AIM Vaccine Co., Ltd.
艾美疫苗股份有限公司

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

(Stock Code: 06660)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

FINANCIAL HIGHLIGHTS

	Year ended December 31		
	2022	2021	Change
Key income statement items	***RMB'000***	*RMB'000*	*%*
Revenue	**1,264,073**	1,570,129	-19.5
Gross profit	**1,027,659**	1,294,700	-20.6
Loss attributable to owners of the parent	**(319,601)**	(692,774)	-53.9

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2022 together with the comparative figures for the previous corresponding period as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

		Year ended 31 December	
	Notes	**2022**	2021
		RMB'000	*RMB'000*
REVENUE	*4*	**1,264,073**	1,570,129
Cost of sales		**(236,414)**	(275,429)
Gross profit		**1,027,659**	1,294,700
Other income and gains	*4*	**49,637**	53,622
Selling and distribution expenses		**(493,167)**	(460,114)
Administrative expenses		**(450,756)**	(1,167,979)
Research and development costs		**(500,310)**	(307,353)
Impairment losses on financial assets, net		**(27,215)**	(7,981)
Other expenses		**(14,320)**	(895)
Finance costs	*5*	**(25,693)**	(10,703)
LOSS BEFORE TAX	*6*	**(434,165)**	(606,703)
Income tax credit/(expense)	*7*	**203,535**	(69,170)
LOSS FOR THE YEAR		**(230,630)**	(675,873)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(230,630)**	(675,873)
Loss attributable to:			
Owners of the parent		**(319,601)**	(692,774)
Non-controlling interests		**88,971**	16,901
		(230,630)	(675,873)
Total comprehensive loss attributable to:			
Owners of the parent		**(319,601)**	(692,774)
Non-controlling interests		**88,971**	16,901
		(230,630)	(675,873)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:	*9*		
Basic			
– For loss for the year (RMB)		**(0.27)**	(0.60)
Diluted			
– For loss for the year (RMB)		**(0.27)**	(0.60)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	Notes	Year ended 31 December 2022 RMB'000	2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**3,290,829**	2,655,133
Right-of-use assets		**197,263**	215,467
Goodwill		**482,897**	482,897
Other intangible assets		**2,238,496**	2,192,693
Prepayments for equipment		**114,448**	149,565
Other non-current assets		**3,150**	17,914
Total non-current assets		**6,327,083**	5,713,669
CURRENT ASSETS			
Inventories		**504,738**	367,397
Trade receivables	*10*	**1,052,594**	1,063,653
Prepaid income tax		**8,714**	–
Prepayments, other receivables and other assets		**173,666**	148,572
Financial assets at fair value through profit or loss		**–**	100,000
Due from related parties		**–**	10,000
Restricted cash		**11,173**	22,320
Time deposits		**162,643**	–
Cash and cash equivalents		**635,175**	646,742
Total current assets		**2,548,703**	2,358,684

	Notes	Year ended 31 December 2022 RMB'000	2021 RMB'000
CURRENT LIABILITIES			
Trade payables	11	**73,583**	51,762
Other payables and accruals		**1,072,982**	1,003,384
Contract liabilities		**57,197**	41,074
Interest-bearing bank borrowings		**1,010,693**	407,364
Lease liabilities		**19,342**	16,904
Tax payable		**7,872**	40,893
Deferred government grants		**4,818**	4,571
Provisions		**3,310**	4,090
Total current liabilities		**2,249,797**	1,570,042
NET CURRENT ASSETS		**298,906**	788,642
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,625,989**	6,502,311
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**339,442**	184,334
Lease liabilities		**29,190**	41,829
Deferred tax liabilities		**269,011**	491,828
Deferred government grants		**127,439**	85,030
Total non-current liabilities		**765,082**	803,021
Net assets		**5,860,907**	5,699,290
EQUITY			
Equity attributable to owners of the parent			
Share capital		**1,211,063**	1,200,000
Reserves		**3,749,178**	3,692,595
		4,960,241	4,892,595
Non-controlling interests		**900,666**	806,695
Total equity		**5,860,907**	5,699,290

1. CORPORATE AND GROUP INFORMATION

AIM Vaccine Co., Ltd. (the "**Company**") was incorporated as a limited liability company in the People's Republic of China (the "**PRC**") on 9 November 2011. Upon approval by the shareholders' general meeting held on 18 September 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Beijing AIM Biological Vaccine Technology Group Co., Ltd.* (北京艾美生物疫苗技術集團有限公司) to "AIM Vaccine Co., Ltd.* (艾美疫苗股份有限公司) on 23 September 2020. The registered office of the Company is located at Room 218, 2/F, Xinghai Building, 16 Yingshun Road, Yinghai Town, Daxing District, Beijing, PRC.

During the year, the Group was involved in the research and development, manufacturing and commercialisation of vaccine products for human use in the PRC.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 6 October 2022.

Information about subsidiaries

Particulars of the Company's subsidiaries as at the reporting date, all of which are limited liability companies incorporated in the PRC, are as follows:

Name	Place of incorporation and date of registration	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Ningbo Rong'an Biological Pharmaceutical Co., Ltd. * ("寧波榮安生物藥業有限公司") ("**Rong'an Bio**")	Ningbo 30 April 2001	RMB60,000,000	20%	80%	Vaccine development manufacture and sale of vaccine
AIM Honesty Biopharmaceutical Co., Ltd. * ("艾美誠信生物製藥有限公司") ("**AIM Honesty**")	Liaoning 20 September 1993	RMB250,000,000	100%	–	Vaccine development manufacture and sale of vaccine
AIM Weixin Biopharmaceutical (Zhejiang) Co., Ltd. * ("艾美衛信生物藥業(浙江)有限公司") ("**AIM Weixin**")	Ningbo 24 December 2002	RMB515,306,120	94.2534%	5.7466%	Vaccine development manufacture and sale of vaccine
AIM Kanghuai Biopharmaceutical (Jiangsu) Co., Ltd.* ("艾美康淮生物製藥(江蘇)有限公司") ("**AIM Kanghuai**")	Jiangsu 13 October 2011	RMB360,000,000	100%	–	Vaccine development manufacture and sale of vaccine
AIM Explorer Biomedical R&D Co., Ltd. * ("艾美探索者生命科學研發有限公司")	Shanghai 10 September 2018	RMB250,000,000	100%	–	Vaccine development
Liverna Therapeutics Inc. ("珠海麗凡達生物技術有限公司") ("**Liverna**")	Guangdong 21 June 2019	RMB7,500,000	50.1546%	–	Vaccine and drug development
AIM Innovator Biomedical Research (Shanghai) Co., Ltd. * ("艾美創新者生物醫藥研究(上海)有限公司")	Shanghai 17 May 2021	RMB50,000,000	90%	–	Vaccine development

Name	Place of incorporation and date of registration	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
AIM Vaccine Research Institute (Jiangsu) Co., Ltd. * ("艾美疫苗研究院(江蘇)有限公司")	Jiangsu 9 December 2013	RMB50,000,000	100%	–	Vaccine development
AIM Innovative Biotechnology (Shanghai) Co., Ltd. * ("艾美創新生物技術(上海)有限公司")	Shanghai 8 May 2019	RMB50,000,000	100%	–	Investment holding
Shanghai Beibi Road Cultural Development Co., Ltd. * ("上海北壁之路文化發展有限公司")	Shanghai 28 March 2017	RMB10,000,000	100%	–	Investment holding

* The English names of these subsidiaries registered in the PRC represent the translated names of these companies as no English names have been registered.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board ("**IASB**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for wealth investment products which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

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 nature and the impact of the revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 Inventories, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to IFRS Standards 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendment is applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is the sale of vaccine and research and development services. Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies. Accordingly, the Group has only a single operating segment and no further analysis of the single operating segment is presented.

Geographical information

As the Group generates all of its revenues in the PRC and its non-current assets are located in PRC during the year, no further geographical information is presented.

