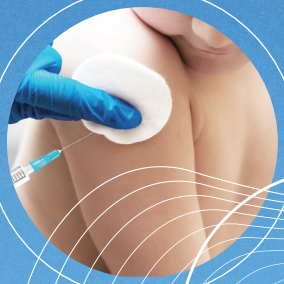

康希诺生物股份公司
CanSino Biologics Inc.

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

Stock Code: 6185

Interim Report 2019

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Xuefeng YU
(Chairman, chief executive officer and general manager)
Dr. Shou Bai CHAO
(Chief operating officer and deputy general manager)
Dr. Tao ZHU
(Chief scientific officer and deputy general manager)
Dr. Dongxu QIU
(Senior vice president and deputy general manager)

Non-executive Directors

Mr. Qiang XU
Mr. Liang LIN
Ms. Nisa Bernice Wing-Yu LEUNG
Mr. Zhi XIAO

Independent Non-executive Directors

Mr. Shiu Kwan Danny WAI
Ms. Zhu XIN
Dr. Luis BARRETO
Dr. Pierre Armand MORGON

AUDIT COMMITTEE

Ms. Zhu XIN *(Chairwoman)*
Mr. Shiu Kwan Danny WAI
Mr. Zhi XIAO

REMUNERATION AND ASSESSMENT COMMITTEE

Dr. Pierre Armand MORGON *(Chairman)*
Dr. Luis BARRETO
Ms. Zhu XIN
Dr. Shou Bai CHAO
Mr. Liang LIN

NOMINATION COMMITTEE

Dr. Xuefeng YU *(Chairman)*
Mr. Shiu Kwan Danny WAI
Dr. Pierre Armand MORGON
Dr. Luis BARRETO
Ms. Nisa Bernice Wing-Yu LEUNG

SUPERVISORS

Mr. Jixiang ZHU
Ms. Jieyu ZOU
Ms. Zhengfang LIAO

AUTHORISED REPRESENTATIVES

Dr. Xuefeng YU
Mr. Ming King CHIU

JOINT COMPANY SECRETARIES

Mr. Jin CUI
Mr. Ming King CHIU *(HKICS)*

HEADQUARTERS AND REGISTERED OFFICE IN THE PRC

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Hong Kong

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PRC

AUDITOR

PricewaterhouseCoopers
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COMPLIANCE ADVISER

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Hong Kong

STOCK CODE

6185

COMPANY WEBSITE

www.cansinotech.com

Financial Summary

	Six months ended June 30, 2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)	Changes RMB'000	%
Revenue	**–**	–	–	–
Operating loss	**(88,586)**	(51,557)	(37,029)	71.8%
Loss before income tax	**(69,677)**	(51,481)	(18,196)	35.3%
Loss for the period and total comprehensive loss	**(69,677)**	(51,481)	(18,196)	35.3%
Basic and diluted loss per share	**(0.38)**	(0.34)	(0.04)	11.8%

Corporate Profile

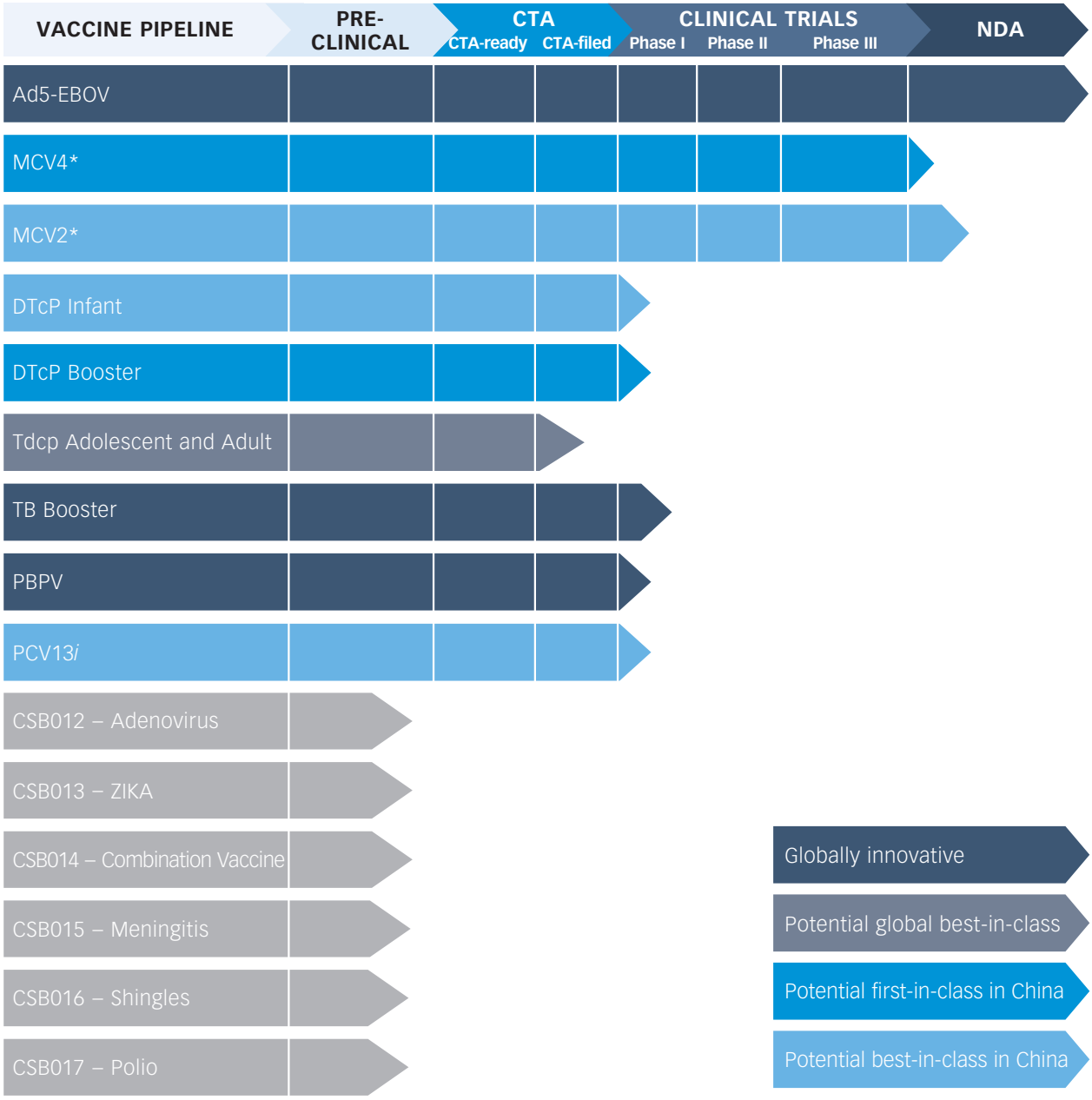
CanSino's mission is to develop, manufacture and commercialize high quality, innovative and affordable vaccines. Our mission is being fulfilled by an accomplished team of founders and senior management – world-class scientists with a record of leading the development of innovative international vaccines at global pharmaceutical companies such as Sanofi Pasteur, AstraZeneca and Wyeth (now Pfizer). Other management members are also vaccine industry veterans from leading multi-national and domestic biologics companies.

