Jiangsu Recbio Technology Co., Ltd.
江蘇瑞科生物技術股份有限公司

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

(Stock Code: 2179)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended June 30, 2022, together with the unaudited comparative figures for the six months ended June 30, 2021.

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income and gains	**78,593**	14,024
Loss before tax	**(357,117)**	(330,302)
Loss for the period	**(357,117)**	(330,302)
Loss attributable to owners of the parent	**(349,686)**	(330,302)
Loss per share – Basic and diluted (in RMB)	**(0.75)**	(0.84)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of	
	June 30, 2022	December 31,2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Total non-current assets	**845,174**	624,649
Total current assets	**1,567,093**	1,294,571
Total current liabilities	**233,213**	139,293
Net current assets	**1,333,880**	1,155,278
Total assets less current liabilities	**2,179,054**	1,779,927
Total non-current liabilities	**170,511**	106,631
Total equity	**2,008,543**	1,673,296

INTERIM RESULTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		Six months ended 30 June	
		2022	2021
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Other income and gains	*5*	**78,593**	14,024
Other expenses	*6*	**–**	(7)
Research and development costs		**(354,469)**	(204,832)
Administrative expenses		**(76,669)**	(83,812)
Selling and distribution expenses		**(3,778)**	–
Finance costs	*7*	**(794)**	(55,675)
LOSS BEFORE TAX	*8*	**(357,117)**	(330,302)
Income tax expense	*9*	**–**	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(357,117)**	(330,302)
Attributable to:			
Owners of the parent		**(349,686)**	(330,302)
Non-controlling interests		**(7,431)**	–
		(357,117)	(330,302)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*11*	**(0.75)**	(0.84)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

	Notes	**30 June 2022** ***RMB'000*** **(Unaudited)**	31 December 2021 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**495,182**	416,334
Goodwill		**9,305**	9,305
Other intangible assets		**22,120**	22,120
Right-of-use assets		**73,707**	55,274
Other non-current assets		**244,860**	121,616
Total non-current assets		**845,174**	624,649
CURRENT ASSETS			
Inventories		**31,253**	23,549
Prepayments, other receivables and other assets, current		**48,629**	88,460
Financial assets at fair value through profit or loss ("FVTPL")		**190,488**	–
Cash and bank balances		**1,296,723**	1,182,562
Total current assets		**1,567,093**	1,294,571
CURRENT LIABILITIES			
Trade payables	*12*	**28,468**	16,816
Other payables and accruals		**194,262**	114,615
Lease liabilities		**10,483**	7,862
Total current liabilities		**233,213**	139,293
NET CURRENT ASSETS		**1,333,880**	1,155,278
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,179,054**	1,779,927
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**88,091**	50,000
Lease liabilities		**34,646**	18,857
Deferred income		**42,244**	32,244
Deferred tax liabilities		**5,530**	5,530
Total non-current liabilities		**170,511**	106,631
Net Assets		**2,008,543**	1,673,296

	Notes	**30 June 2022** ***RMB'000*** **(Unaudited)**	31 December 2021 *RMB'000* (Audited)
EQUITY			
Equity attributable to owners of the parent			
Share capital		**482,963**	448,250
Reserves		**1,528,516**	1,225,051
		2,011,479	1,673,301
Non-controlling interests		**(2,936)**	(5)
Total equity		**2,008,543**	1,673,296

1. CORPORATE INFORMATION

Jiangsu Recbio Technology Co., Ltd. (the "Company") was a limited liability company established in Taizhou, Jiangsu Province of the People's Republic of China (the "PRC") on 18 May 2012. On 9 May 2021, the Company was converted into a joint stock company under the Company Law of the PRC. The registered office of the Company is located at No. 888 Yaocheng Avenue, Medical High-tech District, Taizhou, Jiangsu Province, PRC.

During the reporting period, Jiangsu Recbio Technology Co., Ltd. and its subsidiaries (collectively referred to as the "Group") were principally engaged in the research and development of vaccines in the Mainland China.

The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 31 March 2022.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). 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 2021. The Interim Financial Information is presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES

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 2021, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS Standards 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*

The adoption of the revised standards had no significant financial effect on the Group's interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

Segment information

For the purposes of resource allocation and performance assessment, the Group's chief executive officer, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

Geographical information

The Group's non-current assets are all located in the PRC, and accordingly, no further related geographical information of non-current assets is presented.

Information about major customers

No revenue was generated by the Group during the reporting period, and accordingly, no analysis of customers is to be disclosed.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants related to income*	**1,968**	3,318
Bank interest income	**7,128**	3,472
Others	**67**	–
	9,163	6,790
Other gains		
Gain on fair value changes of financial assets	**2,553**	4,991
Foreign exchange gains, net	**66,877**	2,243
	69,430	7,234
	78,593	14,024

* The government grants related to income have been received to compensate for the Group's research and development expenditures and business operations.

6. OTHER EXPENSES

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss on disposal of items of property, plant and equipment	**–**	6
Others	**–**	1
	–	7

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**1,785**	514
Less: Interest capitalized	**1,785**	514
Interest on redemption liabilities on owners' capital	**–**	55,031
Interest on lease liabilities	**794**	644
	794	55,675

8. LOSS BEFORE INCOME TAX

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

	Notes	Six months ended 30 June 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Depreciation of property, plant and equipment*		**12,765**	6,197
Depreciation of right-of-use assets*		**5,387**	3,874
Amortisation of other non-current assets*		**161**	–
Amortisation of other current assets*		**1,632**	–
Interest on lease liabilities	*7*	**794**	644
Expense relating to short-term leases*		**2,113**	388
Research and development costs		**354,469**	204,832
(Gain)/Loss on disposal of items of property, plant and equipment		**(1)**	6
Gain on fair value changes of financial assets	*5*	**(2,553)**	(4,991)
Government grants related to income	*5*	**(1,968)**	(3,318)
Foreign exchange differences, net	*5*	**(66,877)**	2,243
Bank interest income	*5*	**(7,128)**	(3,472)
Auditor's remuneration*		**500**	713
Listing expense*		**9,932**	7,672
Employee benefit expense* (excluding directors', supervisors' and chief executive's remuneration):			
Wages and salaries		**55,363**	32,971
Share-based payments expense		**8,860**	32,800
Pension scheme contributions, social welfare and other welfare		**4,840**	2,730
Interest charge for redemption liabilities	*7*	**–**	55,031

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of other non-current assets, amortization of other current assets, expense relating to short-term leases during the period, auditor's remuneration, listing expense and employee benefit expense for the reporting period and the six months ended 30 June 2022 and 30 June 2021 are set out in "Selling and distribution expenses", "Administrative expenses" and "Research and development costs" in the interim condensed consolidated statements of profit or loss and other comprehensive income.

9. INCOME TAX

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT law"), the basic tax rate of the Group is at a rate of 25% on their respective taxable income.

The Group's PRC entities are in a loss position and have no estimated assessable profits.

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the Company is subject to CIT at a rate of 25% on the taxable income. Beijing ABZYMO was accredited as a "High and New Technology Enterprise"("HNTE") and was entitled to a preferential income tax rate of 15% for a period of three years from October 2019 to October 2022.As at 30 June 2022, the company is in the process of renewal of its HNTE and the income tax is temporarily calculated at the tax rate of 15%. The income tax will be prepared at 25% if no such certificate has been obtained before the year end of the 2022.

	Six months ended 30 June 2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Current income tax		
Charge for the period	**–**	–
Deferred income tax	**–**	–
Total tax (credit)/charge for the period	**–**	–

A reconciliation of the tax expense applicable to loss before tax using the statutory rate for the jurisdictions in which the Company and its subsidiaries is domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss before tax	**(357,117)**	(330,302)
Tax at the statutory tax rate (25%)	**(89,279)**	(82,575)
Lower tax rates for specific provinces or enacted by local authority	**6,167**	3,965
Expenses not deductible for tax	**6,488**	41,649
Additional deductible allowance for qualified research and development costs	**(59,967)**	(24,847)
Tax losses and deductible temporary differences not recognized	**136,591**	61,808
Tax charge at the Group's effective rate	**–**	–

Deferred tax assets have not been recognized in respect of these losses and temporary differences as they have arisen in the Group that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilized.

10. DIVIDEND

No dividends have been paid or declared by the Company during the six months ended 30 June 2022 and 2021.

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts for the period ended 30 June 2022 and 2021, is based on the loss for the periods attributable to ordinary owners/ordinary equity holders of the parent and the weighted average number of ordinary shares assumed to be in issue after taking into account the retrospective adjustments on the assumption that the Company's Capitalization Issue and the share capital transfer from capital premium had been in effect on 1 January 2021.