Information about major customers

No revenue accounting for 10 percent or more of the Group's total revenue was derived from sale to a single customer during the year.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,264,073**	1,570,129

Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Types of goods or services		
Sale of vaccine	**1,264,038**	1,567,282
Research and development services	**35**	2,847
	1,264,073	1,570,129
Timing of revenue recognition		
Goods or services transferred at a point in time	**1,264,073**	1,570,129

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Sale of vaccine	**17,822**	9,852

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of vaccine

The performance obligation is satisfied upon the acceptance of the products by the customers and the payment is generally due within 180 days from delivery.

Research and development services

Based on the terms of the contract, the performance obligation is satisfied at the point in time as the services are rendered and accepted and payment is billed based on the milestone achieved.

An analysis of other income and gains is as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Other income and gains		
Government grants related to		
– Assets[(i)]	**4,661**	3,894
– Income	**30,827**	33,390
Bank interest income	**10,694**	10,777
Gain on disposal of wealth investment products at fair value	**3,074**	1,673
Foreign exchange gains, net	**–**	2,032
Others	**381**	1,856
	49,637	53,622

(i) The Group has received certain government grants related to assets for investment in leasehold land, property, plant and equipment. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Interest on bank loans	**47,042**	13,654
Interest on lease liabilities	**2,349**	2,376
Less: Interest capitalised	**23,698**	5,327
	25,693	10,703

6. LOSS BEFORE TAX

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

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Cost of inventories sold	**236,414**	275,237
Cost of services provided	**–**	192
Depreciation of property, plant and equipment	**104,657**	87,430
Depreciation of right-of-use assets	**27,002**	23,071
Amortisation of other intangible assets	**34,782**	33,790
Lease payments not included in the measurement of lease liabilities	**2,868**	2,881
Listing expenses	**78,042**	3,185
Auditors' remuneration	**318**	685
Employee benefit expenses(including directors' and chief executive's remuneration)		
Wages and salaries	**309,738**	303,087
Equity-settled share-based compensation expenses	**225,762**	952,128
Pension scheme contributions*	**72,530**	56,355
	608,030	1,311,570
Foreign exchange differences, net	**10,374**	(2,032)
Provision for impairment of trade receivables	**27,215**	7,984
Reversal of impairment of prepayments, other receivables and other assets	**–**	(3)
Write-down of inventories to net realisable value	**24,653**	21,671
Loss on disposal of property, plant and equipment	**691**	208
Interest income	**(10,694)**	(10,777)
Gain on disposal of wealth investment products at fair value	**(3,074)**	(1,673)

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. INCOME TAX (CREDIT)/EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless they are subject to preferential tax as set out below.

AIM Kanghuai Biopharmaceutical (Jiangsu) Co., Ltd. was renewed as a "High and New Technology Enterprise" on 12 October 2022, and therefore, AIM Kanghuai Biopharmaceutical (Jiangsu) Co., Ltd. was entitled to a preferential CIT rate of 15% (2021: 15%) for the year ended 31 December 2022. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

AIM Honesty Biopharmaceutical Co., Ltd. was renewed as a "High and New Technology Enterprise" on 19 November 2021, and therefore, AIM Honesty Biopharmaceutical Co., Ltd. was entitled to a preferential CIT rate of 15% (2021: 15%) for the year ended 31 December 2022. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Ningbo Rong'an Biological Pharmaceutical Co., Ltd. was renewed as a "High and New Technology Enterprise" on 10 December 2021, and therefore, Ningbo Rong'an Biological Pharmaceutical Co., Ltd. was entitled to a preferential CIT rate of 15% (2021: 15%) for the year ended 31 December 2022. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

AIM Weixin Biopharmaceutical (Zhejiang) Co., Ltd. was renewed as a "High and New Technology Enterprise" on 10 December 2021, and therefore, AIM Weixin Biopharmaceutical (Zhejiang) Co., Ltd. was entitled to a preferential CIT rate of 15% (2021: 15%) for the year ended 31 December 2022. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

On 17 May 2022, Liverna Therapeutics Inc. was entitled to a preferential CIT rate of 15% effective for annual periods beginning on 1 January 2021.

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Current income tax	**17,835**	79,797
Deferred	**(221,370)**	(10,627)
Income tax (credit)/expense for the year	**(203,535)**	69,170

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

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Loss before tax	**(434,165)**	(606,703)
Tax at the statutory tax rate	**(108,541)**	(151,675)
Lower tax rate enacted by local authority	**13,140**	(33,659)
Effect on opening deferred tax of decrease in tax rate (i)	**(186,940)**	–
Adjustments in respect of current tax of previous periods	**(567)**	–
Additional deductible allowance for research and development expenses	**(71,291)**	(39,187)
Expenses not deductible for tax (ii)	**6,234**	229,079
Utilisation of losses in previous years	**(31)**	(7,659)
Temporary difference and tax losses not recognised	**144,461**	72,271
Income tax (credit)/expense at the Group's effective rate	**(203,535)**	69,170

(i) Liverna, a subsidiary of the Group, was entitled to a preferential CIT rate of 15% effective for annual periods beginning on 1 January 2021 in accordance with Caishui [2022] No. 19 issued on 17 May 2022, which resulted in a decrease in deferred tax liability arising from the fair value adjustment for the acquisition of Liverna of approximately RMB186,940,000.

(ii) Expenses not deductible for tax mainly represent expenses that exceed the tax-deductible limitation such as entertainment, commission, expense without invoices and non-deductible share-based payment expenses. These expenses are not to be deductible for tax.

8. DIVIDENDS

The Board did not recommend the payment of any dividend during the year ended 31 December 2022 (2021: nil).

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,202,506,770 (2021: 1,162,556,106) in issue during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share are based on:

	Year ended 31 December	
	2022	2021
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	**(319,601)**	(692,774)

	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,202,506,770**	1,162,556,106

As the Group incurred losses for the years ended 31 December 2022 and 2021, the potential ordinary shares were not included in the calculation of diluted loss per share as the potential ordinary shares had an anti-dilutive effect on the basic loss per share.

10. TRADE RECEIVABLES

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
Trade receivables	**1,105,999**	1,089,903
Impairment	**(53,405)**	(26,250)
	1,052,594	1,063,653

The Group's trading terms with its customers are mainly on credit. The credit period is generally from two to six months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables, based on the invoice date and net of loss allowance, as at the end of the reporting period is as follows:

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**834,945**	945,047
1-2 years	**189,514**	110,085
2-3 years	**24,998**	6,145
3-4 years	**2,796**	1,893
4-5 years	**341**	483
Over 5 years	**–**	–
	1,052,594	1,063,653

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
At beginning of year	**26,250**	18,471
Impairment losses, net	**27,215**	7,984
Amount written off as uncollectible	**(60)**	(205)
At end of year	**53,405**	26,250

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off according to management approval.

11. TRADE PAYABLES

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

	As at 31 December	
	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**72,499**	50,287
1 to 2 years	**91**	742
2 to 3 years	**450**	50
Over 3 years	**543**	683
	73,583	51,762

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

Business Overview and Outlook

Overview

As a large whole industry chain vaccine company in China, we cover the full value chain from research and development to manufacturing and to commercialization. We have five proven human vaccine platform technologies, including bacterial vaccine technologies, viral vaccine technologies, genetically engineered vaccine technologies, combination vaccine technologies and mRNA vaccine technologies. We are one of the first two human vaccine companies in the PRC that have been granted permission under the Fourteenth Five Year Plan of the PRC to build a bio-safety level 3 laboratory. We operate four individual Licensed Manufacturing Facilities in Rong'an Bio, AIM Honesty, AIM Kanghuai and AIM Weixin. The product categories of the Company are comprised of vaccines under the immunization program and vaccines not covered by the immunization program, which cover 31 provinces, autonomous regions and direct-controlled municipalities. On-sale products mainly include recombinant HBV vaccine (Hansenula Polymorpha), freeze-dried human rabies vaccine (Vero cell), inactivated HAV vaccine (HDC), mumps vaccine, bivalent inactivated HFRS vaccine (Vero cell) and Group A, C, Y and W135 MPSV (MPSV4).

