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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024 AND PROPOSED APPOINTMENT OF THE BOARD OBSERVER

The Board is pleased to announce the audited condensed consolidated results of the Group for the year ended December 31, 2024, together with the audited comparative figures for the year ended December 31, 2023.

BUSINESS HIGHLIGHTS

During the Reporting Period and until the date of this announcement, we have made rapid progress in product development, achieving the following milestones and advancements in our R&D pipeline and business operations:

REC603 – Recombinant HPV 9-Valent Vaccine

HPV 9-valent vaccines can prevent against approximately 90% of cervical cancer and 90% of the anal and genital warts and are widely considered as the most effective vaccines for HPV. Currently, there is no domestic HPV 9-valent vaccine approved for sale in China.

Our phase III clinical trial of REC603 in China is in progress and regular follow-up is being conducted in accordance with the clinical protocol. We have finished the visit and observation of the 36th month and initiated the visit and observation of the 42nd month. We will carry out an interim analysis by adopting pathological endpoints and anticipate submitting a BLA application in 2025 when conditions are satisfied.

The CDE of the NMPA issued the "Technical Guidelines for the Clinical Trials of Human Papillomavirus Vaccines (for Trial Implementation)" (the "**Guidelines**") in July 2023, which clearly points out that the randomized, double-blind and placebo-controlled design is still the best strategy to confirm the protective efficacy of the first-generation of vaccine for the time being. Our phase III clinical protocol for the HPV 9-valent vaccine strictly follows the guidelines of the regulatory authorities; and we have the largest HPV 9-valent vaccine phase III clinical trial subjects in China and are conducting clinical trials in Henan, Shanxi and Yunnan provinces with high HPV infection rates. Currently, the Company is conducting follow-up visits according to the established protocol, maintaining ranking among the leading group in China in terms of clinical development progress.

REC610 – Novel Adjuvanted Recombinant Shingles Vaccine

Shingles is an acute infectious skin disease caused by reactivation of latent varicella zoster virus (VZV) in the body. There is no specific medicine for shingles, and vaccination is an effective means of preventing shingles. According to global research data on shingles vaccines that have been marketed, as compared to attenuated live vaccines, novel adjuvanted recombinant protein vaccines can provide stronger cellular immune and protective efficacy.

At present, we have completed the enrollment and the full course of vaccination of all subjects in the phase III clinical trial in China, and are conducting follow-up visit and observation according to the clinical protocol. The randomized, double-blind and placebo-controlled clinical study is designed to evaluate the protection effectiveness, safety and immunogenicity of REC610 vaccine in healthy subjects aged 40 years and above, and a total of 24,640 subjects have been enrolled in 18 research centers in Yunnan, Henan and Shanxi provinces. Previously, exploratory clinical studies of REC610 with Shingrix® as positive control were carried out in the Philippines and China, respectively, and the expected results were obtained. The data showed that in healthy subjects aged 40 years and above, the overall safety profile of two doses of REC610 was favorable, and no vaccination-related SAEs or AESIs, or TEAEs leading to early withdrawal from the study were observed. REC610 induces strong gE-specific immune response at a level comparable to those in the Shingrix® group.

REC625 – Bivalent Recombinant Respiratory Syncytial Virus Vaccine

The REC625 is equipped with the novel adjuvant independently developed by us and intended to prevent the diseases caused by respiratory syncytial virus infection in the elderly population. Preclinical studies have shown that REC625 has favorable immunogenicity compared to overseas marketed products and can induce high levels of specific neutralizing antibodies, and significantly improve the neutralizing antibodies against subtype B. The project adopted our independently designed vaccine antigen structure and relevant invention patent application has been submitted. We plan to complete the preclinical studies in 2025.

ReCOV – Recombinant Bicomponent COVID-19 Vaccine

ReCOV is a recombinant COVID-19 vaccine developed by the Company comprehensively using its core technology platforms, including its novel adjuvant, protein engineering and immunological evaluation platforms, and the adjuvant used therein is its self-developed novel adjuvant BFA03. Since it obtained the first clinical trial approval in April 2021, the Company has conducted multiple clinical trials in countries including New Zealand, the Philippines, the United Arab Emirates ("**UAE**"), China, Russia and Nepal, achieving several complete clinical research results. ReCOV was granted the emergency use authorization in Mongolia in 2023. Currently, there is no ongoing clinical trial for this project worldwide. Given the relatively low global demand for COVID-19 vaccines at present, continuing to advance the subsequent registration and commercialization of this project may not yield favorable economic and social benefits. The Company will no longer make new rounds of clinical development for COVID-19 vaccine projects developed against the existing strains, but will reasonably allocate resources based on the future development plans for respiratory combination vaccines, the market, policy environment and other factors. As there are adjustments in the business plans for COVID-19 vaccine projects, upon in-depth analysis and prudent consideration, the Company has decided to deregister its subsidiary, Wuhan Recogen, which was established to conduct the R&D of mRNA COVID-19 vaccine. At the same time, the Company will continuously pay attention to and keep track of the mRNA vaccine technology.

During the Reporting Period, the Company established a complete and systematic quality system for large-scale commercial production of vaccines at its vaccine manufacturing facility in Taizhou City, Jiangsu Province based on the COVID-19 vaccine project. The factory meets both Chinese and European Union (EU) GMP standards and has obtained a Chinese vaccine production license. It has consistently received the EU Qualified Person Declaration issued by a Qualified Person (QP) for several years. The factory has a track record of successful large-scale batch production, which is of great value in advancing the subsequent development and industrialization of the Company's recombinant shingles vaccine REC610 and bivalent recombinant respiratory syncytial virus vaccine REC625.

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended December 31,				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other income and gains	**61,644**	100,555	147,993	27,810	9,551
Loss before tax	**(561,897)**	(572,443)	(735,996)	(657,566)	(179,400)
Loss for the year	**(561,897)**	(572,443)	(735,996)	(657,566)	(179,400)
Loss attributable to owners of the parent	**(562,389)**	(571,957)	(722,703)	(657,561)	(179,400)
Loss per share – Basic and diluted (in RMB)	**(1.16)**	(1.19)	(1.52)	(1.56)	(0.58)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at December 31,				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	**1,285,103**	1,056,904	889,687	624,649	337,638
Total current assets	**655,129**	1,129,373	1,419,920	1,294,571	709,376
Total current liabilities	**839,420**	444,235	328,983	139,293	57,481
Net current assets	**(184,291)**	685,138	1,090,937	1,155,278	651,895
Total assets less current liabilities	**1,100,812**	1,742,042	1,980,624	1,779,927	989,533
Total non-current liabilities	**571,488**	671,098	327,546	106,631	1,998,317
Total (deficit)/equity	**529,324**	1,070,944	1,653,078	1,673,296	(1,008,784)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Other income and gains	*5(a)*	**61,644**	100,555
Selling and distribution expenses		**(2,617)**	(8,471)
Administrative expenses		**(109,050)**	(143,767)
Research and development expenses	*7*	**(476,124)**	(487,847)
Other expenses	*5(b)*	**(16,853)**	(19,347)
Finance costs	*6*	**(18,897)**	(13,566)
LOSS BEFORE TAX		**(561,897)**	(572,443)
Income tax expense	*8*	**–**	–
LOSS FOR THE YEAR		**(561,897)**	(572,443)
Attributable to:			
Owners of the parent		**(562,389)**	(571,957)
Non-controlling interests		**492**	(486)
Total		**(561,897)**	(572,443)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**895**	2,421
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(561,002)**	(570,022)
Attributable to:			
Owners of the parent		**(561,494)**	(569,536)
Non-controlling interests		**492**	(486)
Total		**(561,002)**	(570,022)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*9*	**(1.16)**	(1.19)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2024

	Notes	**December 31, 2024** ***RMB'000***	December 31, 2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**1,054,776**	840,843
Other intangible assets		**37,432**	41,126
Right-of-use assets		**34,639**	43,390
Goodwill		**9,305**	9,305
Other non-current assets	*13*	**148,951**	122,240
Total non-current assets		**1,285,103**	1,056,904
CURRENT ASSETS			
Inventories		**62,299**	93,750
Prepayments, other receivables and other assets		**136,284**	123,197
Pledged deposits	*12*	**8,231**	77,443
Time deposits with original maturity of more than three months	*12*	**129,275**	–
Cash and cash equivalents	*12*	**319,040**	834,983
Total current assets		**655,129**	1,129,373
CURRENT LIABILITIES			
Trade and bills payables	*10*	**59,789**	115,081
Lease liabilities		**10,839**	14,731
Interest-bearing bank and other borrowings -current		**499,378**	46,307
Other payables and accruals		**269,414**	268,116
Total current liabilities		**839,420**	444,235
NET CURRENT ASSETS		**(184,291)**	685,138
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,100,812**	1,742,042

	Notes	**December 31, 2024** ***RMB'000***	December 31, 2023 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**378,878**	585,333
Lease liabilities		**–**	4,424
Deferred income		**58,904**	75,811
Deferred tax liabilities		**5,530**	5,530
Other non-current liabilities		**128,176**	–
Total non-current liabilities		**571,488**	671,098
Net assets		**529,324**	1,070,944
EQUITY			
Equity attributable to owners of the parent			
Share capital		**482,963**	482,963
Treasury shares		**(68,281)**	(54,005)
Reserves		**114,642**	642,478
Non-controlling interests		**–**	(492)
Total equity		**529,324**	1,070,944

1. CORPORATE AND GROUP INFORMATION

Jiangsu Recbio Technology Co., Ltd. is a joint stock company with limited liability incorporated in the People's Republic of China ("PRC"). The registered office of the Company is located at No. 888 Yaocheng Avenue, Medical High-tech District, Taizhou City, Jiangsu Province, PRC.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the research and development of vaccines in Mainland China.