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation *(RMB'000)*	**(349,686)**	(330,302)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**465,318,599**	394,192,733
Loss per share (basic and diluted) *(RMB per share)*	**(0.75)**	(0.84)

12. TRADE PAYABLES

An ageing analysis of the trade payable as at 30 June 2022 and 31 December 2021, based on the invoice date, is as follows:

	30 June	31 December
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**28,305**	16,739
Over 1 year	**163**	77
	28,468	16,816

BUSINESS REVIEW

Overview

Founded in 2012, we are a vaccine company dedicated to the research, development and commercialization of innovative vaccines, with a high-value innovative vaccine portfolio driven by in-house developed technologies. We primarily focus on the R&D of HPV vaccine candidates. Our vaccine portfolio currently consists of 12 vaccines, including our Core Product, REC603, a recombinant HPV 9-valent vaccine under phase III clinical trial.

Through years of dedication and focus on this area, we have developed a comprehensive vaccine innovation engine consisting of a novel adjuvant platform, protein engineering platform and immunological evaluation platform. These platforms empower us to continue to discover and develop innovative vaccines that apply advancing technologies in our vaccine candidates. We are one of the few companies that are capable of developing novel adjuvants, benchmarking all of the FDA-approved novel adjuvants to date. Our technology platforms form a "solid trifecta", creating synergies among the design and optimization of antigens, the development and production of adjuvants and the identification of the optimal combinations of antigens and adjuvants. We have also established an IPD System, enabling us to advance the R&D of multiple vaccine candidates simultaneously. Guided by our "OPTI" vaccine development philosophy, we have established a vaccine portfolio consisting of 12 candidates, strategically extending to five of the ten diseases with the greatest burden under the 2019 Global Burden of Diseases assessed by DALYs issued by the WHO and covering disease areas of three of the top five globally bestselling vaccine products in 2020.

We have started to build our manufacturing capabilities at an early stage, aiming at ensuring our vaccine candidates to be smoothly transferred into successful commercial vaccine products. We are constructing our HPV vaccine manufacturing facility in Taizhou, Jiangsu province, the first phase of which has a designed capacity of 5 million doses of HPV 9-valent vaccines or 30 million doses of HPV bivalent vaccines per year. Under the same manufacturing facility, the production capacity may be expanded to more than 10 million doses of HPV 9-valent vaccines per year. In addition, we have completed the construction of our GMP-standard manufacturing facility for ReCOV, a recombinant COVID-19 vaccine, in November 2021, and successfully acquired the production license issued by Jiangsu Medical Products Administration. In April 2022, this manufacturing facility received the European Union (EU) Qualified Person Declaration issued by a Qualified Person (QP), which indicated that the Company's manufacturing facility in Taizhou and its quality management system met the EU GMP standard. This manufacturing facility has a total GFA of approximately 17,000 sq.m. and has the potential to support an annual manufacturing capacity of 300 million doses of ReCOV, which can also be used for the manufacturing of recombinant shingles vaccines.

Our Vaccine Pipeline

Our vaccine portfolio strategically covered six disease areas with significant burden globally, including HPV, COVID-19, shingles, adult TB, flu and HFMD. As of the Latest Practicable Date, our vaccine portfolio consisted of 12 vaccine candidates. In particular, our Core Product, REC603, a recombinant HPV 9-valent vaccine candidate, was in the process of phase III clinical trial in China. We are also conducting clinical trials for two recombinant HPV bivalent vaccines in China and ReCOV, a recombinant COVID-19 vaccine candidate overseas.

The following table summarizes our vaccine pipeline as of the Latest Practicable Date.

Diseases	Candidates	Type of Vaccine	Adjuvant Systems	Product Rights[5]	Commercial Rights	R&D Status	Future Milestone
						Pre-clinical / IND Filing / Phase I / Phase II / Phase III	
Cervical Cancers & Genital Warts	REC603	Recombinant HPV 9-valent vaccine	★ Alum	Self-developed	Global	Phase II (4) → Phase III	Expected to submit BLA application in 2025
	REC601	Recombinant HPV bivalent (Types 16/18) vaccine	Alum	Self-developed	Global	Phase I → Phase II	Expected to submit BLA application in 2025
	REC602	Recombinant HPV bivalent (Types 6/11) vaccine	Alum	Self-developed	Global	Phase I	Expected to submit BLA application in 2025
	REC604a	2nd-generation recombinant HPV quadrivalent vaccine	Undisclosed novel adjuvant [3]	Self-developed	Global	Pre-clinical	Expected to submit IND filing in 2022
	REC604b	2nd-generation recombinant HPV 9-valent vaccine	Undisclosed novel adjuvant [3]	Self-developed	Global	Pre-clinical	Expected to submit IND filing in 2023
COVID-19	ReCOV	Recombinant COVID-19 vaccine	BFA03	Co-developed[1]	Global	Phase II (6) → Phase III	Expected to submit EUA/BLA application in 2022
	R520A	mRNA COVID-19 Vaccine	-	Co-developed [7]	Global	Pre-clinical → IND Filing	
Shingles	REC610	Recombinant shingles vaccine	Undisclosed novel adjuvant [3]	Self-developed	Global	Pre-clinical	Expected to submit IND filing in 2022, BLA application in 2024
Adult TB	REC607	Virus vectored adult TB vaccine	★ -	License-in[2]	Global	Pre-clinical	Expected to submit IND filing in 2023, BLA application in 2026
	REC606	Recombinant adult TB vaccine	BFA01	Self-developed	Global	Pre-clinical	Expected to submit IND filing in 2023, BLA application in 2026
Flu	REC617	Recombinant influenza quadrivalent vaccine	Undisclosed novel adjuvant [3]	Self-developed	Global	Pre-clinical	Expected to submit IND filing in 2023, BLA application in 2025
HFMD	REC605	Recombinant HFMD quadrivalent vaccine	Alum	Self-developed	Global	Pre-clinical	Expected to submit IND filing in 2023, BLA application in 2026

★ Core Product ★ Major National Science and Technology Project

(1) ReCOV was co-developed with Jiangsu Province Center for Disease Control and Prevention and the Management Committee of Taizhou Medical New & Hi-tech Industrial Development Zone.

(2) REC607 was licensed in from Shanghai Public Health Clinical Center, ID Pharma Co., Ltd. and Shanghai Saimo Biotechnology Ltd.

(3) "Undisclosed novel adjuvant" refers to a novel self-developed novel adjuvant to be adopted in the vaccine candidate.

(4) Our Core Product, REC603, obtained the umbrella IND approval from the NMPA in July 2018. The umbrella IND approval covers all three phases (phase I, II and III) clinical trials of REC603. Based on communications with the CDE of the NMPA, the NMPA has no objection for us to proceed with phase III clinical trial in China directly. Accordingly, we did not conduct any phase II clinical trial for REC603.

(5) All of our self-developed product candidates, including those developed prior to the acquisition of Beijing ABZYMO in January 2019 are co-developed and co-owned by Beijing ABZYMO and us.

(6) Based on the clinical data of Phase I clinical trial in New Zealand, ReCOV has successively carried out multicenter phase II/III trials for basic immunization and sequential booster immunization in the Philippines and the United Arab Emirates. In May 2022, ReCOV was also approved by the National Medical Products Administration of the PRC for clinical trials.We plan to submit the EUA/BLA application for ReCOV in 2022.

(7) R520A is an mRNA COVID-19 vaccine candidate developed by Wuhan Recogen, a joint venture established by us and our business partners for the R&D and commercialization of mRNA vaccines. As of the Latest Practicable Date, we owned 55% of the equity interest in Wuhan Recogen.

HPV Vaccine Pipeline

HPV is the most common viral pathogen of the reproductive tract. Although HPV infections may clear up within a few months without any intervention, certain types of HPVs can persist and develop into cervical cancer. These high-risk HPV infections are mainly caused by HPV types 16, 18, 31, 33, 45, 52 and 58, which account for approximately 90% of cervical cancer cases globally. It is widely accepted that HPV vaccine can play an important role in eliminating cervical cancer as it can prevent HPV infection on certain high risk types. In addition, some cancers of the anus, vulva, vagina, and oropharynx and most genital warts can be prevented by HPV vaccines.

REC603 – Phase III Stage HPV 9-Valent Vaccine – Our Core Product

REC603, our Core Product, is designed to provide protection against HPV types 6, 11, 16, 18, 31, 33, 45, 52 and 58. It is expected that REC603 will be one of the first of domestic vaccines of its kind to be approved and commercialized in China.