Our sales and marketing function is centralized, specialized, and market-oriented, which enables us to accelerate strategy formulation and execution, achieve high cost-efficiency and gain cross-selling opportunities. We set up a centralized marketing model through a two-pronged "in-house sales and marketing" development model to optimize sale efficiency. For the year ended December 31, 2022, due to the ongoing COVID-19 epidemic and outbreaks in various regions and cities in China, CDCs continued to allocate and focus resources on the prevention and control of the COVID-19 epidemic, which delayed the procurement and administration of vaccines other than COVID-19 vaccines, and the Company achieved operating revenue of RMB1,264.1 million, representing a decrease of 19.5% as compared to the same period in 2021. The sales of each product are as follows:

	Year ended December 31,			
	2022		2021	
	RMB'000	***%***	*RMB'000*	*%*
Freeze-dried human rabies vaccine (Vero cell)	**777,002**	**61.5**	937,414	59.7
HBV vaccine (Hansenula Polymorpha)	**436,842**	**34.6**	523,252	33.3
Inactivated HAV vaccine (HDC)	**17,708**	**1.3**	86,057	5.5
Mumps vaccine	**–**	**–**	1,893	0.1
Bivalent inactivated HFRS vaccine (Vero cell)	**–**	**–**	–	–
Group A, C, Y and W135 MPSV (MPSV4)	**32,486**	**2.6**	18,666	1.2
Research and development service revenue	**35**	**0.0**	2,847	0.2
Total revenue	**1,264,073**	**100.0**	1,570,129	100.0

Our Products and Pipelines

We strive to access the best industry resources. Through more than one decade of organic growth and external resource integration, we have become a major player in the Chinese vaccine industry. We have currently commercialized eight vaccine products against six disease areas, of which the HBV vaccines and human rabies vaccines are our key commercialized market-leading vaccine products. We also have 22 vaccine candidates against 14 disease areas in our pipelines, and at present, the Company has obtained 13 clinical approvals for 9 varieties of vaccines. Among them, the bivalent Delta-Omicron BA.5 mRNA COVID-19 vaccine has entered into overseas Phase III clinical stage, the EV71-CA16 bivalent HFMD vaccine (HDC) has entered into clinical stage, the 13-valent pneumococcal conjugate vaccine (PCV13) has completed Phase III clinical stage and full basic immunisation, the 23-valent pneumococcal polysaccharide vaccine (PPSV23) is currently in the progress of Phase I clinical stage and is expected to enter into Phase III clinical trials in the second quarter of 2023, the freeze-dried human rabies vaccine (Vero Cell, Serum-free) obtained clinical approval in October 2022 and is expected to commence Phase III clinical trials in the third quarter of 2023, and the Group A, C, Y and W135 MCV (also known as tetravalent meningococcal conjugate vaccine) (MCV4) commenced Phase I clinical trials in February 2023 and is expected to commence Phase II clinical stage in the third quarter of 2023 and Phase III clinical stage in 2024.

Our Vaccine Products

Recombinant HBV Vaccines (Hansenula Polymorpha)

Recombinant HBV vaccine products have been and are expected to continue to be one major type of our commercialized products. Currently, we were the first and only company in China with steady production and approved lot release volume of HBV vaccines using Hansenula Polymorpha for antigen expression, which is widely recognized as the best manufacturing technology route for HBV vaccines among all three available manufacturing technologies (Hansenula Polymorpha, Saccharomyces cerevisiae and Chinese hamster ovary (CHO) cells), featuring with better genetic stability, higher purity and stronger antigen expression capabilities. In addition, we manufacture HBV vaccines with adjuvants under a patented process, which prolongs the action time of antigens in the human body and strengthens the stimulation of immune response, and contains no addition of preservatives to enhance product safety. We have been granted patents for this process in the PRC valid until May 2032, distinguishing our recombinant HBV vaccine products from others and creating a high technological entry barrier for later entrants.

We have developed two recombinant HBV vaccine products, differentiated in terms of HBsAg concentration: 10μg HBsAg per dose and 20μg HBsAg per dose. The 10μg HBsAg dosage is allowed to be administered in all age groups, including newborns. The 20μg HBsAg dosage is approved for people with high infection risks in age groups of 16 years old or above. 34.6% of our revenue was derived from sales of the HBV vaccine products for the year ended December 31, 2022. Our recombinant HBV vaccine products have maintained a 100% pass rate in lot release quality audits of NIFDC since their approvals.

Human Rabies Vaccine (Vero Cell)

The human rabies vaccine (Vero cell), one of our major products, is an injectable vaccine administered under the intramuscular route to persons of all ages to prevent rabies after exposure or at a high risk of exposure to rabies. We manufacture this vaccine product in Rong'an Bio, which obtained the NDA approval in September 2007 and the GMP certificate in June 2008.

61.5% of our revenue was derived from sales of this vaccine product for the year ended December 31, 2022. High and stable product quality has been and will continue to be critically significant to compete in this market. Since its commercialization in 2007, our human rabies vaccine (Vero cell) has maintained a 100% pass rate in lot release quality audits by the NIFDC for 15 years.

Inactivated HAV Vaccines (HDC)

Hepatitis A is caused by the hepatitis A virus (HAV). We have developed two inactivated HAV vaccine products, differentiated in terms of isolated HAV antigen concentration: the 320Eu/0.5ml per dose indicated for the age group of 1 to 15 years old, and the 640Eu/1.0ml per dose indicated for people older than 15. We ceased production of our HAV vaccines between May and September 2021 to perform maintenance and upgrades to our production facilities and we resumed vaccine stoste production in September 2021. Production of the pre-filled dosage form of the vaccine formulation resumed in June 2022 and passed the GMP compliance inspection in the second half of 2022. We have currently arranged for the lot release samples to be sent and expect to obtain the lot release certificate in the first half of 2023, so that the HAV vaccine can be launched and sold.

Group A, C, Y and W135 MPSV (MPSV4)

We launched MPSV4 in March 2020. Our MPSV4 covers A, C, Y, and W135 serogroups, and can be administered to individuals over the age of two. We obtained the NDA approval for the MPSV4 in October 2018 and the GMP certificate in November 2018. Several key quality indicators of our MPSV4 surpass the relevant PRC national standards. We utilize advanced production equipment and technologies such as high-speed continuous flow centrifugation and phenol extraction to ensure the highest level of safety for our MPSV4. We do not add any antibiotics or preservatives to our MPSV4. The sales revenue from the product was RMB32.5 million for the year ended December 31, 2022.

HFRS Vaccine

At present, our HFRS vaccine is one of the only five approved HFRS vaccines in the PRC. AIM Weixin obtained the NDA approval for this vaccine in September 2007 and GMP certificate for its production in February 2008. At the end of 2018, we ceased production of HFRS vaccine products to relocate the relevant production line to new production lines with more advanced equipment and higher production capacity. Our new production lines of HFRS vaccine have passed GMP inspections in June 2022. We have completed the lot release quality audits of NIFDC for the new production lines of HFRS vaccine in the fourth quarter of 2022, and resumed the production of HFRS vaccine.

Mumps Vaccine

Our mumps vaccine is a live attenuated single-dose vaccine product indicated for vaccinees aged eight months and above with infection risks. AIM Weixin obtained the NDA approval for the mumps vaccine in October 2004, and obtained the GMP certificate for its production in January 2005. Since February 2020, we ceased production of our mumps vaccine products for the GMP inspection and upgrade of our production line. While we passed the on-site GMP inspection in June 2020, we have not yet restarted commercial production as we are still working to improve the competitiveness of our products and relevant trials works are in progress.