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

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), which include all standards and interpretations approved by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in RMB and all values are rounded to the nearest thousand (RMB'000) 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 December 31, 2024. 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 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 the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

Going concern basis

Notwithstanding that the Group recorded net current liabilities of RMB184,291,000 as at December 31, 2024 primarily attributable to the current interest-bearing bank and other borrowings, the financial statements have been prepared on a going concern basis.

Subsequent to December 31, 2024, the Company entered into a supplementary agreement with Yangtze River Pharmaceutical (Group) Co., Ltd., ("Yangtze River Pharmaceutical"), pursuant to which Yangtze River Pharmaceutical has consented to extend the repayment period of the RMB200 million borrowing up to April 1, 2026.

Concurrently, the Group entered into credit facility agreements, and as of the announcement date, the Group had a total of RMB146 million of unused credit facilities that would be available for use beyond December 31, 2025.

Based on the aforementioned financial arrangements, the directors of the Company are of the view that the Group and the Company will have adequate working capital and funds, taking into account, inter alia, the available financial resources, to meet their financial obligations as they fall due and to sustain their operations for at least the next 12 months from December 31, 2024.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRS Accounting Standards for the first time for the current year's financial statements.

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

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

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

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier financial statements.

4. OPERATING SEGMENT INFORMATION

For the purpose 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.

The Group did not record any revenue during the year and the Group's non-current assets are substantially located in the PRC, accordingly, no analysis of geographical segment is presented.

5. OTHER INCOME AND GAINS, AND OTHER EXPENSES

(a) An analysis of other income and gains is as follows:

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Other income			
Government grants (i)	*7*	**27,005**	30,377
Bank interest income	*7*	**21,378**	45,580
Total other income		**48,383**	75,957
Gains			
Gain on disposal of right-of-use assets and lease liabilities	*7*	**89**	6,605
Foreign exchange gains, net	*7*	**8,974**	17,497
Others		**4,198**	496
Total gains		**13,261**	24,598
Total other income and gains		**61,644**	100,555

(i) The government grants and subsidies related to income and assets have been received to compensate for the Group's research and development expenditures and business operations.

(b) An analysis of other expenses is as follows:

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Provision for impairment of other non-current assets		**–**	8,689
Provision for impairment of other current assets	*7*	**1,824**	–
Provision for impairment of inventories	*7*	**11,060**	8,038
Provision for impairment of property, plant and equipment	*7*	**3,855**	–
Loss on disposal of items of property, plant and equipment, net	*7*	**32**	–
Others		**82**	2,620
Total		**16,853**	19,347

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Interest on bank borrowings		**26,758**	19,989
Less: Interest capitalised		**8,324**	7,786
Interest on lease liabilities	*7*	**463**	1,363
Total		**18,897**	13,566

7. LOSS BEFORE TAX

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

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Depreciation of property, plant and equipment*	*11*	**67,362**	47,416
Depreciation of right-of-use assets*		**8,039**	12,035
Amortisation of intangible assets*		**5,406**	4,447
Amortisation of other non-current assets*		**3,430**	461
Amortisation of other current assets*		**2,206**	2,019
Interest on lease liabilities	*6*	**463**	1,363
Expense relating to short-term leases*		**1,297**	2,140
Provision for impairment of inventories	*5(b)*	**11,060**	8,038
Provision for impairment of property, plant and equipment	*5(b)*	**3,855**	–
Provision for impairment of other current assets	*5(b)*	**1,824**	–
Research and development costs		**476,124**	487,847
Loss on disposal of items of property, plant and equipment	*5(b)*	**32**	35
Gain on disposals of items of right-of-use assets and lease liabilities	*5(a)*	**(89)**	(6,605)
Government grants	*5(a)*	**(27,005)**	(30,377)
Foreign exchange gains, net	*5(a)*	**(8,974)**	(17,497)
Bank interest income	*5(a)*	**(21,378)**	(45,580)
Auditor's remuneration*		**2,530**	2,360
Employee benefit expense* (excluding directors', chief executive's and supervisors' remuneration):			
Wages and salaries		**101,167**	113,772
Share-based payments expense		**15,076**	19,658
Pension scheme contributions, social welfare and other welfare		**12,393**	12,470

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets, amortisation of other non-current assets, amortisation of other current assets, expense relating to short-term leases, auditor's remuneration and employee benefit expense for the year are set out in "Selling and distribution expenses", "Administrative expenses" and "Research and development costs" in the consolidated statement of profit or loss and other comprehensive income.

8. INCOME TAX EXPENSE

The Group's principal applicable taxes and tax rates are as follows:

(a) No provision for Mainland China income tax has been provided for at a rate of 25% pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), as the Group's PRC entities have no estimated assessable profits during the year.

(b) Pursuant to the CIT Law, the Company is subject to CIT at a rate of 25% on the taxable income. Beijing ABZYMO obtained its certificate of high-technology enterprise on December 30, 2022 and is entitled to enjoy a preferential tax rate of 15% for three years from 2022 to 2025.

(c) A reconciliation of the tax expense applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(561,897)**	(572,443)
Tax at the statutory tax rate (25%)	**(140,474)**	(143,111)
Lower tax rates for specific provinces or enacted by local authority	**7,340**	11,533
Expenses not deductible for tax	**9,269**	11,514
Additional deductible allowance for qualified research and development costs	**(98,979)**	(105,173)
Tax losses and deductible temporary differences not recognised	**222,844**	225,237
Tax charge at the Group's effective rate	**–**	–

Deferred tax assets have not been recognised in respect of the following items:

	2024	2023
	RMB'000	*RMB'000*
Tax losses	**898,941**	698,686
Deductible temporary differences	**81,313**	72,263
Total	**980,254**	770,949

The Group has tax losses of RMB3,905,598,000 and RMB3,063,726,000 as at December 31, 2024 and 2023.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

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

The calculation of the basic loss per share amounts for the years ended December 31, 2024 and 2023 is based on the loss for the years attributable to 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 conversion into a joint stock company (Company's Capitalization Issue) and the share capital transfer from capital premium had been in effect on January 1, 2022.

The Company had no potentially dilutive ordinary shares in issue during each of the years presented.

The calculation of basic loss per share is based on:

	2024	2023
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation (RMB'000)	**(557,463)**	(571,957)
Shares		
Weighted average number of ordinary shares assumed to be in issue during the year used in the basic and diluted loss per share calculation	**478,540,929**	480,943,660
Loss per share (basic and diluted) (RMB per share)	**(1.16)**	(1.19)

10. TRADE AND BILLS PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**41,603**	113,918
Over 1 year	**18,186**	1,163
Total	**59,789**	115,081

Trade and bills payables are non-interest-bearing and are normally settled within the normal operating cycle.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *RMB'000*	Plant and machinery *RMB'000*	Furniture and fixtures *RMB'000*	Computer and office equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
For the year ended 2024							
At January 1, 2024:							
Cost	**150,381**	**279,514**	**226**	**8,305**	**3,096**	**493,714**	**935,236**
Accumulated depreciation and impairment	**(29,087)**	**(59,105)**	**(104)**	**(4,188)**	**(1,909)**	**–**	**(94,393)**
Net carrying amount	**121,294**	**220,409**	**122**	**4,117**	**1,187**	**493,714**	**840,843**
At January 1, 2024, net of accumulated depreciation and impairment	**121,294**	**220,409**	**122**	**4,117**	**1,187**	**493,714**	**840,843**
Additions	**523**	**712**	**–**	**33**	**–**	**286,409**	**287,677**
Disposals	**–**	**(4,641)**	**(17)**	**(12)**	**–**	**–**	**(4,670)**
Depreciation provided during the year	**(29,952)**	**(34,368)**	**(41)**	**(2,353)**	**(648)**	**–**	**(67,362)**
Transfers	**–**	**284,063**	**32**	**580**	**9**	**(286,396)**	**(1,712)**
At December 31, 2024, net of accumulated depreciation and impairment	**91,865**	**466,175**	**96**	**2,365**	**548**	**493,727**	**1,054,776**
At December 31, 2024							
Cost	**150,905**	**557,844**	**234**	**8,787**	**3,105**	**493,727**	**1,214,602**
Accumulated depreciation and impairment	**(59,040)**	**(91,669)**	**(138)**	**(6,422)**	**(2,557)**	**–**	**(159,826)**
Net carrying amount	**91,865**	**466,175**	**96**	**2,365**	**548**	**493,727**	**1,054,776**