Summary of Clinical Trial: We jointly applied, and obtained the umbrella IND approval for REC603 in July 2018. The umbrella IND approval covers all three phases (phase I, II and III) of clinical trials. In March 2019, we commenced the phase I clinical trial of REC603 in China. We completed phase I clinical trial of REC603 in China in July 2020. Based on communications with the CDE of the NMPA, the NMPA has no objection for us to proceed with phase III clinical trial in China directly. Accordingly, we did not conduct any phase II clinical trial for REC603.

We are in the process of conducting phase III clinical trial in China. The phase III clinical trial in China consists of three parts, i.e. the primary efficacy trial, the immuno-bridging trial in younger-age groups, and the immunogenicity comparative trial with Gardasil® 9, with a multi-center, randomized, blinded and parallel controlled design and with a total size of 16,050 subjects. The Company has completed the subject enrollment and first dose vaccination of the two studies of REC603 immuno-bridging trial in younger-age groups and the immunogenicity comparative trial with Gardasil® 9 in August 2022. At the same time, follow-up on the subjects of REC603's primary efficacy trial is being conducted in accordance with the clinical protocol. We plan to submit BLA application to the NMPA for REC603 in 2025. Since obtaining the IND approval in China, no material unexpected or adverse changes in relation to REC603 have occurred.

Advantages of REC603: We believe our REC603 has various advantages, including:

Positive immunogenicity profile. REC603 demonstrates a positive immunogenicity profile in its phase I clinical trial. In general, we observed a significant increase in terms of NAb GMT level against all of the target HPV types.

High-yield and stable production of HPV VLPs. REC603 adopts H. polymorpha expression system. In general, the VLPs expressed from different expression systems are all highly similar to natural HPV capsid in structure and epitope in order to trigger immune response after vaccination, including those being produced by H. polymorpha expression system. H. polymorpha, a methylotrophic yeast species, is able to grow to very high cell density rapidly on simple media and has relatively high optimum growth temperature. Owing to its strong and tunable promoters derived from the methanol utilization pathway, high secretion capacity, and lower hyperglycosylation activity compared to S. cerevisiae, H. polymorpha is suitable for production of recombinant proteins for medical use. With high copies of expression cassettes integrated stably in the genome of H. polymorpha, high-yield and stable expression of HPV VLPs is achieved, making our vaccine candidate more suitable for commercial production.

Favorable safety profile. REC603 was safe and well-tolerated as shown in the phase I clinical trial for REC603. There were no statistical differences in terms of incidences of AEs between the vaccine group and the placebo group. Although there is currently no available paper reporting a head-to-head clinical trial comparing domestic HPV vaccines and foreign HPV vaccines, in the clinical trial conducted by Merck Sharp & Dohme for Gardasil 9 in 2009, the rate of adverse event was 86.6% among subjects enrolled in the vaccine cohort, as compared to 53.75% as observed in the phase I clinical trial of REC603. [1]The main adverse reactions were expected fever and inject site pain, mostly were transient and mild.

Scalable manufacturing potential. Our patented technology in HPV VLPs in combination with optimized fermentation strategy and purification process enable us to achieve high and stable yield in bulk production. With well-defined critical process parameters, manufacturing of REC603 can be easily scaled-up to meet the market demand domestically and globally.

Opportunities and potentials*:* We believe there are significant opportunities for our HPV vaccine candidates, considering the following factors:

Superiority of HPV 9-valent vaccines. In general, HPV 9-valent vaccines can provide protection against 90% of cervical cancer and 90% of the anal and genital warts and therefore are the most recommended vaccines for HPV protection. However, to the best knowledge and information of the Company with reference to independent market research, currently there is only one HPV 9-valent vaccine approved in China, and it is expected HPV 9-valent vaccines will account for a larger market share in China after more HPV 9-valent vaccines are approved in China.

1 The above information was derived from multiple clinical trials conducted for different vaccines without the support of controlled, head-to-head studies, and a number of factors (including the different subject enrollment standards adopted in different trials, different population characteristics of subjects, physicians' inoculation skills and experiences, and lifestyle of the subjects) could affect the relevant clinical results and could render cross-trial comparison results less meaningful.

Significantly underserved HPV 9-valent market in China. To the best knowledge and information of the Company with reference to independent market research, even taking into account of the expected growth in vaccination rate of HPV vaccines, there will be 233.9 million females aged 9 to 45 unvaccinated for HPV in 2025, representing a potentially total of 701.7 million doses needed. In addition, the types of HPV serotypes that can infect women can also infect men. Studies have also shown that, males also have similar rates of HPV infection as females. As such, we believe China's HPV vaccine market is, and will continue to be significantly underserved.

Domestic Substitute. To the best knowledge and information of the Company with reference to independent market research, the first domestic bivalent HPV vaccine accounted for 66.7% within the bivalent section of China's HPV market in terms of production value in the first year of its launch by virtue of its cost effectiveness, even if it was only approved in 2019 whereas the first imported bivalent HPV vaccine was approved in China in 2016. We believe that considering domestic vaccine products tend to adopt more favorable prices as compared to their global peers, HPV 9-valent vaccines will follow a similar trend in China after being approved. In recent years, the Chinese government has also promulgated policies in favor of domestic HPV vaccine developers. For example, in 2019, the National Health Commission of the People's Republic of China released the "Healthy China Action – Cancer Prevention and Control Implementation Plan (2019-2022)", stating to accelerate the review and approval process of domestic HPV vaccines and improve the accessibility of HPV vaccines. As one of the few domestic vaccine companies to have phase III stage HPV 9-valent vaccine candidate, we believe we will benefit from such favorable government policies in the future.

Broader age application. To the best knowledge and information of the Company, HPV 9-valent vaccine available in the market in China was only approved for females aged between 16 to 26 years. Our Core Product, REC603, has also initiated phase III clinical trial for females aged 9 to 45 years in 2021, indicating a potential broader coverage in terms of age as compared to the current approved vaccines.

Next-generation HPV vaccines under development. We are also developing next generation quadrivalent and 9-valent HPV vaccine candidates with novel adjuvants, which are designed to adopt a two-shot regimen without compromising the efficacy/safety profile of vaccine candidates, and are potentially superior as compared to the commercialized products as they are all adopting three-shot regimen.

Having considered the Company's accumulation of phase III clinical trial sample size domestically in China and its decision to conduct the trial at clinical sites with higher HPV infection rate, it is expected that REC603 will be one of the first domestic vaccines of its kind to be approved and commercialized in China.

Cautionary Statement required under Rule 18A.08 (3) of the Listing Rules: 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.

REC601 – Phase I Stage HPV Bivalent (Type 16/18) Vaccine

The bivalent vaccine candidates are designed as HPV protection solutions for people with different affordability and have the potential to be included in the national vaccination regime in China and other jurisdictions. Due to the cost advantage of the bivalent HPV vaccine, it may become the mainstream vaccine for developing countries.

We are developing a bivalent HPV vaccine candidate, namely REC601, targeting HPV types 16 and 18, which are the main cause for a majority of cervical cancer cases. Currently, we have completed data evaluation and analysis on the phase I trial in China. The phase I trial data showed that REC601 has a favorable safety profile and an immunogenicity profile in healthy females aged 9 to 45. There was no vaccination-related grade 4 or higher AEs or SAEs. 30 days after the whole immunization, the positive rates of HPV types 16 and 18 antibodies reached 100.00%, and the negative population before immunization also reached positive conversion after the whole immunization (positive conversion rate was 100.00%). The HPV types 16 and 18 antibody levels also increased significantly: GMT of HPV type 16 antibody increased by 632.99 times and GMT of HPV type 18 antibody increased by 1194.02 times compared with that before immunization. REC601 adopts a similar MoA with the recombinant HPV 9-valent vaccine. We currently expect to submit the BLA application to the NMPA in 2025.

REC602 – Phase I Stage HPV Bivalent (Type 6/11) Vaccine

We are also developing REC602, a bivalent HPV vaccine candidate targeting HPV 6/11, which is currently performing data evaluation and analysis on the phase I trial in China. We currently expect to complete the phase I trial in 2022 and to submit the BLA application to the NMPA in 2025. REC602 adopts a similar MoA with the recombinant HPV 9-valent vaccine.

