424	752,876
Analysed into:		
Current portion	181,233	247,829
Non-current portion	508,191	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 RMB508,191,000) represented the trade payables due to Dynavax Technologies Corporation (“**Dynavax**”) for procurement of CpG 1018 adjuvant. During the six months ended 30 June 2024 and 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 RMB508,191,000 as of 30 June 2024 and 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.

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17. CONTRACT LIABILITIES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Advances from customers	1,589,092	1,577,845

Contract liabilities represented the advances received from the Global Alliance for Vaccines and Immunization (“GAVI”) to deliver the Company’s SCB-2019 (CpG 1018/Alum) vaccines (the “Vaccines”). In June 2021, the Company and GAVI entered into the Advance Purchase Agreement (“APA”), pursuant to which GAVI agreed to procure (i) 64 million doses of Vaccines, and (ii) up to 350 million doses of Vaccines pursuant to the options stated therein. The advances could be used to fund non-refundable payments to the Group’s suppliers to secure for procurement of raw materials and services required to manufacture any of the firm order commitment and/or the additional doses. On 15 September 2022, the Company and GAVI entered into and signed an amendment to the APA (the “amended APA”), pursuant to which the Company and GAVI agreed to convert the initial firm order commitment into an option to procure 64 million doses of Vaccines over an extended period from 1 January 2023 to 31 December 2026, and to cancel the original purchase option of up to 350 million doses. GAVI has not exercised its option to purchase the Vaccines under the amended APA during the period ended 30 June 2024. As at 30 June 2024 advances from GAVI amounting to USD224,000,000, equivalent to RMB1,589,092,000, was accounted for as contract liabilities in the consolidated statement of financial position.

18. DEFERRED INCOME

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Deferred revenue (a)	17,414	17,414
Deferred government grants (b)	25,099	26,950
	42,513	44,364

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18. DEFERRED INCOME (CONTINUED)

- (a) Deferred revenue represented the amount of funding received from CEPI by the end of the reporting period. 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.

18. DEFERRED INCOME (CONTINUED)

(a) (Continued)

The Company's Project Vaccine had realised commercialisation in February 2023. In May 2023, WHO announced the 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 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. 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.

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 and the funding was confirmed to be non-refundable, 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 (refer to note 17). 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 RMB58,787,000, against the inventory balance of abandoned vials.

Based on the foregoing, as at 30 June 2024, 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 period/year are as follows:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
At beginning of period/year	26,950	27,950
Grants received during the period/year	–	–
Amount recognised in profit or loss	(1,851)	(1,000)
At end of period/year	25,099	26,950

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19. SHARE CAPITAL AND TREASURY SHARES

Issued and fully paid:

	Number of shares in issue	Share capital USD'000	RMB equivalent RMB'000
Ordinary shares of USD0.0001 each			
As at 30 June 2024 (unaudited)	1,297,048,929	130	838
As at 31 December 2023 (audited)	1,296,289,733	130	838

A summary of movements in the Company's issued share capital is as follows:

	Number of shares in issue	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Total RMB'000
Notes					
At 1 January 2023 (audited)	1,292,635,233	835	(36)	8,562,410	8,563,209
Vesting of restricted share units	-	-	6	47,810	47,816
Exercise of share options	3,654,500	3	-	10,611	10,614
Share issue expenses	-	-	-	(54)	(54)
At 31 December 2023 and 1 January 2024 (audited)	1,296,289,733	838	(30)	8,620,777	8,621,585
Vesting of restricted share units (a)	-	-	2	12,495	12,497
Exercise of share options (b)	759,196	*	-	2,716	2,716
At 30 June 2024 (unaudited)	1,297,048,929	838	(28)	8,635,988	8,636,798

* The amount is less than RMB1,000.

Note:

- (a) During the six months ended 30 June 2024, 3,432,952 restricted share units were vested resulting in RMB2,000 and RMB12,495,000 transferred from the share-based compensation reserve to treasury shares and share premium, respectively.
- (b) During the six months ended 30 June 2024, 759,196 share options were exercised at the exercise price of USD0.001 per share (note 20) for a total cash consideration of RMB5,000. RMB2,711,000 was transferred from the share-based compensation reserve to share premium upon the exercise of the share options.