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold improvements *RMB'000*	Plant and machinery *RMB'000*	Furniture and fixtures *RMB'000*	Computer and office equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
For the year ended 2023							
At January 1, 2023:							
Cost	30,059	190,064	200	5,050	2,683	381,731	609,787
Accumulated depreciation and impairment	(13,342)	(34,162)	(94)	(2,299)	(1,180)	–	(51,077)
Net carrying amount	16,717	155,902	106	2,751	1,503	381,731	558,710
At January 1, 2023, net of accumulated depreciation and impairment	16,717	155,902	106	2,751	1,503	381,731	558,710
Additions	461	2,006	56	983	–	340,069	343,575
Disposals	–	(72)	(8)	–	–	(1,878)	(1,958)
Depreciation provided during the year	(18,415)	(26,336)	(33)	(1,903)	(729)	–	(47,416)
Transfers	122,531	88,909	1	2,286	413	(226,208)	(12,068)
At December 31, 2023, net of accumulated depreciation and impairment	121,294	220,409	122	4,117	1,187	493,714	840,843
At December 31, 2023							
Cost	150,381	279,514	226	8,305	3,096	493,714	935,236
Accumulated depreciation and impairment	(29,087)	(59,105)	(104)	(4,188)	(1,909)	–	(94,393)
Net carrying amount	121,294	220,409	122	4,117	1,187	493,714	840,843

12. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS AND TIME DEPOSITS

Cash and cash equivalents and pledged deposits

	2024	2023
	RMB'000	*RMB'000*
Cash at banks	**327,271**	912,426
Less: Pledged deposits	**(8,231)**	(77,443)
Cash and cash equivalents	**319,040**	834,983
Denominated in:		
RMB	**217,127**	247,104
USD	**99,109**	509,223
HKD	**2,804**	78,656
Total	**319,040**	834,983

Time deposits with original maturity of more than three months

	2024	2023
	RMB'000	*RMB'000*
Time deposits with original maturity of more than three months	**129,275**	–
Time deposits with original maturity of more than three months	**129,275**	–
Denominated in:		
RMB	**45,890**	–
USD	**83,385**	–
Total	**129,275**	–

13. OTHER NON-CURRENT ASSETS

	2024	2023
	RMB'000	*RMB'000*
Prepayment for purchase of property, plant and equipment	**72,790**	118,410
Long-term deferred assets*	**71,303**	–
Deposits – non current**	**3,900**	2,400
Prepayment for long-term insurance***	**958**	1,430
Total	**148,951**	122,240

As at December 31, 2024, the Group had no time deposits with a maturity date of one year later.

* These are long-term assets deferred over their useful lives.

** This is the prepayment for long-term insurance, which will expire in September 2027. The Company signed finance lease contracts with Zhongguancun Science-Tech Leasing Co., Ltd. ("Zhongguancun") with regard to the sale and leaseback for certain equipments, of which the related deposit being paid to Zhongguancun was amounting to RMB3,900,000.

*** This is the prepayment for long-term insurance, which will expire in September 2027.

14. DIVIDEND

No dividends have been paid or declared by the Company during the year (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

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 innovative vaccines such as HPV vaccine candidates. Our vaccine portfolio currently consists of more than 10 vaccines, including our three strategic products, namely REC603, a recombinant HPV 9-valent vaccine under phase III clinical trial; REC610, a novel adjuvanted recombinant shingles vaccine, which is currently under phase III clinical trial in China; and a bivalent recombinant respiratory syncytial virus vaccine, which is about to enter the clinical research stage.

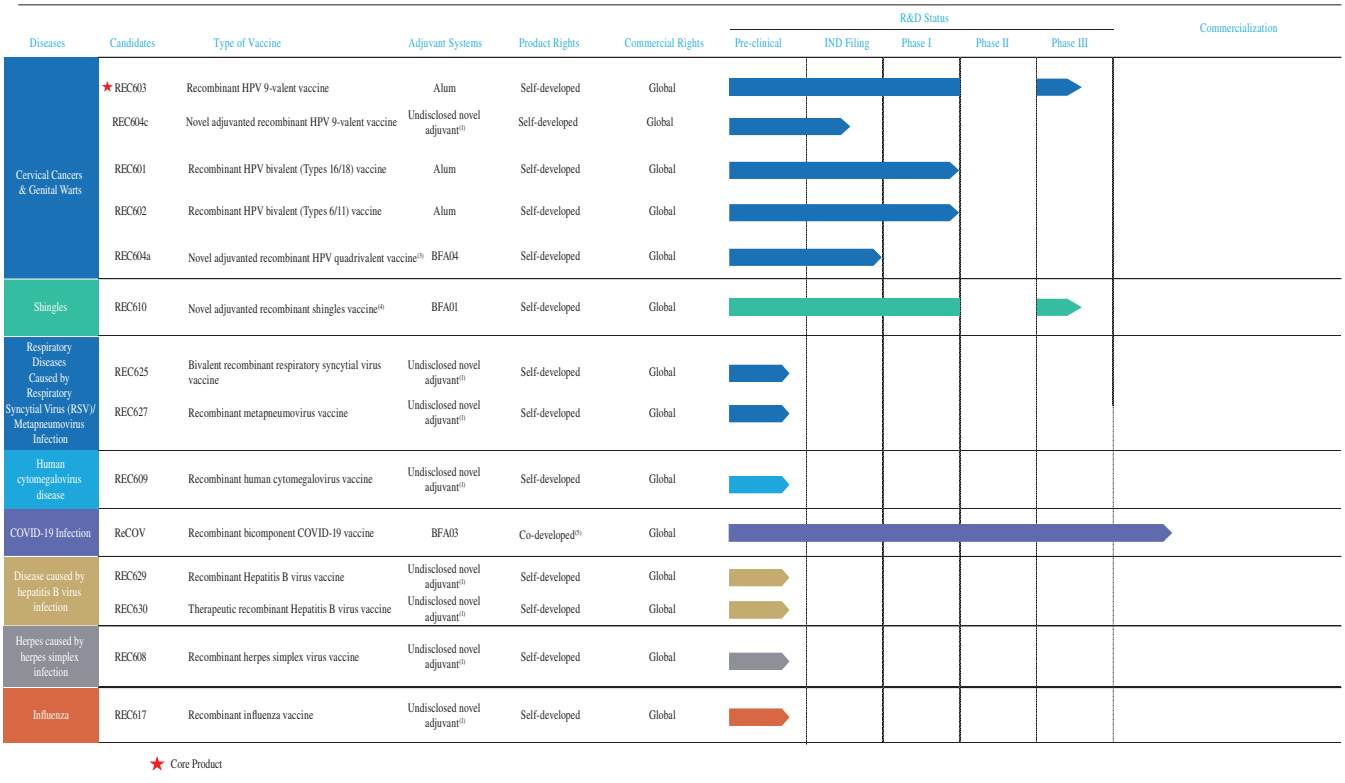
Through years of dedication and focus on this area, we have developed a comprehensive vaccine innovation engine consisting of a novel adjuvant platform, protein engineering platform, immunological evaluation platform and process development platform. These platforms empower us to continue to discover and develop innovative vaccines that apply advanced 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 four technology platforms create 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 more than 10 vaccine candidates.

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 have constructed an HPV vaccine manufacturing facility in Taizhou City, Jiangsu Province, which meets the WHO Prequalification (WHO PQ) Standards, with a designed capacity of 20 million doses of HPV 9-valent vaccines per year. Currently, the facility is under the stage of pilot production, synchronized with the progress of the clinical studies for the HPV 9-valent vaccine to support the BLA application in China. In addition, we have completed the construction of our innovative vaccines manufacturing facility based on the CHO cell expression systems in November 2021, and successfully acquired the vaccine production license issued by Jiangsu MPA. This manufacturing facility has received the European Union (EU) Qualified Person Declaration issued by a Qualified Person (QP) for several consecutive years. This manufacturing facility has a GFA of approximately 17,000 sq.m., and can be used for the manufacturing of a variety of innovative vaccines (CHO cell), including the novel adjuvanted recombinant shingles vaccines.

Our Vaccine Pipeline

Our vaccine portfolio strategically covered eight disease areas with significant burden globally, including HPV, varicella zoster virus, respiratory syncytial virus, Human Cytomegalovirus, etc. As of the date of this announcement, our vaccine portfolio consisted of more than 10 vaccine candidates including, in particular, REC603, a recombinant HPV 9-valent vaccine candidate under phase III clinical trial in China; a novel adjuvanted recombinant shingles vaccine; and a bivalent recombinant respiratory syncytial virus vaccine, which is about to enter the clinical research stage.