REC604a and REC604b – Early-Stage HPV Vaccines Formulated with Novel Adjuvant

Supported by our strong technology platforms, we are exploring opportunities to develop HPV vaccines formulated with novel adjuvant, namely REC604a and REC604b. Unlike the traditional alum adjuvant we are currently using, we are conducting early-stage development of next-generation HPV 9-valent and quadrivalent vaccines formulated with a novel self-developed adjuvant, benchmarking AS04. Based on existing studies, compared to Merck's Gardasil, GSK's AS04-adjuvanted Cervarix has demonstrated strong cross-protection effectiveness with higher titers of neutralizing antibodies in clinical trials, suggesting that novel adjuvants can enhance the immunogenicity of HPV vaccines. As the introduction of novel adjuvant enhances immunogenicity profile of REC604a and REC604b, they are designed to adopt a two-shot regimen. In an animal study conducted in mice, REC604a with a two-shot dosing has demonstrated its non-inferiority in terms of GMT level and immune persistence of serum neutralizing antibody as compared to Gardasil with a three-shot dosing.

We are currently developing REC604a and REC604b. We plan to submit the IND application to the NMPA for REC604a in 2022 and REC604b in 2023, respectively.

COVID-19 Vaccines

Since late 2019, the COVID-19 pandemic had caused a devastating social and economic impact in China and worldwide. COVID-19 has claimed more than 6 million lives reported by WHO Dashboard and is still circulating globally. Safe and effective vaccines are critical to controlling the COVID-19 pandemic. We are currently developing two COVID-19 vaccines.

ReCOV – Phase II/III Stage COVID-19 Vaccine Candidate

Summary of Clinical Trial: For our recombinant COVID-19 vaccine, ReCOV, we have completed phase I clinical trial in New Zealand, and have successively carried out multicenter phase II/III clinical trials for basic immunization and sequential booster immunization in the Philippines and the United Arab Emirates. In May 2022, ReCOV had received the approval from the NMPA for clinical trials, and the enrollment of subjects for Phase II trials of ReCOV in the Philippines was completed, and two-shot dosing for all these subjects had been completed. ReCOV has demonstrated a favorable safety profile according to the relevant safety data. At present, we are conducting data evaluation and analysis of Phase II trials in the Philippines. In August 2022, the Company was approved by the Food and Drug Administration (FDA) of the Philippines for clinical trials, and will conduct a randomized, double-blind and active-controlled Phase II clinical trial of ReCOV on healthy subjects aged 18 years or above who have received vaccination with two doses of an inactivated COVID-19 vaccine for basic immunization to compare the differences in immunogenicity and safety between ReCOV and Pfizer's mRNA vaccine COMIRNATY®. The Company has completed all subjects enrollment and dosing.

Advantages of ReCOV: We believe our ReCOV has the following advantages:

Novel mechanism of action. ReCOV uses an optimized antigen, which is an NTD-RBD-foldon trimer, highly expressed by CHO cells, and can form a structure highly similar to that of the natural S protein. Compared with full-length S protein antigens, the NTD-RBD-foldon trimer antigen is enriched with key epitopes, translating to potentially stronger immunogenicity, and higher protein yield. Compared with RBD subunit vaccines, the NTD-RBD-foldon trimer antigen contains more conserved epitopes and has better cross-protection against emerging variants.

Protection against emerging variants. Based on the relevant studies conducted by our Group, ReCOV has shown favourable neutralizing effect and immune persistence against variants including Omicron variant and Delta variant.

Positive safety profile and efficacy. In our phase I clinical trial in New Zealand, ReCOV has demonstrated positive safety and immunogenicity profile and no incidences of vaccine-related SAEs were experienced. Based on the partial unblinded data of Cohort I of the phase I trial of ReCOV, the GMT of SARS-CoV-2 neutralizing antibodies amounts to 1,643.2 IU/mL after two doses of ReCOV. The above information was derived from multiple clinical trials conducted for different vaccines, without the support of controlled, head-to-head clinical studies. Clinical data from Cohort 1 shows that 20 μg ReCOV may potentially induce similar or higher level of neutralizing antibodies than other marketed mRNA COVID-19 vaccines and vaccine candidates, predicting a potential positive efficacy of ReCOV in preventing SARS-CoV-2 induced diseases.

Highly stable. Our ReCOV is stable for at least six months at room temperature and is expected to be stable for at least 24 months in the standard cold chain, based on our ongoing stability studies. The strong stability profile makes our ReCOV suitable for large population inoculation in developing countries and regions in hot climates with limited cold-chain logistics and infrastructure.

R520A –Phase I mRNA COVID-19 Vaccine

In August 2021, together with our business partners including Shenzhen Rhegen, we established a joint venture, namely Wuhan Recogen for the R&D and commercialization of mRNA vaccines. As the first step of this collaboration, we are developing R520A, a clinical research stage mRNA COVID-19 vaccine candidate, which specifically targets Omicron variant. R520A adopts a self-developed lyophilization technology. Through this approach, we can effectively sustain the physiochemical properties and bioactivity of mRNA-LNP and achieve long-term storage at 2°C – 8°C. We have been approved by the State Food and Drug Administration of the Philippines for clinical trials.

Shingles Vaccine

REC610 – IND-Enabling Recombinant Shingles Vaccine Candidate

We are evaluating opportunities to use in-house developed novel adjuvants in REC610, a recombinant shingles vaccine. It adopts a similar recombinant protein technology as Shingrix®, and has shown to have non-inferior immunogenicity compared to Shingrix® in animal studies. We have addressed previous technological pain points to develop a complex adjuvant system to augment immunogenicity. Moreover, we plan to apply our manufacturing know-how for the COVID-19 vaccine to REC610, which will enable synergistic manufacturing at the commercial stage. We are currently conducting preclinical research and development with respect to REC610 and we plan to submit the IND application to the relevant competent authorities in 2022.

TB Vaccine Pipeline

REC607 – Early-stage Virus Vectored Adult TB Vaccine Candidate

We have entered into a technology transfer agreement with Shanghai Public Health Clinical Center, among others, pursuant to which we obtained the know-how and patents with the exclusive global development rights of REC607, a virus vectored adult TB vaccine candidate. This program was recognized as a Major National Science and Technology Project (國家科技重大專項課題) in 2018. We are currently conducting preclinical R&D for our adult vector vaccine and we plan to submit the IND application in 2023 and the BLA application to the NMPA in 2026.

REC606 – Early-stage Recombinant Adult TB Vaccine Candidate

We are also conducting early-stage study with respect to a recombinant adult TB vaccine, namely REC606. Our self-developed REC606 utilized both of the protein engineering platform and new adjuvant technology platform, which has the potential to result in better safety profile and immune response. We have implemented systematic immunogen design and expression, as well as purification and we are conducting the animal challenge studies. We expect to conclude the preferred vaccine antigen upon the test result. We plan to submit the IND application in 2023 and BLA application to the NMPA in 2026.

Other Disease Areas

REC617 – Early-stage Recombinant Influenza Quadrivalent Vaccine Candidate

We are developing REC617, an early-stage recombinant influenza quadrivalent vaccine and are developing novel adjuvants to enhance tolerability, immunogenicity, length of protection and cross-protection capability. We plan to submit the IND application for REC617 to the NMPA in the first half of 2023 and we currently expect we will submit the BLA application to the NMPA in 2025.

REC605 – Early-Stage HFMD Quadrivalent Vaccine Candidate

We are leveraging our protein engineering technology to develop a multi-valent hand-foot-and-mouth vaccine, REC605, with increased serotype coverage of EV71, CA16, CA10 and CA6 and enhanced protection. We plan to submit the IND application to the NMPA for REC605 in 2023 and the BLA application in 2026.

Our Technology Platforms

We have developed three advanced technology platforms for novel adjuvant development, protein engineering and immunological evaluation. These platforms empower us to continue to discover and develop subunit vaccines that apply advancing technologies in our vaccine candidates.

Novel adjuvant platform

Adjuvants are substances that are used in conjunction with antigens to assist in antigen presentation and enhance immune responses. Conventionally, only the alum adjuvant was widely used in vaccines for human use. Since the early 21st century, novel adjuvants have been widely applied in the vaccine industry gradually, and created vaccine products that can stimulate higher and broader immune response. At present, there are five novel adjuvants had been applied in FDA-approved vaccines for human use, namely AS01, AS03, AS04, CpG1018, and MF59, the components of which have been in the public domain for over 20 years. Through this platform, we are one of the few companies that have been able to develop adjuvant, benchmarking all of the above-mentioned FDA-approved adjuvants. This capability has enabled us to not rely on any particular adjuvant supplier. In addition, our platform also empowers us to discover and apply new adjuvants in the next generation vaccine candidates.