Our vaccine pipeline, which is strategically designed to address China's vast and underserved market, can be summarized into three categories: (i) globally innovative vaccines to serve China's unmet medical needs (such as Ad5-EBOV, our TB Booster candidate and our PBPV candidate); (ii) potential first-in-class vaccines in China developed to replace the current primary vaccines with higher-quality world-class vaccines (such as our DTcP vaccine candidates and MCV4 candidate); and (iii) potential best-in-class vaccines in China developed to compete with the imported products in the PRC market (such as our PCV13*i* candidate).

We are developing 15 vaccine candidates for 12 disease areas. In addition to our three near-commercial assets covering meningococcal diseases and Ebola virus disease, we have six vaccine candidates in clinical trial stage or CTA stage. We also have six pre-clinical vaccine candidates, including one combination vaccine candidate. To date, we have not commercialized any products, and we cannot guarantee that we will be able to successfully develop and commercialize our drug candidates.

Corporate Profile

Our product pipeline as at the date of this interim report is set out below:



* denotes a Core Product.

BUSINESS REVIEW

During the first half of 2019, in addition to those disclosed in the Prospectus, the Company made following significant progress with respect to its product pipeline:

- ### CTA Approval for PCV13*i*

  We have received the CTA approval for PCV13*i* from the NMPA on April 19, 2019. PCV13*i* is designed to compete with a world-class standard PCV13 product for children under 2 years old. We have made improvements in the conjugate design and manufacturing processes of our PCV13 candidate based on our proprietary conjugate vaccine manufacturing know-how.

- ### Pre-NDA Meeting Application for MCV4

  We completed the NDA application package for our MCV4, and submitted for the pre-NDA meeting to the NMPA on July 5, 2019. We will make the NDA filing as soon as practicable based on NMPA's response. The filing is potentially the first NDA for MCV4 in China, and our MCV4 candidate is a potential China first-in-class vaccine preventing meningitis which was found to be safe and well-tolerated, and showed good immunogenicity in age groups from 3 months to 6 years old. It is designed to be comparable to vaccines manufactured by multinational companies which are widely used in developed countries.

NEAR COMMERCIAL-STAGE PRODUCTS

- ### MCV4

  Our MCV4 candidate is a potential China first-in-class vaccine preventing meningitis. It is designed to be comparable to vaccines manufactured by multinational companies which are widely used in developed countries. We are one of two domestic companies with an MCV4 candidate at phase III clinical trial or later stage.

  Our MCV4 candidate was found to be safe and well-tolerated, and showed good immunogenicity in all age groups. Compared with MPSV4 products, our MCV4 candidate has an age indication covering populations from 3 months to 6 years old, therefore covering infants below 12 months old where the incidence of meningococcal disease is the highest. Compared with MCV2 products with an age indication for population below 23 months old, our MCV4 candidate covers two additional serogroups, Y and W135, which translates to broader protection. In addition, the polysaccharides of our MCV4 candidate are free of phenol, a toxic substance, while most competitor meningococcal vaccines contain phenol.