The following table summarizes our vaccine pipeline as of the date of this announcement.



Notes:

1. "Undisclosed novel adjuvant" represents a self-developed novel adjuvant to be used in vaccine candidates.

2. Recombinant HPV 9-valent vaccine, REC603, obtained the IND approval from the NMPA in July 2018. Based on product registration classification and written communication with the CDE of the NMPA, we were approved to directly conduct phase III clinical trial in China upon obtaining phase I clinical data. REC603 is currently in the pivotal stage of phase III clinical trial in China. Based on the performance commitments made by the Company in the announcement of the issuance of Domestic Shares published on November 11, 2024: the clinical analysis report of the HPV vaccines should be obtained by August 31, 2025, and no later than February 28, 2026; the marketing application for HPV vaccines should be submitted by December 31, 2025, and no later than June 30, 2026; the HPV vaccines should be approved for marketing by December 31, 2026, and no later than June 30, 2027.

3. Novel adjuvanted recombinant HPV quadrivalent vaccine (REC604a) has obtained the clinical trial approval notice from Chinese medical products administrations.

4. Novel adjuvanted recombinant shingles vaccine, REC610, received a drug clinical trial approval notice (notice number: 2023LP02151) issued by the NMPA in October 2023, which is approved for use as a preventive 3.3 biological product in its phase I and phase III clinical trials being carried out in China. The Company initiated the Phase III clinical trial in October 2024. Based on the performance commitments made by the Company in the announcement of the issuance of Domestic Shares published on November 11, 2024: the clinical analysis report of the shingles vaccines should be obtained by September 30, 2025, and no later than March 31, 2026; the marketing application for the shingles vaccines should be submitted by December 31, 2025, and no later than May 31, 2026; the shingles vaccines should be approved for marketing by November 30, 2026, and no later than May 31, 2027.

5. Recombinant Bicomponent COVID-19 Vaccine, ReCOV, was designed and developed by the Group jointly with Professor Wang Xiangxi's group at the Institute of Biophysics, Chinese Academy of Science. Since it obtained the first clinical trial approval in April 2021, the Company has conducted multiple clinical trials in countries including New Zealand, the Philippines, the UAE, China, Russia and Nepal, achieving several complete clinical research results. ReCOV was granted the emergency use authorization in Mongolia in 2023. Currently, there is no ongoing clinical trial for this project worldwide. Given the relatively low global demand for COVID-19 vaccines at present, continuing to advance the subsequent registration and commercialization of this project may not yield favorable economic and social benefits. The Company will no longer make new rounds of clinical development for COVID-19 vaccine projects developed against the existing strains, but will reasonably allocate resources based on the future development plans for respiratory combination vaccines, the market, policy environment and other factors.

6. The preclinical studies of bivalent recombinant respiratory syncytial virus vaccine, REC625, is scheduled to complete in 2025.

7. The novel adjuvanted recombinant HPV 9-valent vaccine, REC604c, was submitted for clinical trial application (IND) in China in February 2025 and accepted by NMPA.

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 HPV infections 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. Our phase III clinical trial of REC603 in China is in progress and regular follow-up is being conducted in accordance with the clinical protocol. We have finished the visit and observation of the 36th month and initiated the visit and observation of the 42nd month. We will carry out an interim analysis by adopting pathological endpoints and anticipate submitting a BLA application in 2025 when conditions are satisfied.

Summary of Clinical Trial: We jointly applied, and obtained the umbrella IND approval for REC603 in July 2018. Based on product registration classification and written communication with the CDE of the NMPA, we were approved to directly conduct phase III clinical trial in China upon obtaining phase I clinical data.

The Guidelines clearly points out that the randomized, double-blind and placebo-controlled design is still the best strategy to confirm the immunogenicity profile of the first-generation of vaccine for the time being. Compared to other domestic HPV 9-valent vaccines, our phase III clinical trial in China closely adheres to the Guidelines, which will help REC603 benefit Chinese women sooner. 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. 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 have finished the visit and observation of the 36th month and initiated the visit and observation of the 42nd month. We will carry out an interim analysis by taking pathological endpoints and plan to submit a BLA application to the NMPA in 2025 when conditions are satisfied. Since obtaining the IND approval in China, no material unexpected accidents or adverse changes in relation to REC603 have occurred.

Advantages of REC603: We believe that 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 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 glycosylation 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 enables 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 prevent against approximately 90% of cervical cancer and 90% of the anal and genital warts and are widely considered as the most effective vaccines for HPV. Currently, there is no domestic HPV 9-valent vaccine approved for sale in China.

Domestic substitute. To the best knowledge and information of the Company with reference to independent market research, the first domestic HPV bivalent vaccine accounted for 66.7% of China's HPV bivalent vaccine 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 HPV bivalent 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.

Same age coverage as imported vaccines. On August 30, 2022, HPV 9-valent vaccine available in the market in China has been expanded for females aged 9 to 45. Our Core Product, REC603, has also initiated phase III clinical trial for females aged 9 to 45 in 2021, indicating a same coverage in terms of age as compared to the current approved vaccines.

Next-generation HPV vaccines under development. We are also developing next-generation HPV 9-valent 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.

1. The above information was derived from multiple clinical trials conducted for different vaccines without the support of controlled, head-to-head clinical 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.

The Guidelines clearly points out that "randomized, double-blind, placebo-controlled design is currently the best strategy to confirm the protective efficacy of first-generation vaccines". Our phase III clinical protocol for the HPV 9-valent vaccine strictly follows the guidelines of the regulatory authorities; and we have the largest HPV 9-valent vaccine phase III clinical trial subjects in China and are conducting clinical trials in Henan, Shanxi and Yunnan provinces with high HPV infection rates. Currently, the Company is conducting follow-up visits according to the established protocol, maintaining ranking among the leading group in China in terms of clinical development progress.

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.

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 HPV bivalent vaccine, it may become the mainstream vaccine in developing countries.

We are developing a HPV bivalent 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 1,194.02 times compared with that before immunization. REC601 adopts a similar technical process line with the recombinant HPV 9-valent vaccine.

We will adopt a more reasonable follow-up development strategy by taking into account market demand and relevant regulatory guidance.

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

We are also developing REC602, an HPV bivalent vaccine candidate targeting HPV type 6/11. We have completed the phase I trial in late 2022. REC602 adopts a similar technical process line with the recombinant HPV 9-valent vaccine. We will adopt a more reasonable follow-up development strategy by taking into account market demand and relevant regulatory guidance.

REC604a and REC604c – Early-stage HPV Vaccines Formulated with Novel Adjuvant

Supported by our strong technology platforms, we are exploring to develop HPV vaccines formulated with novel adjuvant, namely REC604a and REC604c. Unlike the traditional aluminum adjuvant we are currently using, we are conducting early-stage development of next-generation HPV 9-valent and quadrivalent vaccines formulated with a self-developed novel adjuvant. 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 REC604c, they are designed to adopt a two-shot regimen. We have obtained the clinical trial approval notice for REC604a in China, and will adopt a more reasonable follow-up development strategy by taking into account market demand and relevant regulatory guidance. The application for Chinese clinical trial of REC604c, a novel adjuvanted recombinant HPV 9-valent vaccine, has been accepted, we plan to use a self-developed novel adjuvant to improve the immunogenicity of REC604c.

Shingles Vaccine

REC610 – Novel Adjuvanted Recombinant Shingles Vaccine Candidate under Phase III Clinical Stage

REC610 received a drug clinical trial approval notice (notice number: 2023LP02151) issued by the NMPA in October 2023, which is approved for use as a preventive 3.3 biological product in its phase I and phase III clinical trials being carried out in China. At present, we have completed the enrollment and the full course of vaccination of all subjects in the phase III clinical trial in China, and are conducting follow-up visit and observation according to the clinical protocol. The randomized, double-blind and placebo-controlled clinical study is designed to evaluate the protection effectiveness, safety and immunogenicity of REC610 vaccine in healthy subjects aged 40 years and above, and a total of 24,640 subjects have been enrolled in 18 research centers in Yunnan, Henan and Shanxi provinces. Previously, exploratory clinical studies of REC610 with Shingrix® as positive control were carried out in the Philippines and China, respectively, and the expected results were obtained. The data showed that in healthy subjects aged 40 years and above, the overall safety profile of two doses of REC610 was favorable, and no vaccination-related SAEs or AESIs, or TEAEs leading to early withdrawal from the study were observed. REC610 induces strong gE-specific immune response at a level comparable to those in the Shingrix® group.

1) Safety: REC610 had good safety profile with the two-dose vaccination regimen. No SAE, AESI or TEAE leading to early discontinuation was reported. The incidences of vaccination related TEAEs, solicited local and systemic TEAEs, unsolicited TEAEs were comparable between REC610 group and Shingrix® group. Majority of vaccination related TEAEs were grade 1 or grade 2, and all recovered in 1-3 days post vaccination. The common (≥5%) solicited TEAEs in REC610 group included injection site pain, injection site swelling, pyrexia, headache, and myalgia.

