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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)

INSIDE INFORMATION
UPDATES ON 2023 PRELIMINARY ANNUAL RESULTS

This announcement is made by CanSino Biologics Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The key financial data for the year ended December 31, 2023 (the “**Reporting Period**”) contained in this announcement is preliminary accounting data and has not been audited or reviewed by the Company’s independent auditors. The audited figures will be disclosed in the Company’s 2023 annual report. Investors are reminded to exercise caution when making investment decisions.

I. MAJOR FINANCIAL DATA AND INDICATORS FOR THE YEAR OF 2023

Unit: RMB

Item	Reporting Period	Corresponding period of last year	Increase/ (decrease) (%)
Total revenue	357,083,325.91	1,034,595,413.49	(65.49)
Operating profit (loss)	(1,889,696,529.44)	(1,180,706,713.72)	Not Applicable
Total profit (loss)	(1,932,114,671.12)	(1,184,000,748.03)	Not Applicable
Net profit (loss) attributable to shareholders of the Company	(1,447,301,388.78)	(909,431,138.03)	Not Applicable
Net profit (loss) attributable to shareholders of the Company after deducting the non-recurring profit and loss	(1,562,564,178.49)	(1,033,172,817.60)	Not Applicable
Basic earnings (loss) per share	(5.87)	(3.68)	Not Applicable
Weighted average return (loss) on net assets (%)	(24.01)	(12.36)	Decreased by 11.65 percentage points

	As at the end of the Reporting Period	As at the beginning of the Reporting Period	Increase/ (decrease) (%)
Total assets	9,379,156,726.28	11,468,958,286.71	(18.22)
Equity attributable to shareholders of the Company	5,310,035,024.80	6,748,089,902.12	(21.31)
Share capital (in shares)	247,449,899	247,449,899	–
Net asset per share attributable to shareholders of the Company	21.46	27.27	(21.31)

Notes:

1. The data as at the beginning of the Reporting Period is the same as the data statutorily required to be disclosed as at the end of last year.
2. The above financial data and indicators are based on the figures of the consolidated statements of the Company, which have not been audited or reviewed by the Company's independent auditors. The 2023 annual report of the Company to be released in due course shall be referred to for finalized results of the Company. The inconsistency of the financial data is a result of rounding error.

II. EXPLANATION OF OPERATING RESULTS AND FINANCIAL STATUS

(I) The operating conditions, financial status and the major factors affecting the operating results for the Reporting Period

During the Reporting Period, the total revenue of the Group amounted to approximately RMB357.08 million, representing a decrease of 65.49% as compared to last year; the net loss attributable to shareholders of the Company amounted to approximately RMB1,447.30 million, representing an increase of 59.14% as compared to last year; and the net loss attributable to shareholders of the Company after deducting the non-recurring profit and loss amounted to approximately RMB1,562.56 million, representing an increase of 51.24% as compared to last year.

As at the end of the Reporting Period, the total assets of the Group amounted to approximately RMB9,379.16 million, representing a decrease of 18.22% as compared to the beginning of the Reporting Period; and the equity attributable to shareholders of the Company amounted to approximately RMB5,310.04 million, representing a decrease of 21.31% as compared to the beginning of the Reporting Period.

During the Reporting Period, the revenue from sales of meningococcal vaccines increased significantly compared with last year, as the Company achieved progress in the commercialization, product promotion and marketing of the meningococcal vaccines. The Company's Menhycia® is the first MCV4 vaccine product in China positioned at the high-end market of vaccines not covered by the immunization program for infants, aiming to provide improved preventative solutions for infant meningococcal meningitis.

The increase in the net loss attributable to the shareholders of the Company was mainly due to the followings: the revenue of COVID-19 vaccines decreased significantly compared with last year, as a results of decreased market demand for COVID-19 vaccines. Based on the actual vaccination status of COVID-19 vaccines and expectations for future vaccinations, the Company has accounted for and reasonably estimated the sales return amount incurred and expected to be incurred for COVID-19 vaccines, and has deducted the revenue during the Reporting Period. In terms of the operating costs, the Group has recognized the fixed costs associated with the redundant production capacity in operating costs due to the low production volume of COVID-19 vaccines and low-utilization rate of relevant manufacturing capacity. Taking into account the future utilization plan of inventories and long-term assets related to COVID-19 vaccines, the Group conducted an impairment test on inventories, right to returned goods, prepayments and long-term assets with impairment indicators, and recognized provision based on the test results. Meanwhile, during the Reporting Period, the Company has increased the marketing activities for the continuous promotion of meningococcal vaccines, resulting in an increase in selling expenses as compared with last year.

(II) The main reasons for the increase/decrease of 30% or more of the relevant items in the above table

During the Reporting Period, the total revenue of the Group decreased by 65.49% as compared with corresponding period of last year. Revenue from sales of meningococcal vaccines increased significantly compared with last year as the Company achieved progress in the commercialization, product promotion and marketing of the meningococcal vaccines. However, due to decreased market demand for COVID-19 vaccines, the revenue of COVID-19 vaccines decreased significantly compared with last year. The Company also recognized sales return provision and deducted the revenue during the Reporting Period accordingly based on the sales return incurred and expected to be incurred for COVID-19 vaccines.

During the Reporting Period, the operating loss of the Group increased by 60.05% as compared with last year; the total loss of the Group increased by 63.19% as compared with last year; the net loss attributable to shareholders of the Company increased by 59.14% as compared with last year; the net loss attributable to shareholders of the Company after deducting the non-recurring profit and loss increased by 51.24% as compared with last year; the basic loss per share increased by 59.37% as compared with last year. The aforesaid changes were primarily due to the followings: (i) the operating revenue of the Group decreased; (ii) low-utilization rate of manufacturing capacity of COVID-19 vaccines has increased relevant fixed costs; (iii) the Group recognized an increased provision for inventories, right to returned goods, prepayments and long-term assets with impairment indicators; and (iv) selling expenses increased resulting from continuous promotion of meningococcal vaccines.

III. WARNING OF RISKS

The key financial data for the year of 2023 contained in this announcement is preliminary accounting data, and has not been audited or reviewed by the Company's independent auditors. The audited figures will be disclosed in the Company's 2023 annual report. Investors are reminded to exercise caution when making investment decisions.

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

Hong Kong, February 23, 2024

As of the date of this announcement, the board of directors of the Company comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO and Ms. Jing WANG as executive directors, Ms. Nisa Bernice Wing-Yu LEUNG as a non-executive director, and Mr. Shuifa GUI, Mr. Jianzhong LIU and Mr. Yiu Leung Andy CHEUNG as independent non-executive directors.