Our Vaccine Candidates

The following table summarizes our vaccine candidate portfolio:

Indication	Vaccine Candidate	In-house R&D/ Joint Development	Preclinical	CTA	Phase I	Phase II/III	NDA Approval	Expected Timing to Market
COVID-19	Bivalent Delta-Omicron BA.5 mRNA COVID-19 Vaccine	In-house R&D			Overseas Phase III clinical trial ongoing			2023[1]
	Monovalent Omicron BA.5 mRNA COVID-19 Vaccine	In-house R&D		Plan to file CTA in 2023				2023[1]
HFMD	EV71-CA16 Bivalent HFMD Vaccine (HDC)	In-house R&D			Start Phase I in Q3 2023			2026
Pneumococcal disease	13-Valent Pneumococcal Conjugate Vaccine (PCV13)	In-house R&D			File NDA in Q1 2024			2024
	23-Valent Pneumococcal Polysaccharide Vaccine (PPSV23)	In-house R&D				Start Phase III in Q2 2023		2024
	20-Valent Pneumococcal Conjugate Vaccine (PCV20)	In-house R&D		Plan to file CTA in 2024				2026
	24-Valent Pneumococcal Conjugate Vaccine (PCV24)	In-house R&D		Plan to file CTA in 2024				After 2026
Group B strep disease	Hexavalent Group B Streptococcus Polysaccharide Conjugate Vaccine	In-house R&D		Plan to file CTA in 2024				After 2028
DTP[10]	Diphtheria, Tetanus and Pertussis and Haemophilus Influenzae Type B (DTP-Hib) Combination Vaccine	In-house R&D		Plan to file CTA in 2024				After 2026
	Diphtheria, Tetanus and Acellular Pertussis Combined Vaccine (DTaP)	In-house R&D		Plan to file CTA in 2024				After 2026
	Diphtheria, Tetanus and Acellular Pertussis (Components) Combined Vaccine (DTcP)	In-house R&D		Plan to file CTA in 2025				After 2026
	Absorbed Tetanus Vaccine	In-house R&D		Plan to file CTA in 2023				2026
Hib	Haemophilus Influenzae Type B (Hib) Vaccine	In-house R&D		Plan to file CTA in 2024				After 2026
Rabies	mRNA Human Rabies Vaccine	In-house R&D		Plan to file CTA in 2023				After 2026
	Freeze-dried Human Rabies Vaccine (Vero Cell, Serum-free)	In-house R&D			Prepare for Phase III			2025
	Freeze-dried Human Rabies Vaccine (HDC)	In-house R&D		Plan to file CTA in 2024				2026
HPV	Human Papillomavirus 2-valent Vaccine (HPV2)	In-house R&D		Plan to file CTA in 2024				After 2026
	Human Papillomavirus 9-valent Vaccine (HPV9)	In-house R&D		Plan to file CTA in 2024				After 2026
Meningococcal disease	Tetravalent Meningococcal Conjugate Vaccine (MCV4)	In-house R&D			Plan to start Phase II in Q3 2023			2026
Influenza	Tetravalent Influenza Vaccine (MDCK Cells)	In-house R&D		File CTA in 2024				After 2026
Herpes	mRNA Shingles/Herpes Zoster Vaccine	In-house R&D		File CTA in Q2 2025				After 2026
RSV	mRNA Respiratory Syncytial Virus Vaccine (RSV)	In-house R&D		File CTA in Q2 2024				After 2026

Viral Vaccine Platform **Bacterial Vaccine Platform** **mRNA Vaccine Platform**

Genetically Engineered Vaccine Platform **Combination Vaccine Platform**

Note:

(1) Expected to launch urgently within and outside China.

Key Products in the Clinical Stage

Bivalent Delta-Omicron BA.5 mRNA COVID-19 Vaccine

Our bivalent Delta-Omicron BA.5 mRNA COVID-19 vaccine is developed by the Group's own mRNA technology platform for the two kinds of variants of Novel Coronavirus, namely Delta and Omicron BA.5. Given that the Group has been already developing several univalent mRNA COVID-19 vaccines, on the basis of previous R&D results, we were able to start the R&D of bivalent Delta-Omicron BA.5 mRNA COVID-19 vaccine quickly in response to the spread of the COVID-19 pandemic.

To date, we have applied for clinical approvals in China, and commenced Phase III clinical trial in Pakistan on March 25, 2023. Given that restrictive measures against COVID-19 have been lifted in China, we expect that the demand for multivalent COVID-19 vaccines for the latest variant strain will increase in China. Therefore, we plan to rapidly advance the clinical trials of the bivalent Delta-Omicron BA.5 mRNA COVID-19 vaccine, which is expected to be launched urgently within and outside China in the second half of 2023.

13-Valent Pneumococcal Conjugate Vaccine (PCV13)

Our PCV13 vaccine is a pneumococcal conjugate vaccine to be indicated for children aged from six weeks to five years old. We obtained the CTA approval for our PCV13 vaccine candidate in October 2020 and commenced the Phase I clinical trial in February 2021. As of the end of 2022, we were undergoing a Phase III clinical trial for our PCV13 vaccine and had largely completed administration of the full course of PCV13 vaccine for test subjects in the Phase III clinical trial. We expect to file the NDA with the NMPA in the first quarter of 2024 and to launch this product in the period at the end of 2024.

We have tested and proven our manufacturing techniques of the PCV13 vaccine using our bacterial platform technologies. As of the end of 2022, we have conducted scaled-up production of our PCV13 vaccine, and have produced samples for our Phase I and Phase III clinical trials. The Phase III clinical trial currently in progress is a non-inferiority clinical trial that is single-centered, randomized, blinded and parallel-controlled between similar vaccines. The number of design samples was 3,780, with the main aim of assessing the immunogenicity (efficacy) and safety of the vaccine for those in the 2 to 71 months age group.

EV71-CA16 Bivalent HFMD Vaccine

We are developing a global innovative EV71-CA16 Bivalent HFMD Vaccine. Enterovirus type 71 (EV71) and coxsackievirus A16 (CA16) are the major pathogens of HFMD. Our EV71-CA16 Bivalent HFMD Vaccine Candidate is the first vaccine candidate in the world designed to provide immunization against both the EV71 and CA16 viral strains. We filed a CTA to the NMPA in July 2022 and received clinical approval in October 2022. We expect to commence clinical trials in the third quarter of 2023.

ACYW135 Meningococcal Polysaccharide Conjugate Vaccine (MCV4)

Our MCV4 vaccine is a meningococcal polysaccharide conjugate vaccine with the ability to prevent epidemic cerebrospinal meningitis caused by group A, C, Y and W135 neisseria meningitidis, and other invasive diseases, and is indicated for those in the 3 months to 15 years age group. We initiated the Phase I clinical trial in February 2023, formally launched the Phase I single-center, open clinical trial in March 2023, commenced subject enrolment with 120 subjects planned for the trial, and expect to initiate the Phase II clinical stage in the third quarter of 2023 and the Phase III clinical stage in 2024.

Progress and Results of Other Clinical Trials

- Freeze-dried human rabies vaccine (Vero Cell, Serum-free): we received clinical approval for this product in October 2022. We expect to commence the Phase III clinical trial in the third quarter of 2023.

- 23-valent pneumococcal polysaccharide vaccine (PPSV23): our PPSV23 was undergoing the Phase I clinical trial as of the end of 2022. We expect to reach the Phase III clinical trial in the second quarter of 2023.

Business Highlights

Vaccine development platform technologies and in-house R&D teams

We have five proven human vaccine platform technologies covering innovative technologies, such as mRNA vaccine, genetically engineered vaccine, and combination vaccine technologies, as well as traditional technologies, such as bacterial vaccine and viral vaccine technologies. Leveraging these platforms, we are well positioned to develop a steady and fit-for-purpose stream of vaccines that are efficient to manufacture. We have at least one approved product or one vaccine candidate at CTA or clinical stages under each platform.

Our in-house R&D teams are responsible for all stages of vaccine candidate development, from preclinical studies, laboratory research, to clinical trials, regulatory filings and manufacturing process development. Our in-house R&D teams primarily consist of (i) three vaccine research institutes, namely AIM Explorer, Liverna and AIM Innovator; and (ii) the R&D team in each of our four vaccine manufacturing subsidiaries, namely AIM Honesty, AIM Kanghuai, Rong'an Bio and AIM Weixin. Each R&D team has its own research foci. AIM Explorer mainly develops vaccine candidates using bacterial vaccine platform technologies. Liverna develops mRNA vaccines, including our mRNA COVID-19 vaccine candidate, leveraging its expertise in mRNA technologies. AIM Innovator focuses on the research and development and commercialization of genetically engineered recombinant vaccines. AIM Kanghuai focuses on viral vaccine platform technologies. Rong'an Bio focuses on mRNA vaccines and viral vaccine platform technologies. AIM Honesty concentrates on genetically engineered vaccine platform technologies. In addition, AIM Weixin is developing several vaccine candidates using combination and bacterial vaccine platform technologies.