  We obtained an umbrella CTA approval for the MCV4 candidate in December 2015. In preparation for the CTA filing with the CFDA (currently known as NMPA) for our MCV4 candidate, we did not have material communications with the CFDA. We have completed the phase III clinical trial of our MCV4 candidate, and have received the clinical trial report. We completed the NDA application package for our MCV4, and submitted for the pre-NDA meeting to the NMPA on July 5, 2019. We will make the NDA filing as soon as practicable based on NMPA's response. In addition, we have completed validation of our manufacturing facilities and processes. We expect to go through pre-approval inspection for licensure in 2020 and to launch our MCV4 candidate after the inspection.

Management Discussion and Analysis

• MCV2

Our MCV2 candidate is a potential China best-in-class bi-valent meningococcal vaccine. It is expected to compete with domestic MCV2 products marketed by well-known manufacturers in China.

Compared with the primary MCV2 products currently approved in China, our phase III clinical trial showed that our MCV2 candidate demonstrated a superior safety profile in the age group of 3 months and superior immunogenicity in the age groups of 6 to 23 months. In addition, our MCV2 candidate does not contain any adjuvants. Although $Al(OH)_3$ is widely used as an adjuvant in human vaccines, there is a growing concern about the accumulated amount of $Al(OH)_3$ used in vaccines for pediatrics.

We obtained an umbrella CTA approval for our MCV2 candidate in December 2015. In preparation for the CTA filing with the CFDA for our MCV2 candidate, we did not have material communications with the CFDA. We filed the NDA for our MCV2 candidate on January 31, 2019, and expect to receive the response from NMPA by the end of 2019. In addition, we intend to supplement our NDA with results of ongoing persistence and booster studies as they become available. In addition, we have completed validation of our manufacturing facilities and processes. We expect to go through pre-approval inspection in 2019 for licensure and launch our MCV2 candidate afterwards.

• Ad5-EBOV

Ad5-EBOV is jointly developed by the Institute of Biotechnology of Academy of Military Medical Sciences and us. It uses adenovirus vector technology to induce the immune response. Ad5-EBOV is the first approved Ebola virus vaccine in China for emergency use and national stockpile. There is no other approved Ebola virus vaccine in China.

Compared with the current vaccine and vaccine candidates, Ad5-EBOV has advantages including (i) it has a better stability profile attributable to its freeze-dried dosage form and is approved to be stored between 2°C to 8°C for 12 months; (ii) it is an inactive non-replicating viral vector vaccine with less safety concerns; and (iii) it is a potential broad spectrum protection vaccine against the Zaire Ebola virus.

Ad5-EBOV received NDA approval in China in October 2017 only for emergency use and national stockpile. According to the NDA approval, the approved Ad5-EBOV contains 8.0×10^{10} viral particles per dose, and one dose (2 vials) is recommended for primary vaccination. The shelf life of Ad5-EBOV is 12 months. We have obtained the GMP certificate for Ad5-EBOV.

We currently do not expect Ad5-EBOV to contribute significantly to our business commercially in the future, primarily because the global stockpile and emergency use market for Ad5-EBOV is limited and steady at RMB200 million per year for the next decade and the potential traveler market size is expected to be less than RMB300 million by 2030, as disclosed in the Prospectus. We do not expect to incur significant costs or allocate significant resources for further studies of Ad5-EBOV, nor do we have any material commitments with respect to Ad5-EBOV. Our further studies of Ad5-EBOV will depend on the PRC government's plan with respect to Ebola vaccines, and we expect to rely primarily on government grants to conduct such studies, if any.

DRUG CANDIDATES IN THE PIPELINE

• DTcP Infant

We are developing a potential best-in-class DTcP vaccine for infants, or DTcP Infant candidate, for primary vaccination. The manufacturing process of DTaP vaccines involves co-purification of the pertussis antigens, which results in the quantities of each pertussis antigen varying from batch to batch. In contrast, each pertussis antigen of DTcP vaccines is purified individually and are subsequently combined in a defined ratio, hence ensuring a fixed and consistent composition. Compared with Pentaxim, the only DTcP vaccine in China, our DTcP Infant candidate contains three pertussis antigens as compared to two pertussis antigens, which translates to better protection.

We received the CTA approval for our DTcP Infant candidate in January 2018. We have commenced a phase I clinical trial in China and expect to conduct further clinical trials in China. Considering that we have obtained an umbrella CTA approval for this candidate and based on our experience with the clinical trials for our MCV candidates, which also received umbrella CTA approvals, we expect to conduct Phase III clinical trial for our DTcP Infant candidate in 2020.

• DTcP Booster

There are no DTP booster vaccines for children in China. Our DTcP Booster candidate is a potential China first-in-class DTcP booster vaccine for children, which is designed to have the same composition as our DTcP Infant candidate and therefore has the same safety, immunogenicity and manufacturing productivity profiles.

We received CTA approval for our DTcP Booster candidate in January 2018. We have commenced a phase I clinical trial in China and expect to conduct further clinical trials in China. Considering that we have obtained an umbrella CTA approval for this candidate and based on our experience with the clinical trials for our MCV candidates, which also received umbrella CTA approvals, we expect to complete the clinical trials for our DTcP Booster candidate by 2020.