20. SHARE-BASED COMPENSATION

The Company operates share-based compensation schemes including the restricted share unit scheme (the “RSU Scheme”), the Pre-IPO share option plan (the “Pre-IPO Plan”) and the Post-IPO share option plan (the “Post-IPO Plan”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the RSU Scheme, the Pre-IPO Plan and the Post-IPO Plan include the Company’s directors, the Group’s employees and non-employee consultants.

The RSU Scheme and the Pre-IPO Plan became effective in April 2021 when the board of directors of the Company approved the RSU Scheme and the Pre-IPO Plan. The maximum aggregate number of shares that may be issued under the RSU Scheme and the Pre-IPO Plan is 77,350,000 and 25,947,096 (taking into account the Capitalisation Issue) ordinary shares of the Company, respectively. The Post-IPO Plan was adopted by the Company on 26 September 2021, effective from the date when the Company got listed (“Listing Date”). The board of directors of the Company resolved that at the time of adoption of the Post-IPO Plan or any new share option scheme (the “New Scheme”), the aggregate number of shares which may be issued upon exercise of all options to be granted under the Post-IPO Plan, the New Scheme and all schemes existing at such time (the “Existing Schemes”) of the Company must not in aggregate exceed 10% of the total number of shares in issue as of the date that the shares commenced trading on the Stock Exchange or the date of adoption of the New Scheme (as the case may be).

Share options

In 2021, the Company granted 3,095,430 (without taking into account the effect of the Capitalisation Issue) options under the Pre-IPO Plan to 138 employees. The vesting schedule of the options granted would be subject to both a listing-based vesting condition (the “IPO Condition”) and a service-based vesting condition (the “Service Condition”). The IPO Condition would be satisfied the day after the first-half anniversary of the Listing Date. Subject to the satisfaction of the IPO Condition, the Service Condition would be satisfied over a 4-year term.

In 2022, the Company granted 40,426,500 options to 9 directors and 205 employees under the Post-IPO Plan. The vesting schedule of the options granted would be subject to a service-based vesting condition, which would be satisfied over a 1-year or 4-year term.

In 2023, the Company granted 2,037,000 options to 7 directors and 16,813,500 options to 157 employees under the Post-IPO Plan, respectively. The vesting schedule of the options granted would be subject to a service-based vesting condition and performance condition which would be satisfied over a 1-year or 4-year term. The performance condition is required to be satisfied by the mid-year performance check-in and the annual performance evaluation. The options granted to employees are accounted for as equity awards and measured at their grant date fair values.

During the six months ended 30 June 2024, the Company granted 2,037,000 options to 7 directors and 7,426,000 options to 61 employees under the Post-IPO Plan, respectively. The vesting schedule of the options granted would be subject to a service-based vesting condition and performance condition which would be satisfied over a 1-year or 4-year term. The performance condition is required to be satisfied by the group level performance target and individual annual performance targets. The options granted to employees are accounted for as equity awards and measured at their grant date fair values.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2024

20. SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

The following share options were outstanding under the Pre-IPO Plan and the Post-IPO Plan during the reporting period:

	Number of share options	Weighted average exercise price per share option USD
At 1 January 2024 (audited)	44,490,308	0.5747
Granted during the period	9,463,000	0.0553
Forfeited during the period	(15,939,504)	0.1257
Exercised during the period	(759,196)	0.0010
At 30 June 2024 (unaudited)	37,254,608	0.6466

The exercise price and exercise periods of the share options outstanding under the Pre-IPO Plan and the Post-IPO Plan at the end of the reporting period are as follows:

30 June 2024

Number of options	Exercise price	Exercise period
1,852,817	USD0.001	2022-2031
11,326,000	HKD7.300	2022-2032
4,436,248	HKD4.116	2022-2032
695,000	HKD3.894	2022-2032
2,198,918	HKD3.830	2022-2032
7,320,125	HKD1.820	2023-2033
9,425,500	HKD0.432	2024-2034
37,254,608		

The fair value of equity-settled share options granted to directors and employees was estimated as at the date of grant using a binominal model, taking into account the terms and conditions upon which the options were granted. The variables and assumptions used in computing the fair value of the share options are based on the Company's best estimate. Changes in variables and assumptions may result in changes in the fair value of the share options. The following table lists the key assumptions that the model used.

20. SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

	For the six months ended 30 June 2024
Expected dividend yield (%)	0%
Expected volatility (%)	62.66%
Risk-free interest rate (%)	3.86%

The fair value of the share options granted to the directors and employees in the six months ended 30 June 2024 under the Post-IPO Plan were RMB1,855,000. The Group reversed share-based compensation expenses of RMB1,320,000 for the six months ended 30 June 2024 in relation to the share options. (six months ended 30 June 2023: The Group recognised share-based compensation expenses of RMB15,125,000.)