Protein engineering platform

Our protein engineering platform utilizes a structure-based immunogen design approach to provide antigen optimization solutions for the development of subunit vaccines based on multidisciplinary studies. This platform enables us to rapidly target and prepare pathogen-derived antigens, to define the structural basis of antigenicity, to understand mechanisms of immune protection and to guide rational immunogen design, which are critical steps in our vaccine development. In addition, our protein engineering platform can elicit immune response in different expression systems, including E.coli, H. polymorpha, baculovirus and CHO cell expression systems, among others. With this diversified expression system toolbox, we are able to select and apply the most suitable expression systems in vaccine development. Through this platform, we are capable of rapidly advancing the development of our COVID-19 and HPV vaccine candidates.

Immunological evaluation platform

To elucidate the mechanism of immune protection for emerging and re-emerging infectious diseases, immunological evaluation is a critical step in subunit vaccine discovery and development. With this platform, we are able to select the optimal antigen and adjuvant combination and in turn improve the immunogenicity profile of our candidates. The immunological evaluation process involves multiple disciplines, including immunology, biology, molecular biology and clinical chemistry. Our core scientific team began to build our immunological evaluation platform as early as 2004 and we became one of the first in China to have such a platform. With this platform, we are one of the first companies that can conduct pseudoviral neutralization, ELISPOT, and ICS tests in China, which have been used in the development of our vaccine candidates.

Research and Development

R&D is crucial to our sustainable success. We are led by a core scientific team with over 20 years of experience in the research, development and commercialization of vaccine products, including working experience at the Centre for Disease Control and Prevention in China. As of the Latest Practicable Date, our in-house R&D team consisted of over 100 talented personnel, most of them held masters or doctorate degrees in immunology, pathogen biology, clinical medicine or other related areas. Benefiting from our IPD System, our R&D team comprises four different product development teams, namely the vaccine innovation core, process research core, comprehensive R&D core and R&D quality core. Our R&D team is primarily located in our Beijing R&D center and our Taizhou R&D base, and is responsible for the full-cycle vaccine development.

Our IPD System lays a solid foundation for our R&D activities. The IPD System governs the entire life cycle of vaccine candidates. We conduct market demand analysis for our vaccine candidates at the early stage of vaccine development. Such analysis will serve as the basis of our vaccine development program to ensure our vaccine products can meet the market demand. In addition, under the IPD System, our R&D resources are allocated for the goals of each R&D project. As vaccine development involves a complex and multi-disciplinary process, for each vaccine project we will assign a designated project manager and establish a product development team, consisting of employees from technology platforms and related departments including clinical and regulatory affairs, manufacturing, quality control and quality assurance. In addition, our management team is responsible for crucial decision-making and technical review at key points during the R&D process to ensure the R&D development can satisfy our R&D protocol and the applicable legal and quality requirements. Empowered by the IPD System, we have been able to advance multiple vaccine development programs simultaneously.

We have developed three advanced technology platforms for novel adjuvant development, protein engineering and immunological evaluation. These platforms empower us to continue to discover and develop subunit vaccines that apply advanced technologies in our vaccine candidates. Our technology platforms have formed a solid trifecta, creating synergies in antigen design optimization, the development and production of adjuvants, and the formulating of the combination of the optimal antigen-adjuvant combination. Supported by these platforms, we have developed several vaccine candidates. We are constantly upgrading our technology platforms to further enrich our R&D toolbox and we believe that our technology platforms will continue to drive our vaccine candidate development going forward.

For the six months ended June 30, 2022, our total research and development costs amounted to RMB354 million and we had not capitalized any research and development costs for the same period.

Manufacturing and Commercialization

Our R&D activities have primarily been conducted at our Beijing R&D center and Taizhou headquarters. Our Beijing R&D center is equipped with a pilot plant mainly for the pre-IND process development and has laboratories for vaccine discovery with a GFA of approximately 4,000 square meters. Our Taizhou headquarters R&D facility has a GFA of approximately 3,800 square meters and four pilot plants, mainly for the manufacturing of our clinical trial samples and process development. Our R&D facilities can also support the manufacturing and development of novel adjuvants. Most of our vaccine candidates used in our clinical trials have been manufactured by our in-house manufacturing team, including our HPV vaccine pipeline.

In anticipation of the huge market demand of our clinical-stage vaccine candidates, we have started to prepare for the commercial manufacturing of our vaccine candidates. We are constructing our HPV vaccine manufacturing facility in Taizhou, Jiangsu province, the first phase of which has a designed capacity of 5 million doses of HPV 9-valent vaccines or 30 million doses of HPV bivalent vaccines per year. Under the same manufacturing facility, the production capacity may be expanded to more than 10 million doses of HPV 9-valent vaccines per year. In addition, we completed the construction of our GMP-standard manufacturing facility for ReCOV in Taizhou, Jiangsu province in November 2021 and obtained a vaccine manufacturing license issued by Jiangsu Medical Products Administration. The manufacturing facility has a total GFA of approximately 17,000 sq.m. and has the potential to support an annual manufacturing capacity of 300 million doses of ReCOV, and can also be used for the manufacturing of recombinant shingles vaccines. On April 9, 2022, the Company received the European Union (EU) Qualified Person Declaration issued by a Qualified Person ("QP") for our ReCOV manufacturing facility in Taizhou.

In January 2022, the Company appointed Ms. Wang Jing, a senior expert in the industry, as the Chief Quality Officer, who was fully responsible for the quality-related work of the Group. Ms. Wang Jing has more than 20 years of experience in vaccine research and development, commercial production and quality management, and nearly 10 years of experience as a manager and quality authorized person of quality management department of vaccine production enterprises. The entry of Ms. Wang Jing will further strengthen the competitiveness of the Company's products and establish a quality system covering the entire life cycle of innovative vaccines. In May 2022, Ms. Feng Yanfei, a senior expert in the industry, joined the Company and served as the Chief Commercial Officer, and was fully responsible for the Company's global business development. Ms. Feng Yanfei has more than 20 years of working experience in the biopharmaceutical industry in China and the United States, covering product research and development, business development and international market management experience related to biotechnology and innovative drugs. The Company will further strengthen the close cooperation with international strategic partners, accelerate the export of innovative vaccines such as HPV vaccines, so as to fill the huge and unmet global medical needs.

We have engaged third-party CMOs and manufacturers to produce vaccine samples for our clinical trials, aiming for an efficient and more cost-effective process. We have also adopted stringent procedures to ensure the facilities and production qualifications of our CMOs are in compliance with the relevant regulatory requirements and all of our CMOs are GMP certified. We selected a limited number of industry-leading third-party CMOs based on their qualification, relevant expertise, manufacturing capacity, track record and the contract terms.

As of the Latest Practicable Date, we did not have any commercialized products. We have formulated clear commercialization strategy for our clinical-stage vaccine candidates, namely HPV vaccines, COVID-19 vaccines and recombinant shingles vaccines. In building sales channels and terminals for the commercialization of our vaccine candidates in domestic and international markets, we are currently building our sales team and international business development team. Marketing team will be responsible for China sales and academic promotion activities of the Company's products in the future and international business development team plans to enter into collaborations with foreign governments, MNCs, CSOs and international organizations to commercialize the Company's products overseas.

Intellectual Property

As a company focusing on the research, development and commercialization of recombinant vaccine products, we believe intellectual property is crucial to our business. We actively seek patent protection for our vaccine candidates in China and major jurisdictions and file additional patent applications, when appropriate, to cover certain antigens, strains, proteins, formulations and production processes. We have developed a significant portfolio of intellectual property rights to protect our technologies and products. As of the Latest Practicable Date, we had registered 10 invention patents and had filed 45 patent applications (43 Chinese patent applications, and 2 PCT patent applications which can be entered into China upon request before June 23, 2023). For the six months ended June 30, 2022, we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights that might be threatened or pending as claimant or respondent.

Employees and Remuneration

As of June 30, 2022, the Group had 478 employees, all of whom were based in China. The total staff costs incurred by the Group (which are recorded as part of our administrative expenses and research and development costs) for the six months ended June 30, 2022 was RMB101 million, as compared to RMB147 million for the six months ended June 30, 2021. The remuneration package of our employees includes wages and other incentives, which are generally determined by their qualifications, industry experience, position and performance. We make contributions to social insurance and housing provident funds in compliance with applicable PRC laws and regulations in all material respects. We also enter into standard confidentiality, intellectual property assignment and non-competition agreements with our key management and research and development staff, which typically include a standard non-compete agreement that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for two years after the termination of his or her employment. Employees also sign acknowledgments regarding service inventions and discoveries made during the course of his or her employment.