Our R&D activities are led by a team of world-class scientists. Our chief scientist, Dr. Yucai PENG, is in charge of the R&D activities of Liverna, and he has extensive top-class knowledge in mRNA drugs. We have also established our R&D management center at the Group level to coordinate and supervise all R&D activities across the research institutes and operating subsidiaries. Mr. Fan ZHANG, who leads our R&D management center, has over 10 years of experiences in vaccine development, including research for PCV13, PCV20, PPSV23, MCV4 and DTP combination vaccine.

Manufacturing

All of our vaccine products are produced in house by our four individual Licensed Manufacturing Facilities in our manufacturing subsidiaries. For the year ended December 31, 2022, we passed all GMP inspections conducted by the NMPA or its local counterparts on the four individual Licensed Manufacturing Facilities. The following table sets forth key information of our four individual Licensed Manufacturing Facilities as of December 31, 2022:

Name	**Location**	**GFA (sq.m.)**	**Annual bulk production capacity** *(million doses)*	**Responsible products**	**Production Line(s)**
Rong'an Bio Licensed Manufacturing Facility	Ningbo, Zhejiang Province	25,318	25.0	Human rabies vaccine (Vero cell)	Two
AIM Honesty Licensed Manufacturing Facility	Dalian, Liaoning Province	11,877	45.0	Recombinant HBV vaccine (Hansenula Polymorpha)	One
AIM Kanghuai Licensed Manufacturing Facility	Taizhou, Jiangsu Province	18,711	5.3	Inactivated HAV vaccine	One
AIM Weixin Licensed Manufacturing Facility	Ningbo, Zhejiang Province	72,313	16.0	HFRS vaccine, mumps vaccine and MPSV4	Three

We have equipped all our Licensed Manufacturing Facilities with advanced equipment and machinery procured from leading international and domestic brands, such as bioreactors, centrifuges, ultra-filtration system and large-scale purification system and product filling and packaging lines. We regularly inspect and maintain our equipment and machinery to ensure that they remain in good condition for operation. In each Licensed Manufacturing Facility, we have been actively taking measures to ensure a stable and quality supply, including designating dedicated personnel to optimize production planning and coordination among different divisions, preventing contamination, improving automation in our production procedures, and strengthening the maintenance of our equipment and facilities to reduce the occurrence of failures.

As a major vaccine company in China, we expect a continuously strong market demand for our existing vaccine products. In order to have sufficient capacity to address these needs, we plan to establish new production facilities in the next few years. As of the end of 2022, the Ningbo Rong'an mRNA COVID-19 vaccine production workshop has completed workshop construction, equipment debugging and verification, and completed the production of Phase III clinical samples. The construction of Ningbo Rong'an serum-free rabies vaccine workshop has been completed, and the debugging and verification of the main production equipment has been completed at the end of 2022.

At the same time, located in the new bacterial vaccine industrialization project of AIM Weixin, the construction of the pneumonia series vaccines stoste workshop was completed in early 2021, the construction of the tetravalent meningococcal conjugate vaccines stoste workshop was completed in September 2022, and the construction of the DTP-Hib combination vaccine stoste workshop was completed in November 2022 and the equipment is currently being debugged and verified.

Industry Overview

The Vaccine Administration Law of the People's Republic of China (《中華人民共和國疫苗管理法》), which came into effect on December 1, 2019, contains specific provisions on the development, production, circulation and vaccination of vaccines as well as supervision and administration, and further defines vaccines as vaccines under the immunization program and vaccines not covered by the immunization program. The promulgation of the Vaccine Administration Law of the People's Republic of China began a new stage of vaccine development in China.

The "14th Five-Year Plan" period is the first five years for China to embark on a new journey to fully build a modern socialist country and march towards the Second Centenary Goal. It is also a period of significant opportunity for China for the acceleration of the evolution of biotechnology, the rapid growth of life and health needs, and the rapid development of bio-industry. On January 30, 2022, nine departments, namely the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Commerce, the National Health Commission, the Ministry of Emergency Management, the National Healthcare Security Administration, the NMPA and the National Administration of Traditional Chinese Medicine, jointly issued the "14th Five-Year Plan" for Pharmaceutical Industry Development (《"十四五"醫藥工業發展規劃》). On May 10, 2022, the National Development and Reform Commission issued the "14th Five-Year Plan" for Bio-Economic Development (《"十四五"生物經濟發展規劃》) (hereinafter collectively referred to as the "**Development Plan**"). The Development Plan clearly stated that bio-pharmaceutical enterprises should adapt to the new trend of moving from "treatment-centered" to "health-centered", develop bio-pharmaceuticals oriented to people's life and health, meet the new expectations of the people for more secure life and health, and aim to improve people's health protection ability. Focusing on areas including drugs, vaccines, advanced diagnosis and treatment technologies and equipment, biomedical materials, precision medicine, inspection and testing, and biological health care, bio-pharmaceutical enterprises should improve original innovation capacity, strengthen drug regulatory scientific research, enhance the supply chain guarantee level of high-end bio-pharmaceutical products and equipment, effectively support disease prevention and treatment and cope with the aging population, to build a strong public health system and fully implement the Healthy China strategy and better protect people's lives and health.

The PRC vaccine market grew from RMB25.1 billion in 2015 to RMB76.1 billion in 2021, and is expected to further grow to RMB215.7 billion in 2030 (excluding COVID-19 vaccines), which is significantly more rapid than the global market. Including the COVID-19 vaccine market, the overall PRC vaccine market is expected to increase from RMB303.6 billion in 2021 to RMB431.4 billion in 2030. By vaccine category, the market size of vaccines under the immunization program declined slightly, while vaccines not covered by the immunization programs became the driving factor for the continued expansion of the market size in China. The vaccine industry in China is expected to continue to grow rapidly as pharmaceutical companies continue to conduct research and development, innovative vaccines covering more diseases and more serotypes/subtypes become increasingly popular, average life expectancy and ageing population ratio increase, and health awareness, vaccination awareness and average disposable income of the PRC residents increase. At the same time, the COVID-19 pandemic has had a profound impact on the vaccine industry. According to the National Bureau for Disease Control and Prevention of the PRC (中國疾控預防控制局), as of December 31, 2022, a cumulative total of 3,478,094,000 doses of COVID-19 vaccinations had been reported in 31 provinces (autonomous regions and municipalities directly under the Central Government) in mainland China and Xinjiang Production and Construction Corps. The research and development of the COVID-19 vaccine has accelerated the development of pharmaceutical companies in technological innovation, and vaccines with new technological routes such as mRNA and recombinant vaccines have sprung up, and vaccine companies have ushered in opportunities to upgrade technological innovation. The COVID-19 vaccine has become a well-known anti-epidemic product, and with the increasing vaccination awareness among PRC residents, is expected to boost the demand for vaccination in the long run. Against this background, the vaccine industry in China is expected to enter a new stage of development in terms of iterative upgrading of vaccine technology platforms, research and development of new products and adult market expansion and other areas.

Impact of the COVID-19 Outbreak

In 2022, the continuous spread of COVID-19 (Omicron variant) led to outbreaks in various cities and areas. To achieve "dynamic-zero COVID-19 cases" (動態清零), the PRC government adopted a series of prevention and containment measures, and continuous booster vaccination measures. Such measures posed certain obstacles to our sales, marketing and promotion activities, and inter-city and inter-province transportation restrictions also interrupted our delivery to CDCs. Moreover, as CDCs continued to allocate and focus their resources on COVID-19 prevention and containment, many CDCs delayed or reduced procurement and vaccination of other vaccines. With the improvement of the national pandemic, "Class B measures" have been implemented for COVID-19 infections from January 8, 2023. Pursuant to Law of the People's Republic of China on the Prevention and Treatment of Infectious Diseases (《中華人民共和國傳染病防治法》), infected patients of COVID-19 are no longer subject to quarantine measures and close contacts are no longer identified; high and low risk areas are no longer designated; infected patients of COVID-19 are admitted and treated by grades and categories and healthcare policies would be adjusted in a timely manner; the testing policy is revised to "voluntary testing", and the frequency and content of pandemic information release have been adjusted. Assuming that the COVID-19 situation in China is not exacerbated, the Directors are of the view that the COVID-19 outbreak is not expected to have a material adverse impact on the Group in the future.