• Tdcp Adolescent and Adult

DTP booster vaccines for adolescents and adults are in the routine vaccination schedule of developed countries. However, there are no approved DTP booster vaccines for adolescents and adults in China. Moreover, EU countries have also reported a shortage of such vaccines in recent years. Our Tdcp Adolescent and Adult candidate is a potential global best-in-class vaccine developed to compete against world-class vaccines such as Boostrix and Adacel. As compared with the composition of our DTcP Infant candidate, our Tdcp Adolescent and Adult candidate contains a slightly higher amount of the TT antigen, and reduced amounts of pertussis antigens (FHA, PT and PRN) and the DT antigen in line with international industry standards.

The CTA for our Tdcp Adolescent and Adult candidate was accepted by the CFDA in August 2016. However, as this was a new vaccine in China, the Pharmacopoeia of China did not provide specifications and standards for such vaccine, and we did not reach an agreement with the CFDA on the selection of potency standards. In January 2018, we submitted a request to withdraw our CTA to the CFDA, which was accepted in February 2018.

There are well-established potency standards for Tdcp vaccines in the EU. As such, we requested a pre-CTA meeting with the Federal Agency for Medicines and Health Products of Belgium (the "**FAMHP**") in December 2018 together with a briefing package including pre-clinical studies and clinical development plans for inspection. The pre-CTA meeting was held on February 27, 2019 and the FAMHP has not raised any material concerns with respect to our Tdcp candidate. We plan to file a CTA for our Tdcp Adolescent and Adult candidate in Belgium (as the reference member state in the EU) in 2019. We also plan to file a CTA in China by the end of 2020.

Management Discussion and Analysis

- ## TB Booster

We are developing a globally innovative TB Booster candidate for the BCG-vaccinated population. The phase Ia clinical trial showed the Ad5Ag85A TB candidate to be safe and well tolerated, and able to boost the immunity in the BCG-vaccinated population. We obtained a world-wide exclusive license from McMaster University to develop and commercialize products in the tuberculosis field based on technology information rights owned by McMaster University related to TB Booster and its phase I clinical trial, as well as a non-exclusive sub-license to relevant adenovirus patent rights licensed to McMaster University.

Our phase Ib clinical trial is being conducted in Canada to evaluate the safety and immune responses stimulated by the TB Booster candidate in the blood and lungs. The first two volunteers were vaccinated in April 2018. We expect the phase Ib clinical trial to be completed by the end of 2019.

We plan to file a CTA with the NMPA in 2019 following the completion of the phase Ib clinical trial in Canada. As a globally innovative vaccine candidate with two clinical trials completed overseas and selected as National Science and Technology Major Project, we believe our TB Booster candidate will qualify for priority review by the NMPA. Upon receiving CTA approval, we expect to only require bridging clinical studies prior to commencing a phase II clinical trial in 2020 because we will have overseas clinical data for our TB Booster candidate. As we have not filed a CTA with the NMPA, we have not had any material communications with the NMPA to date.

- ## PBPV

PBPV is a globally innovative pneumococcal vaccine candidate. Currently, PPV23 products and PCV13 products are all serotype-based and therefore are effective against only up to 23 pneumococcal serotypes but not able to protect against all of the 90 plus serotypes. Our PBPV candidate is not serotype-dependent. Our PBPV candidate adopts antigens that are based on the pneumococcal surface protein A, or PspA, a highly-conserved protein which is expressed by virtually all pneumococci. The results from a large global study showed that over 99% of the clinical isolates from 7 different countries are classified as PspA family 1 or family 2 strains. Our in-house study also demonstrated that approximately 98% of the strains isolated in the city of Nanjing belong to PspA families 1 or 2. Therefore, our PBPV candidate has the potential to have a much broader coverage in the elderly than that offered by the current PPV23 and PCV13 products.

The CTA for our PBPV candidate was approved in October 2018. We plan to initiate a phase I clinical trial for our PBPV candidate in adults in 2019 and a phase III clinical trial in 2022.

- ## PCV13*i*

We are developing a potential best-in-class improved PCV13 candidate, or PCV13*i*, which is designed to compete with a world-class standard PCV13 product for children under 2 years old. We have made improvements in the conjugate design and manufacturing processes of our PCV13 candidate based on our proprietary conjugate vaccine manufacturing know-how.

We received the CTA approval for the PCV13*i* from the NMPA on April 19, 2019. We expect to initiate the phase I clinical trial by the end of 2019, phase III clinical trial in 2020 and receive NDA in 2024.

PRE-CLINICAL PROGRAMS WITH PROOF OF CONCEPT

We have six vaccine candidates in pre-clinical programs, including one combination vaccine candidate and five other disease-specific vaccine candidates targeting shingles, meningitis, polio, adenovirus and Zika. In particular:

- ### Combo Vaccine

  We expect to file the CTA of DTcP-Hib combo vaccine in 2020.

- ### Adenovirus Vaccine

  We have completed the construction of the pilot plant for our Adenovirus Vaccine candidate. We expect to file the CTA of Adenovirus Vaccine in 2020.