Impact of the COVID-19 Pandemic

As of the Latest Practicable Date, we had not experienced material disruptions in our operations and business development as a result of the COVID-19 pandemic. We had not experienced any early termination of our clinical trials or necessitated removal of subjects enrolled in the clinical trials due to the COVID-19 outbreak for the six months ended June 30, 2022. We currently do not expect our supply chain will be materially and negatively impacted by COVID-19. Our major domestic suppliers had all resumed normal operations, and none of our overseas suppliers had reported any material disruption to their business operations as a result of COVID-19. We have employed various measures to mitigate the impact of COVID-19 on our business operations and clinical trials. We are also developing ReCOV, a recombinant COVID-19 vaccine candidate, with a novel adjuvant BFA03 benchmarking AS03. We plan to file the EUA/BLA application in 2022.

Business Outlook

Going forward, leveraging our strengths, we plan to implement the following strategies, which we believe will further strengthen our core competitive strengths and enable us to capture rising business opportunities:

- accelerate the R&D, clinical trial and commercialization of our vaccine candidates;
- continue to strengthen our R&D capabilities;
- refine our organization structure and human resource management to enhance our competitiveness; and
- advance our international strategy through "going-out" and "bringing-in" strategies.

Since June 30, 2022 and up to the Latest Practicable Date, we have further advanced clinical trials for our vaccine candidates, and to the best of our knowledge, there is no change to the overall economic and market condition in China or in the industry in which we operate that may have a material adverse effect to our business operations and financial position.

FINANCIAL REVIEW

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this announcement.

Analysis of our Key Items of our Results of Operations

Other Income and Gains

Our other income and gains increased by 464% from RMB14 million for the six months ended June 30, 2021 to RMB79 million for the six months ended June 30, 2022, primarily attributable to appreciation of the US$ and HK$, resulting in foreign exchange gains of RMB66.9 million.

Selling and Distribution Expenses

We recorded selling distribution expenses for an amount of RMB4 million for the six months ended June 30, 2022, which mainly represented salaries, social insurance, ESOP expenses and travel expenses of related personnel generated by the sales center.

Research and Development Costs

Our research and development costs increased by 73 % from RMB205 million for the six months ended June 30, 2021 to RMB354 million for the six months ended June 30, 2022. Such increase in research and development costs resulted from the following:

- RMB132 million increase of clinical trial expenses from RMB47 million for the six months ended June 30, 2021 to RMB179 million for the six months ended June 30, 2022, primarily attributable to the fact that we increased investment in phase III clinical trials of our Core Product REC603 and clinical trials of ReCOV and the related trial expenses increased accordingly;

- RMB21 million decrease of staff costs from RMB81 million for the six months ended June 30, 2021 to RMB60 million for the six months ended June 30, 2022, primarily attributable to a significant decrease in equity incentives for the six months ended June 30, 2022 compared to the six months ended June 30, 2021; and

- RMB20 million increase of pre-IND expenses from RMB44 million for the six months ended June 30, 2021 to RMB64 million for the six months ended June 30, 2022, primarily attributable to the preliminary research of vaccines in preclinical stage.

Administrative Expenses

Our administrative expenses decreased from RMB84 million for the six months ended June 30, 2021 to RMB77 million for the six months ended June 30, 2022, primarily attributable to lower ESOP expenses as options of the shareholding platform of Ruiwenshibole had been exercised as of June 30, 2022.

Other Expenses

Our other expenses decreased from RMB7,000 for the six months ended June 30, 2021 to RMB0 for the six months ended June 30, 2022, primarily attributable to no loss on disposal of fixed assets and exchange loss as of June 30, 2022.

Finance Costs

Our finance costs decreased by 98% from RMB56 million for the six months ended June 30, 2021 to RMB1 million for the six months ended June 30, 2022, primarily attributable to interest of RMB55 million incurred from financial liabilities related to special rights of Shareholders for Series A and B in 2021, which did not incur in the current period.

Analysis of our Key Items of our Financial Position

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) leasehold improvements; (ii) plant and machinery; (iii) furniture and fixtures; (iv) computer and office equipment; (v) motorvehicles; and (vi) construction in progress. Our property, plant and equipment increased from RMB416 million as of December 31, 2021 to RMB495 million as of June 30, 2022 mainly due to the addition of some machinery and equipment in the current period, which are required for R&D of the enterprise and are expensive; and a significant increase in construction in progress, including the gradual increase in the construction of infrastructure works for Jiangsu Recbio's Phase 6 plant and HPV industrialization base, the construction of Wuhan Recbio's new vision lab in this period, and Wuhan Recogen's new mRNA COVID-19 vaccine industrialization construction project.

Right-of-use Assets

Our right-of-use assets represent (i) leasehold land, representing the land use right of our manufacturing facility for our HPV vaccines with an original use right of 50 years; and (ii) leased properties, representing our leased manufacturing facility for ReCOV and our leased office building and laboratories. Our right-of-use assets increased from RMB55 million as of December 31, 2021 to RMB74 million as of June 30, 2022 primarily due to the new leased office buildings of Wuhan Recbio and Wuhan Recogen, subsidiaries of the Company.

Other Non-current Assets

Our other non-current assets mainly represent our time deposits and prepayment for purchase of property, plant and equipment. Our other non-current assets increased from RMB122 million as of December 31, 2021 to RMB245 million as of June 30, 2022, primarily due to the continuous development of R&D projects and the increasing scale of experiments, which require more experimental equipment, production equipment and engineering contracts related to plants and industrialization bases, resulting in a significant increase in prepayments for engineering and equipment.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets decreased from RMB88 million as of December 31, 2021 to RMB49 million as of June 30, 2022, primarily due to a decrease in the outstanding VAT credit of RMB45 million as a result of the VAT credit refund obtained during the period.

Financial Assets at FVTPL

Our financial assets at FVTPL increased from RMB0 as of December 31, 2021 to RMB190 million as of June 30, 2022, primarily due to the fact that as of December 31, 2021, the wealth management products that we purchased were all matured and as of June 30, 2022, a total of RMB190 million of our principal-protected structured wealth management products with floating returns were outstanding.

Cash and Bank Balances

Our cash and bank balances increased from RMB1,183 million as of December 31, 2021 to RMB1,297 million as of June 30, 2022, primarily due to the proceeds received from issue of shares.

Trade Payables

Our trade payables increased from RMB17 million as of December 31, 2021 to RMB28 million as of June 30, 2022, primarily due to the increase in purchase of raw materials for trials and reagent materials and the increase in the balance payable as R&D projects progressed.

Other Payables and Accruals

Our other payables and accruals increased from RMB115 million as of December 31, 2021 to RMB194 million as of June 30, 2022, primarily due to the fact that the clinical trial fees have increased significantly as there are still many trials undergoing in the COVID-19 vaccine pipeline and HPV 9-valent vaccine pipeline by June 30, 2022, the HPV pipeline has entered the phase III clinical stage, and we have made provision for the clinical trial fees according to the experimental progress.

Lease Liabilities

As of December 31, 2021 and June 30, 2022, we recorded lease liabilities of RMB27 million and RMB45 million, respectively.

Liquidity and Capital Resources

Our primary uses of cash relate to the research and development of our vaccine candidates and the purchase of equipment and machinery. For the six months ended June 30, 2022, we primarily funded our working capital requirement through equity financing and bank borrowings. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As our business develops and expands, we expect to generate more cash from our operating activities through launching new vaccines. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash from operations, bank balances and cash and net proceeds from the Global Offering. As of June 30, 2022, our cash and bank balances amounted to RMB1,297 million. Out of the RMB1,297 million cash and bank balances as of June 30, 2022, RMB65 million (approximately 5%) was denominated in RMB, RMB708 million (approximately 55%) was denominated in U.S. dollars and RMB524 million (approximately 40%) was denominated in Hong Kong dollars.

Net Current Assets

Our net current assets increased from RMB1,155 million as of December 31, 2021 to RMB1,334 million as of June 30, 2022, primarily due to the increase in current assets, which was mainly due to the addition of financial assets at fair value through profit or loss of RMB190 million.

Charge on Asset

As of June 30, 2022, the Group had pledged the real estate located on the west side of Xiangtai Road and the north side of Yaocheng Avenue in Medical High-tech District, Taizhou, Jiangsu Province for a loan with a principal of RMB80 million.

Indebtedness and Financial Ratios

The total interest-bearing bank borrowings of the Group as of June 30, 2022 were RMB88 million. The bank borrowings were non-current borrowings with a maturity date in 2028 and an effective interest rate per annum of 4.65%.

Our current ratio (calculated as current assets divided by current liabilities as of the same date) decreased from 9.3 as of December 31, 2021 to 6.7 as of June 30, 2022, mainly due to the increase in other payables in current liabilities, which mainly resulted from the increase in clinical trial fees withheld by the Group.