Prospects and Outlook

With the optimization of policies against COVID-19 outbreak and all regions continuously passing the peak of the pandemic, China is expected to emerge completely from the impact of the pandemic in 2023.

As the COVID-19 outbreak-related limitations are lifted and the activities of people and pets are no longer restricted, the potential market of human rabies vaccines will be further increased. With rigid demand for human rabies vaccines, the sale of our human rabies vaccine (Vero cell) is expected to increase steadily in 2023. Special projects will be carried out successively to expand the market for our HBV products. Commercial sales for our HAV vaccine products will be gradually resumed in 2023. The academic promotion for our MPSV4 will be continuously strengthened, the access to districts and counties will be expanded and the penetration rate of the products in the markets will be increased. Our HFRS product has obtained the license for entry to the market by way of winning the class II vaccine bid. In conclusion, the sales volume of our vaccine products is expected to increase steadily in 2023.

We are committed to strengthening our highly specialized sales and marketing network and empowering our experienced CSO team and in-house sales and marketing team, in order to support the promotion of the products and the deepening of market penetration, and help to achieve the growth of the performance in 2023.

Financial Review

Overview

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

Revenue

	Year ended December 31,	
	2022	2021
	RMB'000	*RMB'000*
Revenue from sales of vaccine products		
Freeze-dried human rabies vaccine (Vero cell)	**777,002**	937,414
HBV vaccine (Hansenula Polymorpha)	**436,842**	523,252
Revenue from sales of other vaccine products	**50,194**	106,616
Revenue from research and development services	**35**	2,847
Total	**1,264,073**	1,570,129

The Company's revenue from its primary business was RMB1,264.1 million in 2022, representing a decrease of RMB306.1 million or 19.5%, as compared to the revenue from its primary business of RMB1,570.1 million in 2021. The decrease is mainly due to the effect of the continuing spread of the COVID-19 pandemic (Omicron variant) in 2022 as the pandemic broke out in many cities and areas in China, and CDCs continued to allocate and focus their resources on COVID-19 prevention and containment, delaying procurement and vaccination of other vaccines except COVID-19 vaccines, which led to a decrease in sales volume of the Company. In addition, the COVID-19 prevention and containment measures adopted by the PRC government restricted the activities of people and pets, reducing incidents of animal bites and scratches, and therefore the demand for human rabies vaccines were affected to a certain extent. Furthermore, other competing products of human rabies vaccines started to enter the market with lot releases since 2022, resulting in a normalized competition for human rabies vaccines in China.

Cost of Sales

The Company's cost of sales primarily consisted of manufacturing cost, raw materials cost, direct labor cost and transportation cost.

The Company's cost of sales amounted to RMB236.4 million in 2022, representing a decrease of RMB39.0 million or 14.2%, as compared to the cost of sales of RMB275.4 million in 2021, primarily due to the decrease in sales volume in 2022, which caused a decrease in related cost of sales.

Gross Profit and Gross Margin

The Company's gross profit amounted to RMB1,027.7 million in 2022, representing a decrease of RMB267.0 million or 20.6%, as compared to the gross profit of RMB1,294.7 million in 2021, primarily due to the decrease in sales revenue.

The Company's gross margin amounted to 81.3% in 2022, representing a decrease of 1.2%, as compared to the gross margin of 82.5% in 2021, primarily due to the slight increase in labor cost, raw materials cost and manufacturing cost.

Other Income and Gains

The Company's other income and gains was primarily derived from income from government grants, bank interest income and gains from wealth management products.

The Company's other income and gains was RMB49.6 million in 2022, representing a decrease of RMB4.0 million or 7.4%, as compared to the other income and gains of RMB53.6 million in 2021, primarily due to a reduction in government grants received and reduction in foreign exchange gains in 2022.

Our operating expenses mainly include selling and distribution expenses, administrative expenses, and research and development costs. The following table sets forth a breakdown of our operating expenses:

	Year ended December 31,	
	2022	2021
	RMB'000	*RMB'000*
Selling and distribution expenses	**493,167**	460,114
Administrative expenses	**450,756**	1,167,979
Research and development costs	**500,310**	307,353
Total	**1,444,233**	1,935,446

Research and Development Costs

Nature	Year ended December 31,	
	2022	2021
	RMB'000	*RMB'000*
Staff cost	**98,052**	86,310
Research materials costs	**106,417**	82,927
Professional service fees	**199,636**	82,784
Depreciation and amortization	**43,142**	34,126
Utility cost	**41,917**	13,536
Others	**11,146**	7,670
Total	**500,310**	307,353

The Company's research and development costs amounted to RMB500.3 million in 2022, representing an increase of RMB193.0 million or 62.8%, as compared to the research and development costs of RMB307.4 million in 2021, primarily because we consistently advanced the research and development of vaccine candidates, especially our mRNA COVID-19 vaccine candidate, serum-free rabies vaccine candidates and pneumococcal vaccine candidate series, which resulted in an increase in professional service fees related to clinical trials as well as an increase in raw material consumption and utility cost related to the production of vaccine samples for clinical uses, which resulted in increased research and development costs.

Selling and Distribution Expenses

The Company's selling and distribution expenses primarily consisted of marketing and promotion expenses, staff cost and market outreach expenses, etc. The marketing and promotion expenses primarily consisted of costs and expenses paid to our CSOs for various marketing and academic promotion activities, industry research and post-sales customer service. The staff cost primarily included salaries, share-based compensation, benefits and other compensation for our sales staff.

The Company's selling and distribution expenses amounted to RMB493.2 million in 2022, representing an increase of RMB33.1 million or 7.2%, as compared to the selling and distribution expenses of RMB460.1 million in 2021, primarily due to the increased share-based compensation expenses as part of staff cost in 2022, as partly offset by reduced expenses of promotion activities amid outbreaks of COVID-19.

Administrative Expenses

The Company's administrative expenses primarily consisted of staff cost, depreciation and amortization and professional service fees, etc. Professional service fees primarily included professional fees for auditing, lawyers, evaluation and consulting, etc.

The Company's administrative expenses amounted to RMB450.8 million in 2022, representing a decrease of RMB717.2 million or 61.4%, as compared to the administrative expenses of RMB1,168.0 million in 2021, primarily due to a large decrease in share-based compensation expenses of RMB787.9 million as part of staff cost in 2022, as partly offset by an increase in relevant professional service fees expenses of the IPO.

Finance Costs

The Company's finance costs primarily consisted of interest on bank loans and interest on lease liabilities.

The Company's finance costs amounted to RMB25.7 million in 2022, representing an increase of RMB15.0 million or 140.1%, as compared to the finance costs of RMB10.7 million in 2021, primarily due to the increase in interest on bank loans.

Income Tax Expenses

The Company's income tax was a credit of RMB203.5 million in 2022, representing a decrease of RMB272.7 million or 394.3%, as compared to the income tax expense of RMB69.2 million in 2021, primarily due to the decreased current income tax resulting from the decreased taxable income, and the decreased deferred income tax expenses due to the decrease in tax rate of a subsidiary from 25% to 15% arising from local income tax incentives.

Impairment Losses on Financial Assets

The Company's provision for impairment losses on financial assets amounted to RMB27.2 million in 2022, representing an increase of RMB19.2 million or 241%, as compared to the provision for impairment losses on financial assets of RMB8.0 million in 2021, primarily due to the increased provision for bad debts of receivables.

Loss for the Year

The Company's loss amounted to RMB230.6 million in 2022, representing a decrease of RMB445.2 million or 65.9%, as compared to the loss of RMB675.9 million in 2021, primarily due to a large decrease in share-based compensation expenses as part of staff cost in 2022, which was partly offset by a decrease in revenue and an increase in research and development costs.

Liquidity and Financial Resources

As at December 31, 2022, the Company's cash and cash equivalents and time deposits totaled RMB797.8 million, representing an increase of RMB151.1 million or approximately 23.4%, as compared to the cash and cash equivalents of RMB646.7 million as at December 31, 2021, which was primarily due to the completion of the IPO in 2022.