2) Immunogenicity: REC610 induced strong gE-specific humoral and cellular immune responses, which were evident after the first vaccination and reached the peak at 30 days after the second vaccination. The humoral and cellular immune responses were comparable between REC610 and Shingrix® group, and the immune response level in REC610 group was numerically higher than that in Shingrix® group. REC610 induced favorable humoral and cellular immune responses in both elderly and adult groups. Both REC610 and Shingrix® groups induced high levels of anti-gE antibodies at 60 days after the first dose vaccination, and 30 days after the second dose vaccination. The GMT, GMI and SCR of anti-gE antibodies were comparable in REC610 group and Shingrix® group, especially, the GMT and GMI of anti-gE antibodies were numerically slightly higher in REC610 group than those in Shingrix® group. Both REC610 and Shingrix® groups induced strong cellular immune response at 60 days after the first dose vaccination, and 30 days after the second vaccination. Tested by the internationally recognized ICS method, the frequencies and CMI response rates of CD4+T cells secreting at least one or two of gE-specific cytokines were comparable in REC610 group and Shingrix® group, and the cellular immune response level was numerically slightly higher in REC610 group than that in Shingrix® group.

Shingles is an acute infectious skin disease caused by reactivation of latent varicella zoster virus (VZV) in the body. There is no specific medicine for shingles, and vaccination is an effective means of preventing shingles. According to global research data on shingles vaccines that have been marketed, as compared to attenuated live vaccines, novel adjuvanted recombinant protein vaccines can provide stronger cellular immune and protective efficacy. REC610 is equipped with a novel adjuvant BFA01 independently developed by the Company, which can promote the production of high levels of VZV glycoprotein E(gE)-specific CD4+T cells and antibody. REC610 is intended to prevent shingles in adults aged 40 and above. According to statistics, China's population aged 40 and above is approximately 700 million. Only GSK Shingrix®, the novel adjuvant recombinant vaccine, is on the market in China, and there is a strong demand for import substitution.

Respiratory Syncytial Virus Vaccine Pipeline

REC625 – Bivalent Recombinant Respiratory Syncytial Virus Vaccine

The REC625 is equipped with the novel adjuvant independently developed by us and intended to prevent the diseases caused by respiratory syncytial virus infection in the elderly population. Preclinical studies have shown that REC625 has favorable immunogenicity compared to overseas marketed products and can induce high levels of specific neutralizing antibodies, and significantly improve the neutralizing antibodies against subtype B. The project adopted our independently designed vaccine antigen structure and relevant invention patent application has been submitted. We plan to complete the preclinical studies in 2025.

COVID-19 Vaccine

ReCOV – Recombinant Bicomponent COVID-19 Vaccine

ReCOV is a recombinant COVID-19 vaccine developed by the Company comprehensively using its core technology platforms, including its novel adjuvant, protein engineering and immunological evaluation platforms, and the adjuvant used therein is its self-developed novel adjuvant BFA03. Since it obtained the first clinical trial approval in April 2021, the Company has conducted multiple clinical trials in countries including New Zealand, the Philippines, the UAE, China, Russia and Nepal, achieving several complete clinical research results. ReCOV was granted the emergency use authorization in Mongolia in 2023. Currently, there is no ongoing clinical trial for this project worldwide. Given the relatively low global demand for COVID-19 vaccines at present, continuing to advance the subsequent registration and commercialization of this project may not yield favorable economic and social benefits. The Company will no longer make new rounds of clinical development for COVID-19 vaccine projects developed against the existing strains, but will reasonably allocate resources based on the future development plans for respiratory combination vaccines, the market, policy environment and other factors. As there are adjustments in the business plans for COVID-19 vaccine projects, upon in-depth analysis and prudent consideration, the Company decides to deregister its subsidiary, Wuhan Recogen, which was established to conduct the R&D of mRNA COVID-19 vaccine. At the same time, the Company will continuously pay attention to and keep track of the mRNA vaccine technology.

During the Reporting Period, the Company established a complete and systematic quality system for large-scale commercial production of vaccines at its vaccine manufacturing facility in Taizhou City, Jiangsu Province based on the COVID-19 vaccine project. The factory meets both Chinese and European Union (EU) GMP standards and has obtained a Chinese vaccine production license. It has consistently received the EU Qualified Person Declaration issued by a Qualified Person (QP) for several years. The factory has a track record of successful large-scale batch production, which is of great value in advancing the subsequent development and industrialization of the Company's recombinant shingles vaccine REC610 and bivalent recombinant respiratory syncytial virus vaccine REC625.

Other Disease Areas

REC609 – Early-stage Recombinant Human Cytomegalovirus Vaccine

We are developing a recombinant human cytomegalovirus vaccine (i.e., REC609) with our technology platforms, with a higher cellular immune response and enhanced protection.

REC629 – Early-stage Recombinant HBV Vaccine

We plan to develop a recombinant HBV vaccine (i.e., REC629) based on the same yeast expression system as the HPV vaccine, combined with the immune-enhancing effects of the novel adjuvant, with a higher humoral immune response and enhanced protection.

REC630 – Early-stage Therapeutic Recombinant HBV Vaccine

We plan to develop a therapeutic recombinant HBV vaccine (i.e., REC630) based on the same yeast expression system as the HPV vaccine, combined with the immune-enhancing effects of the novel adjuvant, with a higher immune response and enhanced protection.

REC608 – Early-stage Recombinant HSV Vaccine

HSV is a key cause of genital herpes. We are developing a recombinant HSV vaccine (i.e., REC608) with our technology platforms, taking into account a multi-antigen combination scheme in the antigen design to fully utilize the immune-enhancing effects of the adjuvant, resulting in a higher cellular immune response and stronger protection.

REC617 – Early-stage Recombinant Influenza Virus Vaccine

Influenza virus is the leading causative pathogen of respiratory disease. We are developing a recombinant influenza virus vaccine (i.e., REC617) that is designed with rapid and efficient expression of protective antigens and takes full advantage of the immune-enhancing effects of adjuvants.

Our Technology Platforms

We have developed four advanced technology platforms for novel adjuvant development, protein engineering, immunological evaluation and process development. These platforms empower us to continue to discover and develop subunit vaccines and to apply advanced 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, five novel adjuvants are 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. The two independently developed novel adjuvants, BFA01 and BFA03, have been successfully included in the adjuvant supply pool managed by CEPI due to their significant advantages in efficacy and safety, as well as their commercial-scale industrialization capabilities, to meet the demand for innovative adjuvants from vaccine developers around the world.

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 express the antigens in different expression systems, including E.coli, H. polymorpha, insect 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 recombinant shingles and HPV vaccine candidates.

Immunological Evaluation Platform

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 teams 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.

Process Development Platform

The process development platform is the "road builder" of innovative vaccine research and development. Pharmaceutical R&D is the process of designing high-quality products and developing a stable manufacturing process that consistently produces products that meet the expected quality standards. A high level of commercialization of innovative vaccines requires a high level of manufacturing processes and quality control. Our process development platform has a full set of process development capabilities such as microbial fermentation, cell suspension culture, biological macromolecule separation and purification and lyophilization of preparations.

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 CDC in China. As of the date of this announcement, our in-house R&D team consisted of over 100 talented personnel, most of them held master's or doctoral 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 R&D.

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 development 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 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 four advanced technology platforms for novel adjuvant development, protein engineering, immunological evaluation and process development. These platforms empower us to continue to discover and develop subunit vaccines and to apply advanced technologies in our vaccine candidates. Our four technology platforms create synergies among the design and optimization of antigens, the development and production of vaccines and adjuvants and the identification of the optimal combinations of antigens and adjuvants. 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 development going forward.

The Company has further enhanced the high-efficiency matrix organizational structure based on the IPD concept. In terms of the products, we divided the entire process from R&D to marketing into six seamlessly connected processes, namely planning, pre-research, development, clinical, industrialization and sales, which are managed in stages according to the characteristics of different stages, and are uniformly made decisions and coordinated by IPMT. The Company has also integrated resource capability modules based on its strategy and pipeline goals, strengthened its four core technology platforms, including novel adjuvant, protein engineering, immunological evaluation and process development platforms, and reorganized its clinical development, process development and quality analysis departments. Upon in-depth analysis and prudent consideration, the Board decides to deregister the wholly-owned subsidiary, Hangzhou Ruibaio, which is established for the purpose of the R&D of certain products, so as to improve the management efficiency and operation profitability, and optimize and integrate R&D resources. Upon the above organizational optimization, the number of research and development staff in the Company has experienced a decrease while efficiency has been improved.

For the year ended December 31, 2024, our total research and development costs amounted to RMB476.1 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 R&D with a GFA of approximately 4,000 sq.m. Our Taizhou headquarters R&D facility has a GFA of approximately 3,800 sq.m. with a pilot plant of stock solution, equipped with two production lines for stock solution; and a pilot plant of preparation, equipped with a pre-filled preparation line. 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, shingles vaccines pipeline, etc.