As at 30 June 2024, the Company had 37,254,608 share options outstanding under the Pre-IPO Plan and the Post-IPO Plan. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 37,254,608 additional ordinary shares of the Company and additional share capital of RMB26,000.

The fair value of share options which were yet to be exercised was included in share-based compensation reserve. The amount will either be transferred to the share premium account when the related options are exercised or be reversed should the related options be forfeited.

Restricted share units

In 2021, the Company granted 6,400,224 and 261,474 (without taking into account the effect of the Capitalisation Issue) restricted share units under the RSU Scheme to 56 employees and 11 non-employee consultants, respectively. 80,070 restricted share units were forfeited during the year of 2021. The vesting schedule of the restricted share units granted would be subject to both the IPO Condition and the Service Condition. The IPO Condition would be satisfied the day after the first-half anniversary of the Listing Date. Subject to the satisfaction of the IPO Condition, the Service Condition would be satisfied over a 4-year term. The restricted share units granted to employees and non-employee consultants are accounted for as equity awards. The restricted share units granted to employees are measured at their grant date fair values, and the restricted share units granted to non-employee consultants are measured at the fair values of the equity at the dates on which the services are rendered.

In 2022, the Company granted 10,651,000 restricted share units under the RSU Scheme to 135 employees without consideration. The vesting schedule of the restricted share units granted would be subject to a service-based vesting condition, satisfied over a 1-year term or 4-year term. The restricted share units granted to employees are accounted for as equity awards and are determined using the closing price of listed shares of the Company as at the grant dates. In 2022, 21,623,118 restricted share units have been vested and 11,387,781 restricted share units have been forfeited under the RSU Scheme. As at 31 December 2022, the Company had 23,711,497 restricted share units outstanding under the RSU Scheme.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2024

20. SHARE-BASED COMPENSATION (CONTINUED)

Restricted share units (Continued)

In 2023, the Company granted 4,988,000 restricted share units under the RSU Scheme to 105 employees without consideration. The vesting schedule of the restricted share units granted would be subject to a service-based vesting condition and performance condition, satisfied over a 1-year term or 4-year term. The restricted share units granted to employees are accounted for as equity awards and are determined using the closing price of listed shares of the Company as at the grant dates. In 2023, 8,863,660 restricted share units have been vested and 6,369,773 restricted share units have been forfeited under the RSU Scheme. As at 31 December 2023, the Company had 13,466,064 restricted share units outstanding under the RSU Scheme.

During the six months ended 30 June 2024, the Company granted 4,562,000 RSUs to 9 directors, 636,000 RSUs to 6 members of the Scientific Advisory Board and 1,901,000 RSUs to 27 employees of the Group, respectively, without consideration. The vesting schedule of the restricted share units granted would be subject to a service-based vesting condition and performance condition, satisfied over a 1-year term or 4-year term. The restricted share units granted to employees are accounted for as equity awards and are determined using the closing price of listed shares of the Company as at the grant dates. During the six months ended 30 June 2024, 3,432,952 restricted share units have been vested and 1,575,098 restricted share units have been forfeited under the RSU Scheme. As at 30 June 2024, the Company had 15,557,014 restricted share units outstanding under the RSU Scheme.

The restricted share units granted to employees are measured at their grant date fair values, and the restricted share units granted to non-employee consultants are measured at the fair values of the equity at the dates on which the services are rendered.

The Group recognised share-based compensation expenses of RMB9,184,000 (six months ended 30 June 2023: RMB8,719,000) in relation to restricted share units for the six months ended 30 June 2024.

21. COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Contracted, but not provided for:		
Property, plant and equipment	13,384	13,895
Intangible assets	541	2,186
	13,925	16,081

22. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The directors of the Group are of the view that the following parties are related parties that had transactions or balances with the Group during the period.

Name of related parties	Relationship with the Group
Chengdu Tianhe Conventional Chinese and Medicine Technology Nurture Co., Ltd. (“Chengdu Tianhe”)	An entity that controls a major shareholder of the Company
GenHunter Corporation	An entity controlled by the Company’s chairman of the board of directors

(b) Transactions with related parties

	For the six months ended 30 June	
	2024 (Unaudited) RMB’000	2023 (Unaudited) RMB’000
Office lease and utility fees: Chengdu Tianhe*	2,847	1,977

* The Group entered into a set of property leasing agreements with Chengdu Tianhe, and accordingly recognised lease liabilities of RMB7,606,000 as at 30 June 2024 (31 December 2023: RMB9,310,000).