As at December 31, 2022, the Company's current assets amounted to approximately RMB2,548.7 million, and the current liabilities amounted to approximately RMB2,249.8 million, giving a current ratio of approximately 1.13.

Inventories

The Company's inventories balance amounted to RMB504.7 million as at December 31, 2022, representing an increase of RMB137.3 million or 37.4%, as compared to the inventories balance of RMB367.4 million as at December 31, 2021, primarily due to the increase in the stock of raw materials purchased by the Group in 2022 to prevent the shortage of raw materials and an increase of unfinished products, and the increase in the inventory of rabies vaccines caused by the decline in our sales volume as the COVID-19 pandemic affected the Group.

Trade Receivables

The carrying amount of the Company's receivables amounted to RMB1,052.6 million as at December 31, 2022, representing a decrease of RMB11.1 million or 1%, as compared to the carrying amount of receivables of RMB1,063.7 million as at December 31, 2021.

Capital Expenditure

The Company's capital expenditure amounted to RMB856.6 million in 2022, primarily for constructing new production facilities, purchasing new equipment for the industrialization of pipeline vaccines and upgrading current manufacturing facilities, and the capitalized expenditure of the vaccine candidate development. The Company's capital expenditure in 2022 decreased by RMB285.1 million or 25% as compared to RMB1,141.7 million in 2021, primarily due to a decrease in the expenditure for the vaccine industrialization construction project in 2022.

Borrowings and Gearing Ratio

The Company's total financial indebtedness (including interest-bearing bank borrowings, lease liabilities and amounts due to related parties) amounted to RMB1,398.7 million as at December 31, 2022, representing an increase of RMB748.2 million or 115%, as compared to the total financial indebtedness of RMB650.4 million as at December 31, 2021, primarily due to the increase in bank borrowings for industrialization construction and working capital in 2022.

The Company's gearing ratio (calculated by dividing total financial indebtedness by total equity as of the end of the period) was 23.9% as at December 31, 2022, representing an increase of 12.5%, as compared to the gearing ratio of 11.4% as at December 31, 2021, mainly due to the increase in the balance of bank borrowings.

Charge on Assets

As of December 31, 2022, part of the Group's bank loans were secured by (i) mortgages over the Group's buildings, which had a net carrying value as at December 31, 2022 of approximately RMB286.5 million (2021: approximately RMB160.5 million); (ii) mortgages over the Group's leasehold land, which had a net carrying value as at December 31, 2022 of approximately RMB61.1 million (2021: approximately RMB56.0 million); and (iii) guarantees provided by the Company and a subsidiary of the Group.

Save for the above, as of December 31, 2022, the Group did not have any other charges over its assets.

Foreign Exchange Exposure

Most of the Group's businesses and all bank loans have been traded in RMB so there is no significant foreign exchange fluctuation risk. The Board does not expect that fluctuations in the RMB exchange rate and exchange fluctuations of other foreign currencies will have a significant impact on the Group's business or performance. The Group currently has no relevant foreign exchange risk hedging policies and therefore it has not carried out any hedging transactions to manage the potential risks of foreign currency fluctuations.

Contingent Liabilities

As at December 31, 2022, the Group was subject to several legal claims, involving: (i) a dispute under a service contract with a CSO in the amount of approximately RMB12,539,000, and the Group has recorded liabilities amounting to RMB4,496,000 in relation to the aforementioned contract. On July 29, 2022, the first instance judgement of this legal claim was completed, and the Group was obliged to pay an amount of RMB4,483,000 to the CSO. On August 24, 2022, the CSO filed an appeal to the court against the judgment of the first instance. As at December 31, 2022, the second instance of this case had not yet been heard. The directors of the Company, based on the advice from the Group's internal legal counsel, are of the opinion that the second instance may likely maintain the original judgment according to the corresponding facts and legal basis; and (ii) a dispute over subrogation rights of a creditor. On December 3, 2021, a subsidiary of the Group received a notice from an intermediate people's court in respect of a claim against the subsidiary of the Group in respect of subrogation rights of a creditor. The amount of claim was approximately RMB80,198,000. On October 18, 2022, the first instance judgement of this legal claim was completed, and the subsidiary of the Group was obliged to pay an amount of RMB28,697,000 with the interest charge at loan prime rate. The subsidiary of the Group filed an appeal to the court against the judgment of the first instance and in the opinion of the directors, based on legal advice, it is more likely that the second instance will revise the judgment and reject all claims of the creditor according to the corresponding facts and legal basis. As at December 31, 2022, the second instance was in progress.

Except as disclosed above, as at December 31, 2022, the Group did not have any significant contingent liability that would have a material impact on its financial position or results of operations.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Model Code for Securities Transactions by Directors and Supervisors

The Company has devised its own code of conduct regarding Directors' and Supervisors' dealings in the Company's securities on terms no less exacting than the Model Code. The Company has made specific inquiries to all Directors and Supervisors and they all confirmed that they complied with the standards specified in the Company's own code throughout the period from the Listing Date to the date of this announcement.

Corporate Governance Code

The Board has adopted the code provisions of the Corporate Governance Code. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the Corporate Governance Code throughout the period from the Listing Date to December 31, 2022, with the exception of code provision C.2.1, which requires the roles of chairman and chief executive to be held by different individuals.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yan ZHOU, the chairman of the Board and chief executive officer of the Company, currently performs both of these roles. The Board believes that, in view of the experience, personal profile and role of Mr. Zhou in the Company, Mr. Zhou has an extensive understanding of our business as the chief executive officer of the Company and is therefore the Director best suited to identify strategic opportunities and to be the core of the Board. The combined role of chairman of the Board and chief executive officer of the Company by the same individual can promote the effective execution of strategic initiatives and facilitate the flow of information between the management and the Board. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer at an appropriate time, taking into account the circumstances of the Group as a whole.

Purchase, Sale or Redemption of the Company's Listed Securities

During the period from the Listing Date to December 31, 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Employee and Remuneration Policy

As of December 31, 2022, we had approximately 1,576 employees, as compared to approximately 1,469 employees as of December 31, 2021. Total employee benefits expenses including Directors' remuneration in 2022 amounted to RMB608.0 million, as compared to the expenses of RMB1,311.6 million in 2021. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

In addition to salaries and bonuses, other employee benefit expenses include pension, housing fund, medical insurance and other social insurance, as well as share-based payment expenses and others. We have adopted the employee stock incentive scheme prior to the IPO to offer valuable incentives to attract and retain quality personnel. We have been evaluating, and may adopt, new stock incentive schemes that comply with the requirements of the Listing Rules. The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

Significant Investments, Acquisitions and Disposals

We did not have any significant investments, material acquisitions or material disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2022.

Use of IPO Proceeds

We received approximately HK$91.61 million in net proceeds (the "**Net Proceeds**") from the IPO. Since the completion of the IPO and up to December 31, 2022, the Net Proceeds had not been utilized. Since January 2023, the Company has been utilizing, and intends to continue to utilize, the Net Proceeds in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus. For details of the Net Proceeds used as of January 31, 2023, please refer to the Company's announcement dated March 8, 2023.

		Net proceeds allocated for related purposes *(HK$'000)*	Percentage of total net proceeds *(%)*	Expected timing for full utilization of the unused amount
1.	The development of our mRNA COVID-19 vaccine candidate, as follows[1]:	38,747	42.30	
	(1) conduct clinical trials	31,144	34.00	On or before June 30, 2024
	(2) obtain registration approvals	7,603	8.30	On or before June 30, 2024
2.	The development of our pneumococcal vaccine candidates, including PCV13, PCV20 and PPSV23	6,412	7.00	On or before December 31, 2023
3.	The development of other vaccine candidates in our pipeline	9,801	10.70	On or before December 31, 2023
4.	To fund the capital expenditure on the construction of new production facilities for our new vaccine products, as follows:	32,060	35.00	
	(1) to fund the capital expenditure on the new mRNA vaccine production facilities in Ningbo	23,503	25.66	On or before December 31, 2024
	(2) to fund the capital expenditure on construction of new production facilities by Rong'an Bio for serum free Vero cell human rabies vaccine, including:	8,557	9.34	
	(i) equipment procurement	5,575	6.09	On or before December 31, 2023
	(ii) plant decontamination and renovation, and equipment installation and testing	2,982	3.25	On or before December 31, 2023
5.	To be invested in our sales and marketing activities	4,590	5.00	N/A[2]
	Total	**91,610**	**100.00**	

Notes:

(1) In March 2023, our Company decided to cease the plan to commercialize this candidate, which is a monovalent mRNA COVID-19 vaccine against the original strain (i.e. the SARS-CoV-2 virus strain that caused the initial COVID-19 outbreak) of COVID-19, while it still needs to pay some research and development and clinical trial registration fees that have already been incurred.