In anticipation of the huge market demand for our clinical stage vaccine candidates, we have started to prepare for the commercial manufacturing of our vaccine candidates. During the Reporting Period, we completed the construction of our HPV vaccine manufacturing facility in Taizhou City, Jiangsu Province, which is currently under the stage of pilot production and has a designed peak annual capacity of 20 million doses of HPV 9-valent vaccines. During the Reporting Period, the Company established a complete and systematic quality system for large-scale commercial production of vaccines at its vaccine manufacturing facility in Taizhou City, Jiangsu Province based on the COVID-19 vaccine project. The factory meets both Chinese and EU GMP standards and has obtained a Chinese vaccine production license. It has consistently received the European Union (EU) Qualified Person Declaration issued by a Qualified Person (QP) for several years. The factory has a track record of successful large-scale batch production, which is of great value in advancing the subsequent development of REC610 (recombinant shingles vaccine) and REC625 (recombinant respiratory syncytial virus vaccine) of the Company.

We have formulated clear commercialization strategy for our clinical-stage vaccine candidates, namely HPV vaccines and recombinant shingles vaccines. In building sales channels for the commercialization of our vaccine candidates in international markets, we are currently building our international business development team. Our international business development team plans to enter into collaborations with foreign governments, MNCs, CSOs and international organizations to commercialize the Company's products overseas. In 2024, we have signed the framework agreement with countries including Saudi Arabia, Argentina, Russia, Indonesia and South Africa for the development, registration and commercialization of the recombinant HPV 9-valent vaccine REC603, in which the parties will separately agree on specific commercial arrangements related to REC603 under the above-mentioned framework agreement, which will be disclosed by the Company in a timely manner in accordance with the requirements of the Listing Rules.

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 the relevant patent applications of each project, 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. We hold 33 authorized patents in China and 73 patent applications (including 104 invention patents and patent applications, and 2 design patents), among which, the authorized patents are mainly concentrated in the Core Products related to HPV project, adjuvant platform and syncytial virus vaccine projects, etc. In particular, we constantly strengthen the deployment of proprietary intellectual property rights for innovative vaccines. Among them, based on the protein engineering platform, we have applied for nearly 40 invention patents in relation to antigens for recombinant human herpes simplex virus vaccine (HSV), SARS-COV-2 and its variants vaccine, and respiratory syncytial virus vaccine (RSV) projects. Based on the new adjuvant platform, we have applied for nearly 30 invention patents in relation to key raw materials for adjuvants, of which 5 new adjuvant patents have been granted. For the year ended December 31, 2024, 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 December 31, 2024, the Group had 531 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, research and development costs and selling and distribution expenses) for the year ended December 31, 2024 were RMB187.9 million, as compared to RMB227.6 million for the year ended December 31, 2023. The remuneration package of our employees includes wages and other incentives, which are generally determined by their qualifications, industry experience, positions and performance. We conduct new employee training, as well as professional and safety training programs for all employees in accordance with our internal procedures. 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.

Business Outlook

Going forward, leveraging our strengths, we plan to implement the following strategies:

- 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.

We believe that we will further strengthen our core competitive strengths and enable us to capture rising business opportunities through the following practices:

- concentrate resources and prioritize the marketing of HPV 9-valent vaccines and recombinant shingles vaccines as soon as possible;
- actively carry out the planning and pre-research of subsequent pipelines, and conduct preclinical studies in due time within the scope of resource capabilities;
- develop intelligent manufacturing processes and equipment, enhance the construction of quality management system, strengthen brand construction and communication, and enhance the construction of marketing team and marketing network;
- strengthen international BD capabilities to achieve greater breakthroughs in the international market and foreign commercial authorization; and
- cooperate with industrial partners to build a strong domestic marketing network.

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 the Key Items of Our Results of Operations

Other Income and Gains

Our other income and gains decreased by 38.8% from RMB100.6 million for the year ended December 31, 2023 to RMB61.6 million for the year ended December 31, 2024. Such decrease was primarily attributable to (i) the decrease in bank interest income of RMB24.2 million; and (ii) the decrease in foreign exchange gains of RMB8.5 million.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 69.4% from RMB8.5 million for the year ended December 31, 2023 to RMB2.6 million for the year ended December 31, 2024, primarily attributable to the reduction of employees, resulting in a decrease in the headcount of our marketing department, and the corresponding decrease in labor costs.

Research and Development Costs

Our research and development costs decreased by 2.4% from RMB487.8 million for the year ended December 31, 2023 to RMB476.1 million for the year ended December 31, 2024. Such decrease in research and development costs resulted from the following:

- RMB43.0 million decrease in clinical trial expenses from RMB197.5 million for the year ended December 31, 2023 to RMB154.5 million for the year ended December 31, 2024, mainly due to the decrease in clinical expenditure compared with the previous period as we have finished the visit and observation of the 36th month and initiated the visit and observation of the 42nd month in phase III clinical trial in China for our Core Product, REC603;

- RMB5.2 million decrease in pre-IND expenses from RMB20.1 million for the year ended December 31, 2023 to RMB14.9 million for the year ended December 31, 2024, mainly because the Company's major pipeline products had substantially completed their preliminary research and development and are currently in the clinical stage, while most of the other pipeline products are in the pre-research stage; and

- RMB22.4 million increase in depreciation and amortisation from RMB50.0 million for the year ended December 31, 2023 to RMB72.4 million for the year ended December 31, 2024, mainly due to the advancement of the construction of the vaccine building and the quality inspection building of the HPV industrialization base, which resulted in the relevant property, plant and equipment reaching the condition for intended use and the increase of RMB284.1 million in plant and machinery.

Administrative Expenses

Our administrative expenses decreased by 24.1% from RMB143.8 million for the year ended December 31, 2023 to RMB109.1 million for the year ended December 31, 2024, mainly attributable to a decrease in labor expenses resulting from optimization of staff.

Other Expenses

Our other expenses decreased from RMB19.3 million for the year ended December 31, 2023 to RMB16.9 million for the year ended December 31, 2024, mainly due to the decrease of RMB8.7 million in provision of impairment for other non-current assets and the increase of RMB3.1 million in provision of impairment for inventories.

Finance Costs

Our finance costs increased from RMB13.6 million for the year ended December 31, 2023 to RMB18.9 million for the year ended December 31, 2024, mainly because we obtained additional debt financing.

Analysis of Key Items of 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) motor vehicles; and (vi) construction in progress. Our property, plant and equipment increased by 25.5% from RMB840.8 million as of December 31, 2023 to RMB1,054.8 million as of December 31, 2024, mainly due to the advancement of the purification and decoration project for the vaccine building and quality inspection building of HPV industrialization base.

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 and our leased office building and laboratories. Our right-of-use assets decreased by 20.3% from RMB43.4 million as of December 31, 2023 to RMB34.6 million as of December 31, 2024, mainly due to normal depreciation of right-of-use assets.

Other Non-current Assets

Our other non-current assets mainly represent our prepayment for purchase of property, plant and equipment and long-term deferred assets. Our other non-current assets increased by 21.9% from RMB122.2 million as of December 31, 2023 to RMB149.0 million as of December 31, 2024, mainly due to the increase in long-term assets that are amortized based on the useful lives.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets increased from RMB123.2 million as of December 31, 2023 to RMB136.3 million as of December 31, 2024, mainly due to (i) the decrease of RMB13.4 million in prepayments for the purchase of shares under the 2022 H Share Incentive Scheme; (ii) the increase of RMB55.3 million in the amount of value-added tax recoverable expected to be collected or deducted within one year; and (iii) the decrease of RMB23.1 million in prepayments for raw materials.

Cash and Bank Balances

Our cash and bank balance decreased by 50.0% from RMB912.4 million as of December 31, 2023 to RMB456.5 million as of December 31, 2024, mainly due to the purchase of research and development services, raw materials, equipment, the industrialization construction, and administrative expenses.

Trade and Bills Payables

Our trade payables decreased by 48.0% from RMB115.1 million as of December 31, 2023 to RMB59.8 million as of December 31, 2024, mainly because of the payment for inventory procurement expenses.

Other Payables and Accruals

Our other payables and accruals increased by 0.5% from RMB268.1 million as of December 31, 2023 to RMB269.4 million as of December 31, 2024, mainly due to increased spending on clinical trials.

Lease Liabilities

Our lease liabilities decreased by 43.8% from RMB19.2 million as of December 31, 2023 to RMB10.8 million as of December 31, 2024, mainly due to the payment of rent related to right-of-use assets.

Liquidity and Capital Resources

Our primary uses of cash relate to the research and development of our vaccine candidates and the purchase of fixed assets. 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 commercialization of 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, unutilized banking facilities and financing. As of December 31, 2024, our cash and bank balances amounted to RMB456.5 million. Out of the RMB456.5 million cash and bank balances as of December 31, 2024, RMB271.2 million (approximately 59.4%) was denominated in RMB, RMB182.5 million (approximately 40.0%) was denominated in U.S. dollars and RMB2.8 million (approximately 0.6%) was denominated in Hong Kong dollars.