Our gearing ratio (calculated as total liabilities divided by total assets as of the same date) was 17% as of June 30, 2022 (as of December 31, 2021: 13%, as the increase in liabilities was greater than the increase in assets, of which the increase in liabilities mainly resulted from the increase in clinical trial fees withheld by the Group in other payables).

Contingent Liabilities

As of June 30, 2022, we did not have any contingent liabilities.

Capital Expenditure and Contractual Commitments

Our capital expenditure primarily includes (i) construction in progress; (ii) plant and machinery; (iii) leasehold improvements; (iv) motor vehicles; (v) computer and office equipment; and (vi) furniture and fixtures. Our capital expenditure decreased from RMB87 million for the six months ended June 30, 2021 to RMB84 million for the six months ended June 30, 2022, primarily in relation to construction in progress and plant and machinery.

Our capital expenditure commitments increased from RMB165 million as of December 31, 2021 to RMB371 million as of June 30, 2022, primarily due to the fact that with the increase in the scale of experiments, the investment in engineering construction and procurement of equipment continued to increase during the period, and new machinery and equipment used for research and development were added at expensive prices; in addition, there is a significant increase in construction in progress, including the gradual increase in the construction of infrastructure works for Jiangsu Recbio's Phase 6 plant and HPV industrialization base, the construction of Wuhan Recbio's new vision lab in this period, and Wuhan Recogen's new mRNA COVID-19 vaccine industrialization construction project.

As disclosed in the Prospectus, we plan to apply approximately HK$41.6 million from the proceeds from the Global Offering (before exercise of Over-allotment Option) for constructing the HPV manufacturing facility in Taizhou. Save as disclosed above, the Group had no other material capital expenditure or investment plan as of the Latest Practicable Date.

Significant Investments and Material Acquisitions and Disposals

Save as disclosed in this announcement, our Company had no other significant investments, material acquisitions and/or disposals of subsidiaries, associates and joint ventures during the six months ended June 30, 2022.

Events after the Reporting Period

References are made to the announcement of the Company dated June 30, 2022 and the circular of the Company dated July 29, 2022 in relation to the Company's proposed participation in the H Share full circulation plan (the "**H Share Full Circulation**") and the proposed conversion of 222,498,569 Domestic Shares of the Company into H Shares of the Company. The H Share Full Circulation has been considered and approved at the extraordinary general meeting and class meeting held on August 15, 2022. The Company received a formal acceptance letter from China Securities Regulatory Commission on August 25, 2022 in relation to the application submitted by the Company to China Securities Regulatory Commission for the implementation of the H Share Full Circulation. The H Share Full Circulation is still pending the fulfillment of other relevant procedures as required by the China Securities Regulatory Commission, the Stock Exchange and other domestic and overseas regulatory authorities. For details of the H Share Full Circulation, please refer to the announcements of the Company dated June 30, August 15 and August 25, 2022 and the circular of the Company dated July 29, 2022.

References are made to the announcement of the Company dated June 30, 2022, the circular dated July 29, 2022 and the announcement dated August 15, 2022 in relation to, among other things, the amendments to the Articles of Association of the Company in conjunction with the change of its domicile and other operational requirements, which were considered and approved at the extraordinary general meeting of the Company held on August 15, 2022, and came into effect. For details of the amended Articles of Association, please refer to the announcement of the Company dated August 15, 2022.

Save as disclosed in this announcement, we are not aware of any material subsequent events from the end of the Reporting Period to the date of this announcement.

Financial Risks

We are exposed to a variety of financial risks, including foreign currency risk, credit risk and liquidity risk as set out below. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Foreign Currency Risk

We mainly operate in China and a majority of our transactions are settled in RMB, the functional currency of our Company's principal subsidiaries. The Group however has certain transactional currency exposure as a portion of our transactions are settled in U.S. dollars. The Group only trades with recognized and credit-worthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise. The Group did not have significant foreign currency exposure from its operations as of June 30, 2022.

Credit Risk

We generally trade only with recognized and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

As of June 30, 2022, cash and cash equivalents were deposited in banks of high quality without significant credit risk. The Directors are of the view that our exposure to credit risk arising from other receivables is not significant since counterparties to these financial assets have no history of default.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management of our Group to finance the operations and mitigate the effects of fluctuations in cash flows. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other borrowings and lease liabilities. We aim to maintain sufficient cash and cash equivalents to meet our liquidity requirements.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this announcement, we did not have other plans for material investments and capital assets as of the date of this announcement.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S SHARES

Since the Listing Date and up to the date of this announcement, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of our Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

Our Company has adopted the Model Code since the Listing Date.

Since the Listing Date and up to the date of this announcement, specific enquiry has been made of all the Directors and Supervisors and all Directors and Supervisors confirmed that they have complied with the Model Code for transactions in our Company's securities during the Reporting Period and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

We strive to maintain high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Our Company has adopted the Code Provisions of the CG Code as the basis of our Company's corporate governance practices since the Listing Date.

Save as disclosed below, our Company has complied with all applicable Code Provisions as set out in the CG Code from the Listing Date up to the date of this announcement.

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. In view of Dr. Liu Yong's experience, personal profile and his roles in our Company and that Dr. Liu has assumed the role of general manager of our Company since our commencement of business, the Board considers it beneficial to the business prospect and operational efficiency of our Company that Dr. Liu acts as the chairman of the Board and continues to act as the general manager of our Company.

While this will constitute a deviation from the code provision, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Dr. Liu and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board and senior management. The Board will continue to review the effectiveness of the corporate governance structure of our Company in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2022.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

Our Company 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 14 to the Listing Rules. The Audit Committee consists of three members, including two independent non-executive Directors, namely Dr. Xia Lijun and Professor Yuen Ming Fai and one non-executive Director, namely Dr. Zhou Hongbin. Dr. Xia Lijun has been appointed as the chairman of the Audit Committee, and is our independent non-executive Director holding the appropriate professional qualifications. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2022 and considered that the results complied with relevant accounting standards, rules and regulations and appropriate disclosure have been duly made.

The interim financial report for the six months ended June 30, 2022 is unaudited, but has been reviewed by Ernst & Young in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM REPORT

The interim report of the Group for the six months ended June 30, 2022 containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (www.recbio.cn), in accordance with the Listing Rules in due course.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

Definitions

"Articles of Association"	the articles of association of Jiangsu Recbio Technology Co., Ltd., as amended, supplemented or otherwise modified from time to time;
"Audit Committee"	the audit committee of our Company;
"Beijing ABZYMO"	Beijing ABZYMO Biosciences Co., Ltd. (北京安百勝生物科技有限公司), a limited liability company established in the PRC on March 7, 2011 and our wholly-owned subsidiary;
"Board"	the board of Directors of our Company;
"CDE"	the Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for review and approval of IND and BLA;
"CG Code" or "Corporate Governance Code"	the Corporate Governance Code contained in Appendix 14 to the Listing Rules, as amended, supplemented or otherwise modified from time to time;
"China" or the "PRC"	the People's Republic of China, but for the purpose of the announcement and for geographical reference only and except where the context requires, references in the announcement to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Code Provision(s)"	the principles and code provisions set out in the CG Code;
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time;

"Company" or "our Company"	Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability on May 25, 2021, or, where the context requires (as the case may be), its predecessor Jiangsu Rec-Biotechnology Co., Ltd. (江蘇瑞科生物技術有限公司), a limited liability company established in the PRC on May 18, 2012;
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of the announcement, our Core Product refers to REC603, a recombinant HPV 9-valent vaccine candidate;
"Director(s)"	the director(s) of our Company;
"Domestic Share(s)"	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by domestic investors;
"FDA"	the United States Food and Drug Administration;
"Global Offering"	the global offering of 30,854,500 H Shares (subject to over-allotment option) as described in the Prospectus;
"Group", "the Group", "our Group", "we" or "us"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be);
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars;
"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;
"IASB"	International Accounting Standards Board;
"IFRS"	the International Financial Reporting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IASB;
"Latest Practicable Date"	July 31, 2022
"Listing"	the listing of our H Shares on the Stock Exchange;

"Listing Date"	March 31, 2022, on which dealings in our H Shares first commence on the Main Board of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified 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;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, as amended, supplemented or otherwise modified from time to time;
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局);
"Prospectus"	the prospectus issued by our Company on March 21, 2022 in relation to our Global Offering and Listing;
"Reporting Period"	the six months ended June 30, 2022;
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC;
"Share(s)"	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our Domestic Shares, Unlisted Foreign Shares and H Shares;
"Shareholders"	holders of our Shares;
"Stock Exchange"	the Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance;
"Supervisor(s)"	supervisor(s) of our Company;
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
"Unlisted Foreign Shares"	ordinary shares issued by our Company with a nominal value of RMB1.00 each and are held by foreign investors and are not listed on any stock exchange;

"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States;
"VAT"	Value Added Tax;
"Wuhan Recbio"	Wuhan Recbio Technology Co., Ltd. (武漢瑞科生物技術有限公司), a limited liability company established in the PRC on September 28, 2021 and our wholly-owned subsidiary;
"Wuhan Recogen"	Wuhan Recogen Biotechnology Co., Ltd. (武漢瑞科吉生物科技有限公司), a limited liability company established in the PRC on September 28, 2021.