- ### Shingles Vaccine

  Shingles, also known as herpes zoster, has a high incidence rate among the elderly. It causes significant pain in patients, and therefore leads to high healthcare expenditure. We will seek to leverage our viral vector platform technology to develop a new generation shingles vaccine with significant better efficacy than the current primary vaccines.

- ### Meningitis B Vaccine

  Current conjugate vaccines protect against serogroups A, C, W135 and Y, which are the most frequent causes of the disease in China, but not serogroup B. Serogroup B Neisseria meningitis has become a major emerging cause of meningitis since the development of conjugate vaccines. We will seek to leverage our strengths in protein structure design to develop a meningitis B vaccine to address this emerging unmet medical need.

- ### Inactivated Polio Vaccine ("IPV")

  The global effort to eradicate polio has contributed to a high demand for IPV, for which there is currently also a supply shortage. The development of IPV will enable us to leverage our DTcP vaccine portfolio to form a combination vaccine, and compete with global blockbuster vaccines.

Management Discussion and Analysis

THE COMPANY'S FACILITIES

To date, our manufacturing activities have been primarily limited to those for product registration purposes. We own and operate a commercial-scale manufacturing facility located in Tianjin city currently with a total gross floor area of approximately 37,000 M^2. The facility is designed, constructed and operated to meet international standards. Our manufacturing facility has an annual bulk production capacity of approximately 70 million to 80 million doses, which is higher than the average production capacity at 30 million to 50 million doses of the top five largest domestic privately-owned vaccine companies in China in terms of sales revenue. We believe our current production capacity will be fully capable of supporting our commercialization plans for our near-commercial candidates as well as supporting manufacturing of clinical trial materials in the foreseeable future.

Our manufacturing facility is equipped with advanced equipment and machinery include fermentation, purification, conjugation, and ultrafiltration, auto-packaging and filling machinery. Many of our major manufacturing equipment are manufactured by leading international and domestic suppliers.

NMPA has carried out manufacturing and GMP inspections at our manufacturing facility. We are currently conducting validation of our manufacturing facilities and processes. We expect to go through pre-approval inspection for licensure for our MCV2 and MCV4 candidates by the end of 2019 and 2020, respectively.

QUALITY MANAGEMENT

Our quality management team is divided into quality assurance, quality control and validation teams. Our quality assurance team is responsible for establishing comprehensive quality policies, ensuring our compliance with global quality guidelines and maintaining all quality related documentation. Our quality control team is responsible for quality test, inspection and review for all our products and raw materials. Our validation team is responsible for quality inspection and validation of our machinery, facilities and manufacturing processes. We have a comprehensive quality management system with stringent policies relating to vaccine research, development and manufacturing. Moreover, our quality management system is designed to ensure that we are in compliance with GMP, Pharmacopoeia and labelling requirements and other applicable laws and regulations. Quality issues are documented, escalated to and reviewed by the senior management of the Company. We also conduct a formal risk assessment and justification in accordance with the standards and procedures under our quality management system and policies. In addition, we have established a quality management committee, which is supervised by the management and responsible for formulating quality objectives and quality policies, assigning responsibilities, coordinating resources and implementing regular quality reviews.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2019, we had a total of 369 employees, all of which were located in the PRC. As of the same date, approximately 78% of our employees held a bachelor's or higher degree. The table below sets forth our employees by function as of June 30, 2019:

	Number of employees
Research and development personnel	333
In-house R&D team	121
Manufacturing team	87
Quality management team	77
Supporting team	48
Commercialization	8
General and administration	28
Total	369

We have developed a remuneration and welfare management system that provides employees with competitive remuneration and five types of social insurances (including pension, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing fund for employees in strict accordance with relevant laws. We provide a diverse welfare system, including paid annual leave above the minimal legal requirements, option incentives, year-end performance bonus, meals and shuttle bus service, festival gifts for important festivals, heatstroke prevention subsidy and winter heating allowance. In addition, we provide health and accident insurance for employees and interns who are entitled to statutory work-related injury insurance based on practical conditions.

INTELLECTUAL PROPERTY

As of June 30, 2019, the Company owned 33 trademarks, including 27 trademarks in China, four in Hong Kong, one in the European Union and one in the United States. As of the same date, the Company had filed six trademark applications in China, two trademark applications in Hong Kong and five trademark applications in Taiwan, respectively.

As of June 30, 2019, the Company owned seven patents in China and one patent in the United States. As of the same date, the Company had filed 14 patent applications in China, two patent applications in the United States, and one patent application in the EU and Canada.

FUTURE AND OUTLOOK

As disclosed in our Prospectus, China's vaccine market is vast due to its large population, which is estimated to be approximately 1,409.8 million in 2017 and is expected to reach 1,463.0 million by 2030. Our mission is to develop, manufacture and commercialize high quality, innovative and affordable vaccines.

To accomplish that mission, we will continue to advance our near-commercial candidates towards the NDA approval and develop our clinical trial stage assets through our in-house research and development and medical/clinical teams. Also, we will continue to discover and develop new vaccine candidates through both in-house research and development and external collaborations. In order to support our continuous growth, we plan to establish and strengthen our commercialization infrastructure, and expand our marketing and commercialization team. We will continue to evaluate possible global collaborations and acquisitions of high-potential assets.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD

Save as disclosed under the section "Business Review" in this interim report, there are no important events occurred after the end of Reporting Period and up to the date of this interim report.