Net Current Assets

Our net current assets decreased by 126.9% from RMB685.1 million as of December 31, 2023 to RMB-184.3 million as of December 31, 2024, primarily due to (i) the decrease in cash and cash equivalents by RMB515.9 million; and (ii) the increase in current borrowings by RMB453.1 million. Subsequent to December 31, 2024, the Company entered into a supplementary agreement with Yangtze River Pharmaceutical, pursuant to which Yangtze River Pharmaceutical has consented to extend the repayment period of the RMB200 million borrowing up to April 1, 2026. Concurrently, the Group entered into credit facility agreements, and as of the date of this announcement, the Group had a total of RMB146 million of unused credit facilities that would be available for use beyond December 31, 2025.

Charge on Asset

As of December 31, 2024, the Group had RMB169.2 million in assets pledged as collateral (December 31, 2023: RMB83.5 million), mainly due to an increase in collateral as a result of bank and other borrowings.

Indebtedness and Financial Ratios

The total interest-bearing bank loans and other borrowings of the Group as of December 31, 2024 were RMB878.3 million. RMB499.4 million of the bank loans and other borrowings were current borrowings with maturity dates in 2025 and effective interest rates ranging from 3.15% to 6.70%. RMB378.9 million of the bank loans and other borrowings were non-current borrowings with maturity dates from 2026 to 2028 and effective interest rates ranging from 3.15% to 6.70%.

Our current ratio (calculated as current assets divided by current liabilities as of the same date) decreased from 2.5 as of December 31, 2023 to 0.78 as of December 31, 2024, mainly due to the increase in bank loans and other borrowings maturing within one year.

Our gearing ratio (calculated as total liabilities divided by total assets as of the same date) was 72.7% as of December 31, 2024 (as of December 31, 2023: 51.0%), due to the increase in the size of bank and other loan financing.

Contingent Liabilities

We had no material contingent liabilities as of December 31, 2024.

Capital Expenditure and Contractual Commitments

Our capital expenditure is mainly for the purchase of our long-term assets including (i) construction in progress; (ii) plant and machinery; (iii) leasehold improvements; (iv) motor vehicles; (v) computers and office equipment; and (vi) furniture and fixtures. Our capital expenditure decreased from RMB212.0 million for the year ended December 31, 2023 to RMB171.8 million for the year ended December 31, 2024, mainly related to the decrease in amount payable for purchase of production equipment during the year.

Our capital expenditure commitments increased from RMB76.2 million as of December 31, 2023 to RMB381.8 million as of December 31, 2024, primarily attributable to further progress in research and development projects, resulting in the continued increase in investment in construction and procurement of equipment, as well as a significant increase in construction in progress during the year.

Save as disclosed above, the Group had no other material capital expenditure or investment plan as at the date of this announcement.

Significant Investments and Material Acquisitions and Disposals

Our Company had no significant investments, material acquisitions and/or disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2024.

Events after the Reporting Period

On March 27, 2025, the Company and Yangtze River Pharmaceutical entered into a supplementary agreement for the Share Subscription Contract, pursuant to which Yangtze River Pharmaceutical has consented to extend the repayment period of the RMB200 million borrowing up to April 1, 2026. Save as disclosed above, all other terms and conditions of the Share Subscription Contract remained unchanged. Details of the Issuance can be found in the "Purchase, Sale or Redemption of Our Company's Shares" section of this announcement.

Concurrently, the Group entered into credit facility agreements, and as of the announcement date, the Group had a total of RMB146 million of unused credit facilities that would be available for use beyond December 31, 2025.

Save as disclosed above and 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 interest risk, 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.

Interest Risk

The Group has no significant interest-bearing assets other than time deposits and cash and cash equivalents. The Group's interest rate risk arises from its borrowings, which are at variable rates and expose the Group to the risk of changes in market interest rates. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

As at December 31, 2024, if interest rates on loans had been 50 basis points higher/lower with all other variables held constant, the loss before tax for the year ended December 31, 2024 would have been RMB2,739,000 (2023: RMB2,063,000) higher/lower, mainly as a result of the higher/lower interest expense on loans.

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 trades only with recognized and creditworthy 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 December 31, 2024.

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 December 31, 2024, 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 allocate the working capital 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

On November 11, 2024, the Board meeting approved the resolutions on the Company's issuance of Domestic Shares, and proposed to issue not more than 143,112,702 Domestic Shares to Yangtze River Pharmaceutical under the specific mandate. On November 11, 2024, the Company, Dr. Liu and Yangtze River Pharmaceutical signed a Share Subscription Contract in relation to the Issuance of Shares of Jiangsu Recbio Technology Co., Ltd. (《江蘇瑞科生物技術股份有限公司定向發行股份認購合同》) ("**Share Subscription Contract**") with conditions precedent, pursuant to which Yangtze River Pharmaceutical has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue a total of 143,112,702 Domestic Shares at the subscription price of RMB5.59 per Share and with a par value of RMB1.00 per Share (the "**Issuance**"). On December 24, 2024, the Company held an extraordinary general meeting to consider and approve the relevant resolutions of the Issuance. As of the date of this announcement, the application materials for the Issuance have been accepted by the CSRC.

The Issuance will help promote the business development of the Company, enhance its comprehensive competitiveness and ensure the realization of its operating goals and future development strategies. The Issuance facilitates the recombinant shingles vaccine pipeline and supplement working capital, which is conducive to improving the overall strength of the Company and increasing its capital reserve, thereby further optimizing the Company's financial structure, improving its profitability and anti-risk capability, and ensuring the stable and sustainable development of the Company in the future.

It is expected that the proceeds raised from the Issuance will be approximately RMB800,000,004. After deducting the relevant issuance expenses, it will be used for the research and development of shingles vaccine products and the supplement of working capital as follows:

(i) about 70% (RMB560 million) will be used for the shingles vaccine project, of which 31% will be spent on clinical trials, 31% will be spent on registration, industrialization and commercialization, and 8% will be spent on process verification and production preparation; and

(ii) about 30% (RMB240 million) will be used to supplement working liquidity.

The closing price of H Share on the Stock Exchange on the date of the Share Subscription Contract (i.e. November 11, 2024) was HK$8.24 per share.

The Issuance is subject to the approval of the relevant regulatory authorities (i.e., the CSRC), and the final plan approved by the relevant regulatory authorities (i.e. the CSRC) shall prevail. The Company will make further disclosures regarding the Issuance in due course and appropriate manner in accordance with the Listing Rules and/or applicable laws and regulations.

For details of the Issuance, please refer to the Company's announcements dated November 11, 2024, December 24, 2024, January 9, 2025 and February 27, 2025 and the circular dated December 5, 2024.

Save as disclosed above, during the Reporting Period, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury Shares (as defined in the Listing Rules)). As of the end of the Reporting Period, no treasury Shares were held by the Company or its subsidiaries.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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.

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 during the Reporting Period.

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. In view of Dr. Liu'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) any 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 they act for the benefits 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 discussions by both the 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.

USE OF PREVIOUS PROCEEDS

Our Company's H Shares were listed on the Stock Exchange on March 31, 2022. After exercise of over-allotment option on April 23, 2022, the net proceeds from the Global Offering amounted to approximately RMB669,714 thousand. Reference is made to the announcement of the Company dated March 20, 2023 (the "**Announcement**"). In order to improve the efficiency of the use of proceeds, reduce finance costs and align with the Company's strategic objectives, the Board considered and approved the changes in the use of proceeds on March 20, 2023. As of December 31, 2024, the Company had utilized proceeds amounted to approximately RMB662,595 thousand and unutilized proceeds amounted to approximately RMB7,119 thousand.