(c) Outstanding balances with related parties

	30 June 2024 (Unaudited) RMB’000	31 December 2023 (Audited) RMB’000
	Amount due from a related party: Chengdu Tianhe	944

All above the balances are unsecured and interest-free.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2024

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Short-term employee benefits	5,848	26,711
Share-based compensation expenses	7,994	17,882
Post-employment benefits	655	3,162
Total	14,497	47,755

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to the fair values, are as follows:

	Carrying amounts		Fair Values	
	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Financial assets				
Financial assets at fair value through profit or loss:	14,254	14,165	14,254	14,165

Management has assessed that the fair values of cash and cash equivalents, time deposits and restricted cash, pledged deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, current interest-bearing bank borrowings, trade payables, and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 30 June 2024 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss:	–	14,254	–	14,254

As at 31 December 2023 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss:	–	14,165	–	14,165

The Group did not have any financial liabilities measured at fair value as at 30 June 2024 (2023: nil). During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2023: Nil).

24. EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events after the end of reporting period.

25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 27 August 2024.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of directors of our Company
“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
“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 organisations, to finance independent research projects to develop vaccines against emerging infectious diseases
“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
“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this interim report, Hong Kong, Macau Special Administrative Region and Taiwan
“Company”, “our Company” or “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 person”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, and unless the context otherwise requires, refers to Dr. Liang and Mr. Joshua Liang
“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 the Corporate Governance Code in Appendix C1 to the Listing Rules
“CRO(s)”	contract research organization
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Dr. Liang”	Dr. LIANG Peng, the founder, an executive Director, the chairman of the Board of our Company and our Controlling Shareholder
“Global Offering”	the Hong Kong Public Offering and the International Offering
“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” or “HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IAS”	International Accounting Standard
“IFRSs”	International Financial Reporting Standards
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China
“Ireland Clover”	Clover Biopharmaceuticals Ireland Limited, a proprietary company limited by shares registered in Ireland on April 14, 2021, and a subsidiary of our Company
“Latest Practicable Date”	September 12, 2024, being the latest practicable date prior to the printing of this purpose of ascertaining the information contained herein
“Listing” or “IPO”	the 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
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market of the Stock Exchange

DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Mr. Joshua Liang”	Mr. LIANG Joshua G, an executive Director, the chief executive officer of our Company and our Controlling Shareholder
“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
“Placing”	the placing of the Placing Shares by a placing agent at a placing price pursuant to a placing agreement dated December 6, 2022
“Placing Price”	HKD3.95 per Placing Share
“Placing Shares”	128,000,000 new Shares allotted and issued by the Company pursuant to a placing agreement dated December 6, 2022
“Post-IPO Share Option Plan”	the post-IPO share option scheme adopted by our Company on September 26, 2021, effective from the Listing Date, as amended from time to time, the principal terms of which are set out in “Directors’ Report – Post-IPO Share Option Plan” to this interim report
“Pre-IPO Share Option Plan”	the pre-IPO share option plan adopted by our Company on April 15, 2021, as amended from time to time, the principal terms of which are set out in “Directors’ Report – Pre-IPO Share Option Plan” to this interim report
“PreF”	a fusion (F) antigen in its native prefusion and trimeric conformation
“Prospectus”	the prospectus issued by the Company dated October 25, 2021
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of China
“Reporting Period”	the six months ended June 30, 2024
“Remuneration Committee”	the remuneration committee of the Board
“RSU Scheme”	the restricted share units scheme adopted by our Company on April 15, 2021 which was amended on September 26, 2021, the principal terms of which are set out in “Directors’ Report – RSU Scheme” to this interim report
“RSV”	Respiratory Syncytial Virus

DEFINITIONS

“R&D”	Research and Development
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	shares in the share capital of our Company, with a nominal value of US\$0.0001 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
“Substantial Shareholders”	has the meaning ascribed to it under the Listing Rules
“UK Clover”	Clover Biopharmaceuticals UK Ltd., a limited liability company incorporated in England and Wales on 13 October 2021, and a wholly-owned subsidiary of our Company
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD” or “US\$”	United States dollars, the lawful currency of the United States