(2) The net proceeds allocated for investing in sales and marketing activities were fully utilized during January 2023.

Final Dividend

No dividend was paid or declared by our Company for the years ended December 31, 2021 and 2022.

Audit Committee

The Company has established the Audit Committee in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and set out the terms of reference. The Audit Committee consists of five members, namely Professor Ker Wei PEI, Mr. Hui OUYANG, Mr. Xiaoguang GUO, Mr. Jie ZHOU and Mr. Xin ZHOU. Professor Ker Wei PEI, Mr. Hui OUYANG and Mr. Xiaoguang GUO are independent non-executive Directors, and Mr. Jie ZHOU and Mr. Xin ZHOU are non-executive Directors. Professor Ker Wei PEI is the chairman of the Audit Committee and possesses the appropriate professional qualifications.

The audited consolidated annual financial information of the Group for the year ended December 31, 2022 has been reviewed by the Audit Committee.

Material Matters after the Reporting Period

On March 8, 2023, the Board approved the resolutions for the Company's proposal to issue, under a specific mandate, not more than 242,212,519 unlisted RMB denominated ordinary Shares to (a) no more than 35 qualified investors, which do not include any existing Shareholders, and (b) existing Shareholders (if any). As at the date of this announcement, the Company has not applied to the China Securities Regulatory Commission (CSRC) or other relevant regulatory authorities in respect of this proposed issuance or entered into any subscription agreement. The details of the plan for this proposed issuance have not been finalized.

Publication of the Annual Results Announcement, Annual Report and Notice of Annual General Meeting

This results announcement is published on the HKEx website at www.hkexnews.hk and the Company's website at www.aimbio.com. The annual report of the Company for the year ended December 31, 2022 and the notice convening the 2022 annual general meeting of the Company will be published on the websites mentioned above and dispatched to the Shareholders in due course.

"AIM Explorer"	AIM Explorer Biomedical R&D Co., Ltd. (艾美探索者生命科學研發有限公司), a company incorporated under the laws of PRC on September 10, 2018, a wholly-owned subsidiary of our Company;
"AIM Honesty"	AIM Honesty Biopharmaceutical Co., Ltd. (艾美誠信生物製藥有限公司), a company incorporated under the laws of PRC on September 20, 1993, a wholly-owned subsidiary of our Company;
"AIM Innovator"	AIM Innovator Biomedical Research (Shanghai) Co., Ltd. (艾美創新者生物醫藥研究(上海)有限公司), a company incorporated under the laws of PRC on May 17, 2021 and owned as to 90% by our Company and 10% by Chengdu Bole Action Biological Products Co., Ltd. (成都伯樂行動生物製品有限公司), previously known as AIM Jianchi Biopharmaceutical (Shanghai) Co., Ltd. (艾美堅持生物製品(上海)有限公司);
"AIM Kanghuai"	AIM Kanghuai Biopharmaceutical (Jiangsu) Co., Ltd. (艾美康淮生物製藥(江蘇)有限公司), a company incorporated under the laws of PRC on October 13, 2011, a wholly-owned subsidiary of our Company;
"AIM Weixin"	AIM Weixin Biopharmaceutical (Zhejiang) Co., Ltd. (艾美衛信生物藥業(浙江)有限公司), a company incorporated under the laws of PRC on December 24, 2002 and owned as to 94.25% by our Company and 5.75% by Shanghai Beibi Road Cultural Development Co., Ltd. (上海北壁之路文化發展有限公司), a company incorporated under the laws of PRC on March 28, 2017, a wholly-owned subsidiary of our Company;
"Audit Committee"	the audit committee of the Board of Directors;
"Board" or "Board of Directors"	the board of Directors of our Company;
"CDC(s)"	Centre(s) for Disease Control and Prevention (疾病預防控制中心);
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
"China" or "the PRC"	the People's Republic of China, which for the purpose of this announcement only, references to "China" or "the PRC" exclude Taiwan, Macau Special Administration Region and Hong Kong;

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Company", "our Company", or "the Company"	AIM Vaccine Co., Ltd. (艾美疫苗股份有限公司), a joint stock company incorporated in the PRC with limited liability on November 9, 2011;
"COVID-19"	the Coronavirus Disease 2019;
"CSO(s)"	contract sales organization(s);
"CTA"	clinical trial application, the PRC equivalent of investigational new vaccine application;
"Director(s)" or "our Director(s)"	the director(s) of our Company;
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use;
"Group", "the Group", "our Group", "we" or "us"	our Company and its subsidiaries;
"HAV"	hepatitis A virus;
"HBV"	hepatitis B virus;
"HDC"	human diploid cell;
"HFMD"	hand foot and mouth disease;
"HFRS"	hemorrhagic fever with renal syndrome;
"H Share(s)"	overseas listed foreign share(s) in the issued share capital of the Company, with a nominal value of RMB1.00 each, listed on the Stock Exchange;
"HKEx"	Hong Kong Exchanges and Clearing Limited;
"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong;

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"IPO"	the initial public offering and listing of the Company's H Shares on the Main Board of the Stock Exchange on October 6, 2022;
"Licensed Manufacturing Facility"	our manufacturing facility in each of Rong'an Bio, AIM Honesty, AIM Kanghuai and AIM Weixin, which have obtained valid production permits and passed GMP inspections, each a Licensed Manufacturing Facility, collectively Licensed Manufacturing Facilities;
"Listing Date"	October 6, 2022, the date since which the H Shares of the Company have been listed on the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Liverna"	Liverna Therapeutics Inc. (珠海麗凡達生物技術有限公司), a company incorporated under the laws of PRC on June 21, 2019 and owned as to 50.1546% by our Company. The other minority shareholders of Liverna are Independent Third Parties;
"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"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
"MPSV"	meningococcal polysaccharide vaccines, used to prevent infection caused by meningococcal bacteria;
"MPSV4"	Group A, C, Y and W135 MPSV, a vaccine used for the prevention of epidemic cerebrospinal meningitis in children aged above two years old;
"mRNA"	messenger ribonucleic acid or messenger RNA, 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;
"NIFDC"	the National Institutes for Food and Drug Control of the PRC (中國食品藥品檢定研究院);
"NDA"	new drug application (藥品註冊證書申請);
"NDA approval"	new drug application approval (藥品註冊證書批准);

"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 Company's prospectus dated September 23, 2022;
"Remuneration Committee"	the remuneration and appraisal committee of the Board of Directors;
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC;
"Rong'an Bio"	Ningbo Rong'an Biological Pharmaceutical Co., Ltd. (寧波榮安生物藥業有限公司), a company incorporated under the laws of PRC on April 30, 2001 and owned as to 20% by our Company and 80% by AIM Weixin;
"Share(s)"	ordinary share(s) in the issued share capital of our Company with a nominal value of RMB1.00 each;
"Shareholder(s)"	holder(s) 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; and
"%"	percentage.

By order of the Board
AIM Vaccine Co., Ltd.
Mr. Yan ZHOU
Chairman of the Board,
Executive Director and Chief Executive Officer

Hong Kong, March 29, 2023

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Yan ZHOU, Mr. Wen GUAN and Mr. Shaojun JIA as executive Directors; Mr. Jie ZHOU, Mr. Xin ZHOU, Mr. Jichen ZHAO and Ms. Aijun WANG as non-executive Directors; and Professor Ker Wei PEI, Mr. Xiaoguang GUO, Ms. Jie WEN and Mr. Hui OUYANG as independent non-executive Directors.