The above proceeds have been and will be used in accordance with the purposes set out in the Prospectus and disclosed in the Announcement. As of December 31, 2024, the Company had used the net proceeds from the Global Offering for the following purposes:

	Net proceeds used for related purposes *(RMB'000)*	Percentage of total net proceeds *(%)*	Unutilised amount of proceeds as of December 31, 2023 *(RMB'000)*	Actual utilised amount of proceeds during 2024 *(RMB'000)*	Actual utilised amount of proceeds as of December 31, 2024 *(RMB'000)*	Unutilised amount of proceeds as of December 31, 2024 *(RMB'000)*
1. Continuous optimization, development and commercialization of our HPV vaccine pipeline, including our Core Product, the recombinant HPV 9-valent vaccine REC603, as follows:	316,633	47	142,318	135,199	309,514	7,119
(i) The ongoing phase III clinical trial, registration, manufacturing and commercialization of our Core Product, REC603	302,393	45	141,520	134,401	295,274	7,119
(ii) Preclinical and clinical studies for other HPV vaccine candidates, namely our recombinant HPV bivalent vaccine candidates REC601 and REC602 and adjuvanted second-generation HPV vaccine candidates REC604a and REC604b	14,240	2	798	798	14,240	–
2. Preclinical and clinical studies, registration of recombinant COVID-19 vaccines, namely recombinant COVID-19 vaccine, REC611, mRNA COVID-19 vaccine, REC618	153,454	23	–	–	153,454	–
3. Preclinical and clinical studies, registration of recombinant shingles vaccine, REC610	80,464	12	20,941	20,941	80,464	–
4. Preclinical and clinical studies, registration of adult TB vaccine	273	–	–	–	273	–
5. Preclinical and clinical studies, registration of recombinant HFMD vaccine, REC605; recombinant influenza quadrivalent vaccine, REC617 and other vaccines	3,630	1	–	–	3,630	–
(i) Recombinant HFMD vaccine, REC605	91	–	–	–	91	–
(ii) Recombinant influenza quadrivalent, REC617	6	–	–	–	6	–
(iii) Other vaccines	3,533	1	–	–	3,533	–
6. Further enhancement of R&D capabilities and improvement of operating efficiencies, including:	44,513	7	2,230	2,230	44,513	–
(i) Enhancement of technology platforms to support continuous demands	18,010	3	1,715	1,715	18,010	–
(ii) Establishment of manufacturing and quality control system and upgrade of information technology infrastructure	26,503	4	515	515	26,503	–
7. Working capital and general corporate purposes	70,747	11	9	9	70,747	–
Total	**669,714**	**100**	**165,498**	**158,379**	**662,595**	**7,119**

Reference is made to the Company's announcement dated March 20, 2024, the expected timetable for certain uses of the above-mentioned proceeds is delayed compared with that disclosed in the Prospectus, primarily due to (i) the advancement and construction of some intended uses has been delayed resulting from the impact of the COVID-19 pandemic and the market environment; and (ii) the use of some proceeds has been delayed because of the impact of the payment cycle. It is expected that the unused proceeds will be fully utilized by the end of 2025.

The Company will continuously review the plan of the use of the unutilized net proceeds and may amend such plan where necessary so as to cope with the changing market conditions and strive for better business performance of the Company.

Where the net proceeds are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, so long as they are deemed to be in the best interests of our Company, we may hold such funds in short-term deposits with licensed banks or authorized financial institutions in Hong Kong.

FINAL DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2024 (2023: Nil).

REVIEW OF ANNUAL RESULTS

The combined financial statements of the Group for the year ended December 31, 2024 were audited by Ernst & Young. The Audit Committee of the Company has also reviewed the audited annual results of the Group for the year ended December 31, 2024. The figures in respect of the Group's results for the year ended December 31, 2024 as set out in this annual results announcement have been agreed by the auditor of the Company, Ernst & Young, to be consistent with the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2024.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The register of members of H Shares of the Company will be closed from Tuesday, June 17, 2025 to Friday, June 20, 2025, both days inclusive, during which period no transfer of H Shares will be registered, in order to determine the holders of H Shares of the Company who are entitled to attend and vote at the forthcoming AGM to be held on Friday, June 20, 2025. To be eligible to attend and vote at the AGM, all properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, June 16, 2025 for registration.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.recbio.cn). The annual report of the Group for the year ended December 31, 2024 will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules in due course and dispatched to the H Shareholders by the means of receipt of communications chosen by the H Shareholders.

PROPOSED APPOINTMENT OF THE BOARD OBSERVER

The Board is pleased to announce that the Board nominated Mr. CHEN Gang ("**Mr. Chen**") as an observer to the second session of the Board at the Board meeting held on March 28, 2025, with a term of office from the date of approval at the general meeting of the Company to the date of expiry of the second session of the Board.

Mr. Chen, as an observer to the Board, will be able to attend the Board meetings and express his views on the Board issues, but will not participate in the voting of the Board. Mr. Chen also does not receive any remuneration from the Company as an observer to the Board. Details of Mr. Chen's biography are as follows:

Mr. CHEN Gang (陳剛), aged 42, served as a senior consultant of L.E.K. Consulting (Shanghai) Co., Ltd. (艾意凱諮詢(上海)有限公司) from July 2007 to June 2011. From June 2013 to July 2015, he served as an investment director of Vivo Capital Equity Investment Management (Shanghai) Co., Ltd. (維梧股權投資管理(上海)有限公司). From July 2015 to March 2017, he served as the investment director of Shanghai Aland Investment Holdings Co., Ltd. (上海艾蘭得投資控股有限公司). From March 2017 to March 2019, he served as an investment director of Jiaxing Jifeng Equity Investment Management Co., Ltd. (嘉興濟峰股權投資管理有限公司). Since March 2019, he has been serving as the managing partner of LYFE Capital Equity Investment Management (Shanghai) Co., Ltd. (洲嶺私募基金管理(上海)有限公司). Mr. Chen currently also serves as a non-executive director of Shanghai HeartCare Medical Technology Corporation Limited (上海心瑋醫療科技有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 6609), Shanghai Zhenge Biotech Co., Ltd. (上海臻格生物技術有限公司), Shenzhen ReeToo Biotech Co., Ltd. (深圳市瑞圖生物技術有限公司), Shanghai Shenqi Medical Technology Co., Ltd. (上海申淇醫療科技有限公司) and Shenzhen Edge Medical Co., Ltd. (深圳市精鋒醫療科技股份有限公司).

Mr. Chen obtained his bachelor's degree in clinical medicine from the Shanghai Medical College of Fudan University (復旦大學上海醫學院) in 2007 and master's degree in business administration from Northwestern University Kellogg School of Management in the U.S. in 2013 respectively.

Definitions

"Annual General Meeting" or "AGM"	the annual general meeting of our Company proposed to be held on June 20, 2025;
"Audit Committee"	the audit committee of our Company;
"BD"	business development;
"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"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time;
"China" or "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 Part 2 of 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;
"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, the H Shares of which are listed on the Stock Exchange (stock code: 2179);
"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;
"CSRC"	China Securities Regulatory Commission;
"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;

"Dr. Liu"	Dr. Liu Yong, the executive Director, chairman of the Board and general manager of our Group;
"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", "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);
"Hangzhou Ruibaio"	Hangzhou Ruibaio Technology Company Limited (杭州瑞佰奥科技有限公司), a limited liability company established in the PRC on February 3, 2023;
"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;
"H Share Registrar"	Computershare Hong Kong Investor Services Limited;
"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;
"IPMT"	the product investment decision and review body within the IPD system, which is responsible for formulating the Company's overall mission, vision, and strategic direction, guiding and monitoring the operation of each product line, and facilitating the full-process collaboration among departments, as well as formulating a balanced business plan of the Company and making decisions on the generation of new product lines;
"Jiangsu MPA"	Jiangsu Medical Products Administration;
"Listing"	the listing of our H Shares on the Stock Exchange;
"Listing Date"	March 31, 2022, on which dealings in our H Shares first commenced 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 C3 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 year ended December 31, 2024;
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC;
"Share(s)"	share(s) 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 Share(s)"	ordinary share(s) 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", "US$" or "USD"	United States dollars, the lawful currency of the United States;
"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;
"Yangtze River Pharmaceutical"	Yangtze River Pharmaceutical (Group) Co., Ltd. (揚子江藥業集團有限公司), a company incorporated in the PRC with limited liability.

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;
"AESI"	adverse event of special interest;
"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;
"CDC"	Centre for Disease Control and Prevention;

"CEPI"	the Coalition for Epidemic Preparedness Innovations, a foundation that receives donations from the public, private, philanthropic and civil social organizations to fund independent research projects, thus to develop vaccines against emerging infectious diseases;
"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;
"COVID-19"	Coronavirus Disease 2019, an infectious disease caused by the most recently discovered coronavirus, first reported in December 2019;
"ELISPOT and ICS"	enzyme linked immunospot assay, or ELISPOT, and intracellular cytokine staining, or ICS based on flow cytometry, the two most commonly used detection methods to evaluate vaccine-induced immune responses;
"E.coli"	Escherichia coli expression system, an 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;
"epitope"	part of an antigen that is recognized by the immune system, specifically by antibodies, B cells, or T cells;
"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;
"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" or "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;
"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;
"neutralizing antibodies" or "NAb"	an antibody that is responsible for defending cells from pathogens, which are organisms that cause disease;
"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;
"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 and/or 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;
"TEAE"	treatment emergent adverse event;
"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 this 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 subsidiaries of the Company) 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, March 28, 2025

As at the date of this announcement, the Board comprises Dr. LIU Yong as the chairman of the Board and an executive Director, Mr. LI Bu, Ms. CHEN Qingqing and Dr. HONG Kunxue as executive Directors, Dr. WANG Ruwei, Dr. ZHANG Jiaxin, Dr. ZHOU Hongbin and Mr. HU Houwei as non-executive Directors, and Dr. XIA Lijun, Mr. LIANG Guodong, Professor GAO Feng and Professor YUEN Ming Fai as independent non-executive Directors.