Glossary of Technical Terms

"adjuvant"	a substance that may be added to a vaccine to enhance the body's immune response to an antigen;
"adjuvant system"	formulations of classical adjuvants mixed with immunomodulators, specifically adapted to the antigen and the target population;
"AE"	adverse events, any untoward medical occurrences in a patient or clinical investigation subject administered with a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment;
"AIDS"	acquired immune deficiency syndrome, a transmissible disease of the immune system caused by the human immunodeficiency virus (HIV), which is a severe loss of the body's cellular immunity, greatly lowering the resistance to infection and malignancy;
"antigen"	the substance that is capable of stimulating an immune response, specifically activating lymphocytes, which are the body's infection-fighting white blood cells;
"AS01"	a liposome-based vaccine adjuvant system, which contains 3-O-desacyl-4'-monophosphoryl lipid A (MPL), as well as the saponin QS-21;
"AS03"	an adjuvant system composed of α－tocopherol, squalene and polysorbate 80 in an oil-in-water emulsion;
"AS04"	an adjuvant system composed of aluminum salt and monophosphoryl lipid A (MPL), a clinically utilized TLR4 agonist;
"B cell(s)"	a type of white blood cell that differ(s) from other lymphocytes like T-cells by the presence of the BCR on the B-cell's outer surface. Also known as B-lymphocytes;
"BLA"	biologics license application;

"CD4"	a transmembrane glycoprotein that is expressed as a single polypeptide chain on the MHC class II-restricted T-cells;
"CD4+ T cells"	a type of important T lymphocyte that helps coordinate the immune response by stimulating other immune cells to fight infections;
"CD8+ T cells"	a type of important T lymphocytes for immune defense against intracellular pathogens, including viruses and bacteria, and for tumour surveillance;
"cervical cancer"	cancer that occurs in the cervix – the lower part of the uterus that connects to the vagina;
"CHO cell"	Chinese Hamsters Ovary Cell, which is widely used in biopharmaceutical industry to produce recombinant proteins;
"CMO(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;
"COVID-19"	Coronavirus Disease 2019, an infectious disease caused by the most recently discovered coronavirus, first reported in December 2019;
"DALYs"	the disability-adjusted life year, a measure of overall disease burden, expressed as the number of years lost due to ill-health, disability or early death;
"Delta variant"	variant of lineage B.1.617.2 of SARS-CoV-2, the virus that causes COVID-19;
"E.coli"	Escherichia coli expression system, a expression system used in vaccine R&D and manufacturing;
"emulsion"	a mixture of two or more liquids that are normally immiscible (unmixable or unblendable) owing to liquid-liquid phase separation;
"epitopes"	part of an antigen that is recognized by the immune system, specifically by antibodies, B cells, or T cells;
"EUA"	the emergency user authorization;
"EV71"	Enterovirus 71, most EV71 infections commonly result in hand-foot-mouth disease (HFMD);
"GFA"	gross floor area;

"GMP"	good manufacturing practices;
"GMT"	geometric mean titers;
"H. polymorpha"	Hansenula polymorpha, a well-known model organism, which can utilize methanol as the carbon source and energy source, used widely for studying cellular, metabolic, and genetic issues, and used in vaccine industry for expression of recombinant proteins;
"HFMD"	hand-foot-mouth disease, a common infectious disease among infants and children, characterized by fever, sores in the mouth and a rash with blisters on hands, feet and also buttocks;
"HIV"	human immunodeficiency virus, which attacks cells that help the body fight infection, making a person more vulnerable to other infections and diseases and spreading by contact with certain bodily fluids of an infected person;
"HPV"	human papillomavirus, persistent infection of high-risk types can cause cervical cancer;
"HPV 9-valent vaccine"	a vaccine that can help protect individuals against the infections and diseases caused by nine types of HPV;
"HPV bivalent vaccine"	vaccines that can prevent infections of two HPV types;
"HPV quadrivalent vaccine"	vaccines that can prevent infections of four HPV types;
"immune response"	the process by which the body is stimulated by antigens;
"immunogenicity"	the ability of an antigen to provoke immune response;
"IND"	investigational new drug or investigational new drug application;
"influenza(flu)"	highly infectious respiratory diseases caused by influenza viruses. It is characterised by sudden onset of high fever, aching muscles, headache, fatigue and a hacking cough. Serious outcome of influenza can result in hospitalization or death;
"IPD"	Integrated Product Development, a structure of work and best practices that causes people to work together more effectively with better communications and metrics that connect the entire value chain which is the standard of the matrix management mode;
"MF59"	an adjuvant system that uses a derivative of shark liver oil called squalene;
"MoA"	mechanism of actions;

"mRNA"	messenger ribonucleic acid, a single-stranded molecule of RNA that corresponds to the genetic sequence of a gene, and is read by a ribosome in the process of synthesizing a protein;
"NAb GMT"	a measure of neutralizing antibody expressed as geometric mean titers in a specific population or a group of laboratory animals;
"neutralizing antibodies" or "NAb"	an antibody that is responsible for defending cells from pathogens, which are organisms that cause disease;
"NTD"	N-terminal domain, a region of the protein's polypeptide chain located at the start of the protein that is self-stabilizing and that folds independently from the rest;
"Omicron variant"	variant of lineage B.1.1.529 of SARS-Co-2, the virus that causes COVID-19;
"OPTI"	the management philosophy adopted by our Company, which referred to Opportunity, Prudence, Technology and Intellectual Property;
"pathogens"	a bacteria, virus, or other microorganism that can cause disease;
"QS-21"	a purified plant extract used as a vaccine adjuvant;
"R&D"	research and development;
"RBD"	receptor binding domain, a key part of a virus located on its "spike" protein that allows it to dock to body receptors to gain entry into cells and lead to infection;
"S protein"	spike protein, a large type I transmembrane protein that is the main surface antigen of SARS-CoV-2 to mediate entry of SARS-CoV-2 into cells expressing the angiotensin-converting enzyme 2 (ACE2);
"SAE"	serious adverse events, any untoward medical occurrence in human drug trials that at any dose: results in death; is life threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage;
"SARS-CoV-2"	severe acute respiratory syndrome coronavirus 2, the strain of coronavirus that causes COVID-19;
"shingles"	a viral infection that causes a painful rash;

"T cell(s)"	cell(s) that originate in the thymus, mature in the periphery, become activated in the spleen/nodes if their T-cell receptors bind to an antigen presented by an MHC molecule and they receive additional costimulation signals driving them to acquire killing (mainly CD8+ T cells) or supporting (mainly CD4+ T cells) functions;
"TB"	tuberculosis, an infection caused by Mycobacterium tuberculosis that primarily affects the lungs;
"TLR4"	a receptor for lipopolysaccharide (LPS), which has a pivotal role in the regulation of immune responses to infection;
"tolerability"	the degree to which overt AEs of a drug can be tolerated by a patient. Tolerability of a particular drug can be discussed in a general sense, or it can be a quantifiable measurement as part of a clinical study;
"varicella"	an acute infectious disease caused by the first infection of varicella zoster virus;
"VLPs"	virus-like particles, are molecules that closely resemble viruses;
"WHO"	World Health Organization.

Certain amounts and percentage figures included in the announcement have been subject to rounding adjustments.

For ease of reference, the names of the PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this announcement in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of official Chinese names are for identification purpose only.

By order of the Board
Jiangsu Recbio Technology Co., Ltd.
Dr. Liu Yong
Chairman

Jiangsu Province, the PRC, August 25, 2022

As at the date of this announcement, the Board comprises Dr. Liu Yong as the chairman of the Board and an executive Director, Dr. Chen Jianping and Mr. Li Bu as executive Directors, Dr. Hong Kunxue, Dr. Zhou Hongbin, Mr. Zhao Hui, Dr. Du Wei and Dr. Feng Tao as non-executive Directors, and Mr. Liang Guodong, Dr. Xia Lijun, Professor Gao Feng and Professor Yuen Ming Fai as independent non-executive Directors.