

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 A SHARE OFFERING

Reference is made to the annual results announcement (the “**Results Announcement**”) for the year ended December 31, 2020 published by the Company on March 26, 2021, which sets out, among other things, the details of utilization of net proceeds received from the Company’s initial public offering of 24,800,000 A shares and listing on the Sci-Tech Innovation Board of Shanghai Stock Exchange on August 13, 2020 (“**A Share Offering**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Results Announcement.

PROPOSED CHANGE IN USE OF THE A-SHARE IPO PROCEEDS

The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the A Share Offering of approximately RMB4,979.5 million (the “**A-Share IPO Proceeds**”), which include:

- (1) approximately RMB550.0 million of the A-Share IPO Proceeds planned for construction of phase II production facilities, which has not been utilized as of the date of this announcement;
- (2) approximately RMB450.0 million of the A-Share IPO Proceeds planned for other purposes as set out in the section titled “Use of A-Share IPO Proceeds” in the Results Announcement, which is being utilized as scheduled; and
- (3) approximately RMB3,979.5 million of over-raised proceeds from A Share Offering, among which, RMB1,190.0 million has been used to permanently supplement working capital as approved by the shareholders of the Company at the extraordinary general meeting held on October 9, 2020. As of the date of this announcement, approximately RMB2,789.5 million of over-raised proceeds from A Share Offering remained unutilized. As disclosed in the Results Announcement, further application of the over-raised proceeds from A Share Offering shall be approved by the Board as well as the shareholders of the Company at a general meeting.

For the reasons set out below, on April 29, 2021, the Board has resolved to change the use of part of the unutilized A-Share IPO Proceeds. The Board proposed to upgrade and replace the construction plan of phase II production facilities with the CanSino innovative vaccine industrial campus project (“**CanSino Innovative Vaccine Industrial Campus Project**”). The total capital expenditure to be invested into the CanSino Innovative Vaccine Industrial Campus Project is expected to be approximately RMB2,244.7 million, which will be funded by (1) the proposed change of use in the unutilized A-Share IPO Proceeds planned for the construction of phase II production facilities, being approximately RMB550.0 million, as well as any interests generated therefrom; (2) the proposed application of a portion of the unutilized over-raised proceeds from the A Share Offering of RMB550.0 million; and (3) the Group’s internal resources and bank borrowings to be arranged by the Company (if any) to cover the remaining amount. The Company expects to complete the utilization of the above proceeds in the CanSino Innovative Vaccine Industrial Campus Project by the end of 2024.

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

REASONS FOR CHANGE IN USE OF THE A-SHARE IPO PROCEEDS

The pandemic of COVID-19 has a significant impact on the development of the vaccine industry. Taking into the account the trend of the vaccine industry and the Company’s long-term development strategies, the Company keeps improving its capabilities of research and development, manufacturing, testing and storage. As a result, the Company proposed to upgrade and replace the construction plan of phase II production facilities with the CanSino Innovative Vaccine Industrial Campus Project, by establishing new manufacturing lines and supporting facilities to satisfy its long-term development strategies. The proposed change in the use of the A-Share IPO Proceeds is expected to enhance the Company’s manufacturing capacity, improve its profitability and competitiveness, and further enhance the efficiency of the use of A-Share IPO Proceeds.

The Board confirms that there is no material change in the business nature of the Group and considered that the proposed change in the use of the A-Share IPO Proceeds will not have any material adverse impact on the existing business and 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 A-Share IPO Proceeds shall be subject to the approval by way of ordinary resolution of the shareholders of the Company at the 2020 annual general meeting of the Company to be convened on Friday, May 28, 2021 (the “AGM”). The supplemental notice of the AGM together with a supplemental circular containing, among other things, further details of the proposed change in use of A-Share IPO Proceeds will be published on the websites of the Company (www.cansinotech.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and despatched by the Company to the shareholders of the Company on or before May 12, 2021.

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

Hong Kong, April 29, 2021

As at the date of this announcement, the Board 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.