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**CanSino Biologics Inc.**  
**康希諾生物股份公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock code: 6185)**

**PROPOSED CHANGE IN USE OF PROCEEDS FROM THE LISTING**

References is made to the prospectus issued by CanSino Biologics Inc. (the “**Company**”) dated March 18, 2019 (the “**Prospectus**”) in relation to the listing of H shares of the Company (the “**Listing**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

**USE OF PROCEEDS**

The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the IPO and the exercise of over-allotment option of approximately HK\$1,309.8 million, equivalent to approximately RMB1,122.3 million (the “**IPO Proceeds**”).

It was disclosed under the section headed “Future Plans and Use of Proceeds” in the Prospectus that the Company intended to use the IPO Proceeds (adjusted on a pro-rata basis according to the net proceeds) for the following purposes:

- (i) approximately RMB505.1 million (representing 45% of the net proceeds) is expected to be used for the research and development and commercialization of MCV candidates;
- (ii) approximately RMB224.5 million (representing 20% of the net proceeds) is expected to be used for research and development of DTcP candidates;
- (iii) approximately RMB168.3 million (representing 15% of the net proceeds) is expected to be used for research and development of other key products;
- (iv) approximately RMB112.2 million (representing 10% of the net proceeds) is expected to be used for continued research and development of our pre-clinical vaccine candidates; and
- (v) approximately RMB112.2 million (representing 10% of the net proceeds) is expected to be used for working capital and other general corporate purposes.

As at June 30, 2020, approximately 682.8 million of the IPO Proceeds remain unutilized.

## CHANGE IN USE OF PROCEEDS

For reasons set out in the paragraph headed “Reasons for Change in Use of Proceeds” of this announcement, the board of the directors of the Company (the “**Board**”) has resolved to propose to change the use of the remaining unutilized IPO Proceeds. An analysis of the utilization of the IPO Proceeds as at June 30, 2020 and the proposed change of allocation of unutilized IPO Proceeds are summarized as follows:

	Proposed use of IPO Proceeds as disclosed in the Prospectus (RMB million)	Utilized IPO Proceeds as at June 30, 2020 (RMB million)	Unutilized IPO Proceeds as at June 30, 2020 (RMB million)	Proposed change of allocation of unutilized IPO Proceeds (RMB million)	Revised allocation of unutilized IPO Proceeds (RMB million)	Expected time of full utilization of remaining balance
Research and development and commercialization of MCV candidates	505.1	46.9	458.2	(420.0)	38.2	By the end of 2021
Research and development of DTcP candidates	224.5	57.9	166.6	-	166.6	By the end of 2023
Research and development of other key products	168.3	126.5	41.8	-	41.8	By the end of 2021
Continued research and development of our pre-clinical vaccine candidates	112.2	101.5	10.7	-	10.7	By the end of 2020
Working capital and other general corporate purposes	112.2	106.7	5.5	-	5.5	By the end of 2020
(i) cooperation, licensing and introduction of advanced technologies, vaccine candidates and biological products; (ii) development of vaccine candidates; and (iii) acquisition of high-quality assets related to vaccines and biological products	-	-	-	420.0	420.0	By the end of 2023

Save for the aforesaid changes, there are no other proposed changes in the use of the IPO Proceeds.

## REASONS FOR CHANGE IN USE OF PROCEEDS

The Company completed the issue of A shares and listing on the Sci-Tech Innovation Board of the Shanghai Stock Exchange on August 13, 2020 (the “**A Shares Offering**”). Taking into account the net proceeds received from the A Shares Offering, together with the market collaboration with Pfizer and the Company’s operation needs, in order to strengthen the Company’s capital efficiency, the Board proposed to reallocate part of the unutilized IPO proceeds originally allocated for the commercialization of its MCV candidates. The reallocated unutilized IPO proceeds will be used for (i) cooperation, licensing and introduction of advanced technologies, vaccine candidates and biological products; (ii) development of vaccine candidates; and (iii) acquisition of high-quality assets related to vaccines and biological products. The commercialization of the Company’s MCV candidates will be funded by the over-raised proceeds received from the A Shares Offering.

The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and considered that the proposed change in the use of the IPO Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

The proposed change in use of proceeds shall be subject to the approval by way of ordinary resolution of the Shareholders at the extraordinary general meeting of the Company to be convened on October 9, 2020 (the “EGM”). The notice of the EGM together with a circular containing, among other things, further details of the proposed change in use of proceeds will be published on the websites of the Company ([www.cansinotech.com](http://www.cansinotech.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and despatched by the Company to the Shareholders on or before September 22, 2020.

By Order of the Board  
**CanSino Biologics Inc.**  
**Xuefeng YU**  
*Chairman*

Hong Kong, August 21, 2020

*As at the date of this announcement, the Board of Directors comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO, Dr. Tao ZHU and Dr. Dongxu QIU as executive Directors, Mr. Qiang XU, Mr. Liang LIN, Ms. Nisa Bernice Wing-Yu LEUNG and Mr. Zhi XIAO as non-executive Directors, and Mr. Shiu Kwan Danny WAI, Ms. Zhu XIN, Mr. Shuifa GUI and Mr. Jianzhong LIU as independent non-executive Directors.*