FINANCIAL REVIEW

Revenue

For the six months ended June 30, 2018 and 2019, we had not commercialized any products and therefore did not record any revenue.

Selling Expenses

Our selling expenses increased from nil for the six months ended June 30, 2018 to RMB1.7 million for the six months ended June 30, 2019, primarily because we initiated preparation for commercialization of our vaccine candidates.

Management Discussion and Analysis

Administrative Expenses

Our administrative expenses increased by 178.4% from RMB12.5 million for the six months ended June 30, 2018 to RMB34.8 million for the six months ended June 30, 2019, primarily due to (i) an increase of RMB13.0 million in listing expenses; and (ii) an increase of RMB4.2 million in employee benefit expenses for non-research and development personnel.

Research and Development Expenses

Our research and development expenses increased by 17.6% from RMB49.0 million for the six months ended June 30, 2018 to RMB57.6 million for the six months ended June 30, 2019, primarily due to an increase of RMB14.3 million in employee benefit expenses for our research and development personnel.

The following table sets forth the components of our research and development expenses for the period indicated.

	Six months ended June 30,			
	2019		2018	
	RMB'000 (Unaudited)	%	RMB'000 (Audited)	%
Employee benefit expenses	**35,752**	**62.0%**	21,403	43.7%
Raw materials and consumables used	**9,696**	**16.8%**	13,585	27.7%
Depreciation and amortization	**7,739**	**13.4%**	4,696	9.6%
Testing fee	**1,281**	**2.2%**	3,407	7.0%
Others	**3,174**	**5.6%**	5,934	12.0%
Total	**57,642**	**100.0%**	49,025	100.0%

Other Income

Our other income decreased by 46.0% from RMB10.0 million for the six months ended June 30, 2018 to RMB5.4 million for the six months ended June 30, 2019, primarily due to a RMB5.6 million decrease in investment income on wealth management products, partially offset by the income of RMB1.9 million generated from the sales of vaccine components to an Italian vaccine manufacturer.

Finance Income – Net

Our finance income increased significantly from RMB0.1 million for the six months ended June 30, 2018 to RMB19.4 million for the six months ended June 30, 2019, primarily due to an interest income of RMB6.4 million from bank deposits and exchange gains on foreign currency deposits of RMB13.0 million. Due to the adoption of HKFRS 16 from January 1, 2019, we recorded interest and finance charges paid/payable for lease liabilities of RMB0.5 million for the six months ended June 30, 2019. As such, we recorded net finance income of RMB18.9 million for the six months ended June 30, 2019.

Income Tax Expense

Our income tax expense for the six months ended June 30, 2018 and 2019 were nil.

Intangible Assets

Our intangible assets were RMB32.3 million and RMB33.9 million as at December 31, 2018 and June 30, 2019, respectively, which primarily consist of capitalized clinical trial expenses.

Inventories

Our inventories comprised raw materials and consumable materials used in the research and development of our vaccine candidates. Our inventories increased by 40.0% from RMB8.5 million as at December 31, 2018 to RMB11.9 million as at June 30, 2019, primarily due to our increased procurement of raw materials and consumable materials, reflecting our increased research and development activities and our preparation for commercialization.

Other Receivables and Prepayments

The following table sets forth the components of our other receivables and prepayments as of the dates indicated:

	As at June 30, 2019 RMB'000 (Unaudited)	As at December 31, 2018 RMB'000 (Audited)
Value added tax recoverable	**21,180**	12,228
Prepayments to suppliers of property, plant and equipment	**4,818**	1,882
Prepayments to other suppliers	**4,276**	3,546
Receivables of interest on term deposits	**2,871**	–
Receivables of vaccine components sale	**1,198**	286
Staff advances	**977**	300
Deposits as guarantee	**348**	2,377
Receivable of investment income on wealth management products	**163**	466
Prepayments of listing expenses	**–**	10,210
Others	**2,007**	–
	37,838	31,295
Less: non-current portion	**(27,044)**	(16,166)
Current portion	**10,794**	15,129

The increase in our other receivables and prepayments from RMB31.3 million as at December 31, 2018 to RMB37.8 million as at June 30, 2019 was primarily due to (i) an increase of RMB9.0 million in value added tax recoverable; (ii) an increase of RMB2.9 million in prepayments to suppliers of property, plant and equipment; and (iii) an increase of RMB2.9 million in receivables of interest on term deposits, partially offset by (i) a decrease of RMB2.0 million in deposits as guarantee; and (ii) a decrease of RMB10.2 million in prepayments of listing expenses.

Management Discussion and Analysis

Trade Payables

Our trade payables mainly included payments to be paid to raw material suppliers. The following table sets forth the aging analysis of our trade payables as at the dates indicated:

	As at June 30, 2019 RMB'000 (Unaudited)	As at December 31, 2018 RMB'000 (Audited)
Within 1 year	**3,790**	6,539
Between 1 year and 2 years	**89**	–
Between 2 year and 3 years	**–**	112
More than 3 years	**112**	–
	3,991	6,651

Our trade payables decreased by 40.3% from RMB6.7 million as at December 31, 2018 to RMB4.0 million as at June 30, 2019, mainly as a result of payments to suppliers during the first half of 2019. We did not have any material defaults in payment of trade payables for the six months ended June 30, 2019.

Other Payables and Accruals

The following table sets forth the components of our other payables and accruals as at the dates indicated:

	As at June 30, 2019 RMB'000 (Unaudited)	As at December 31, 2018 RMB'000 (Audited)
Other payables to suppliers of property, plant and equipment	**36,328**	65,546
Accrued listing expenses	**10,392**	8,940
Payroll and welfare payable	**4,010**	12,816
Consulting fees	**857**	1,045
Accrued taxes other than income tax	**295**	233
Interest payable	**218**	239
Utilities	**215**	190
Rental payable	**–**	6,431
Deposits from suppliers	**–**	6
Others	**4,494**	3,063
	56,809	98,509

Our other payables and accruals decreased by 42.3% from RMB98.5 million as at December 31, 2018 to RMB56.8 million as at June 30, 2019, primarily due to (i) a decrease of RMB29.2 million in other payables to suppliers of property, plant and equipment; (ii) a decrease of RMB8.8 million in payroll and welfare payable; and (iii) a decrease of RMB6.4 million in rental payable, which transferred to lease liabilities.

Financial Resources, Liquidity and Capital Structure

Our net current assets increased by 637.2% from RMB114.3 million as at December 31, 2018 to RMB842.6 million as at June 30, 2019, primarily because the Company raised funds through the Global Offering. The management is confident that the Company's financial resources is sufficient for its daily operations.

The capital of the Company comprises Domestic Shares, Unlisted Foreign Shares and H Shares. Total equity attributable to owners of the Company amounted to RMB1,560.7 million as at June 30, 2019, representing an increase of 210.7% as compared with that of RMB502.3 million as at December 31, 2018. Such increase was due to the issuance of H Shares pursuant to the Global Offering.

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents and term deposits with initial term of over three months, divided by total equity and multiplied by 100%. As at June 30, 2019, the Company was in a net cash position and thus, gearing ratio is not applicable.

Exchange Rate Risk

In the first half of 2019, the Company has converted the majority of the proceeds from Listing into Renminbi in tranches, with the remaining amounts reserved for additional conversions as needed. Accordingly, we are exposed to exchange rate risk. The management of the Company monitors our foreign exchange exposure and will consider hedging such risk should the need arise.

Capital Commitments

The capital commitments of the Company as at June 30, 2019 were RMB24.3 million, representing an increase of 71.1% as compared with that of RMB14.2 million as at December 31, 2018, primarily because we initiated the construction of our manufacturing facilities for PCV13*i*.

Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions of the CG Code as its own code of corporate governance. The CG Code has been applicable to the Company with effect from the Listing Date and was not applicable to the Company during the period from January 1, 2019 to March 28, 2019.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code since the Listing Date up to the date of this interim report, except that in respect of code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer of the Company are not separate and are both performed by Dr. Yu. The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Dr. Yu and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit 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 the Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board and senior management levels. 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.

Other Information

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the Prospectus is set out below:

Director	Detail of Change
Dr. Yu	The monthly remuneration has been revised from RMB87,500 to RMB93,625 with effect from March 25, 2019 (1)
Dr. Chao	The monthly remuneration has been revised from RMB87,500 to RMB93,625 with effect from March 25, 2019 (1)
Dr. Zhu	The monthly remuneration has been revised from RMB87,500 to RMB93,625 with effect from March 25, 2019 (1)
Dr. Qiu	The monthly remuneration has been revised from RMB52,500 to RMB56,175 with effect from March 25, 2019 (1)
Mr. Zhi XIAO	Appointed as a non-executive Director of the first session of the Board and a member of the Audit Committee on June 28, 2019
Dr. Zheng YIN	Ceased to be a non-executive Director and a member of the Audit Committee on June 28, 2019
Mr. Shiu Kwan Danny WAI	Retired as the independent non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600196, and the Stock Exchange, stock code: 2196) on June 25, 2019

Note:

(1) Pursuant to a company-wide annual salary adjustment.

Other Information

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors and Supervisors.

Having made specific enquiry of all Directors and Supervisors, all of them have confirmed that they have complied with the Model Code throughout the period from the Listing Date to the date of this interim report. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

REVIEW OF INTERIM REPORT

The independent auditor of the Company, namely, PricewaterhouseCoopers, has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has jointly reviewed with the management and the independent auditor of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended June 30, 2019) of the Company. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

INTERIM DIVIDEND

The Board does not recommend any payment of an interim dividend for the six months ended June 30, 2019.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at June 30, 2019, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Other Information

Interests in shares or underlying shares of the Company

Name of Director	Capacity/Nature of interest	Number and class of Shares	Approximate % of interest in our Company	Approximate % of the relevant class of Shares[1]
Dr. Yu	Beneficial owner, Interest of a party to an agreement regarding interest in the Company[2]	34,598,400 H Shares (L)	15.54%	26.08%
		16,724,200 Unlisted Foreign Shares (L)	7.51%	18.59%
		and		
		17,874,200 Domestic Shares (L)	8.03%	19.86%
Dr. Zhu	Beneficial owner, Interest of a party to an agreement regarding interest in the Company[2], Interest in a controlled corporation[3]	34,598,400 H Shares (L)	15.54%	26.08%
		16,724,200 Unlisted Foreign Shares (L)	7.51%	18.59%
		25,855,425 Domestic Shares (L)	11.61%	28.73%
Dr. Qiu	Beneficial owner, Interest of a party to an agreement regarding interest in the Company[2]	34,598,400 H Shares (L)	15.54%	26.08%
		16,724,200 Unlisted Foreign Shares (L)	7.51%	18.59%
		17,874,200 Domestic Shares (L)	8.03%	19.86%
Dr. Chao	Interest of spouse[4]	11,924,700 H Shares (L)	5.36%	8.99%
		4,409,500 Unlisted Foreign Shares (L)	1.98%	4.90%

Notes:

(1) The Shareholders of Domestic Shares and Unlisted Foreign Shares are of the same class and have the right to attend the class meeting of holders of Domestic Shares and Unlisted Foreign Shares.

(2) Pursuant to the Concert Party Agreement.

(3) Dr. Zhu is the sole general partner of Tianjin Qianyi Enterprise Management Partnership (Limited Partnership) (天津千益企業管理合夥企業(有限合夥)) ("Tianjin Qianyi"), Tianjin Qianrui Enterprise Management Partnership (Limited Partnership) (天津千睿企業管理合夥企業(有限合夥) ("Tianjin Qianrui") and Tianjin Qianzhi Enterprise Management Partnership (Limited Partnership) (天津千智企業管理合夥企業(有限合夥) ("Tianjin Qianzhi"), which hold 1.56%, 1.48% and 0.54% of the issued share capital of our Company, respectively. Therefore, Dr. Zhu is deemed to be interested in the Shares held by Tianjin Qianyi, Tianjin Qianrui and Tianjin Qianzhi, all of which are Domestic Shares.

(4) Dr. Chao is the spouse of Dr. Mao, one of our Controlling Shareholders. Therefore, Dr. Chao is deemed to be interested in the Shares in which Dr. Mao is interested in as a beneficial owner under the SFO.

Save as disclosed above, as at June 30, 2019, to the best knowledge of the Directors, Supervisors or chief executive of the Company, none of the Directors, Supervisors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2019, so far as it was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

Interests in shares or underlying shares of the Company

Name of substantial Shareholder	Capacity/Nature of interest	Number and class of Shares	Approximate % of interest in our Company	Approximate % of the relevant class of Shares[1]
Dr. Mao	Beneficial owner, Interest of a party to an agreement regarding interest in the Company[2]	34,598,400 H Shares (L)	15.54%	26.08%
		16,724,200 Unlisted Foreign Shares (L)	7.51%	18.59%
		17,874,200 Domestic Shares (L)	8.03%	19.86%
Shi Yi[3]	Interest in a controlled corporation	26,035,562 H Shares (L)	11.69%	19.62%
LAV Management Company, Limited[3]	Investment Manager	22,468,362 H Shares (L)	10.09%	16.94%
The Capital Group Companies, Inc.[4]	Interest in a controlled corporation	13,611,500 H Shares (L)	6.11%	10.26%
Lilly Asia Ventures Fund II, L.P.[3]	Interest in a controlled corporation	13,140,000 H Shares (L)	5.90%	9.90%

Other Information

Name of substantial Shareholder	Capacity/Nature of interest	Number and class of Shares	Approximate % of interest in our Company	Approximate % of the relevant class of Shares[1]
LAV Spring (Hong Kong) Co., Limited[3]	Beneficial owner	13,140,000 H Shares (L)	5.90%	9.90%
Qiming Corporate GP IV, Ltd.[5]	Interest in a controlled corporation	13,036,538 H Shares (L)	5.86%	9.83%
Qiming GP IV, L.P.[5]	Interest in a controlled corporation	13,036,538 H Shares (L)	5.86%	9.83%
Qiming Venture Partners IV, L.P.[5]	Interest in a controlled corporation	13,036,538 H Shares (L)	5.86%	9.83%
QM29 Limited[5]	Beneficial owner	13,036,538 H Shares (L)	5.86%	9.83%
OrbiMed Capital LLC[6]	Investment Manager	8,918,200 H Shares (L)	4.01%	6.72%
SDIC Fund Management Company Ltd. (國投創新投資管理有限公司)[7]	Investment Manager	8,855,336 Domestic Shares (L)	3.98%	9.84%
Future Industry Investment Fund (Limited Partnership) (先進製造產業投資基金(有限合夥))[7]	Beneficial owner	8,855,336 Domestic Shares (L)	3.98%	9.84%
Chen Fei[8]	Interest in a controlled corporation	7,709,454 Domestic Shares (L)	3.46%	8.57%
Shanghai Li Yi Investment Management Partnership (Limited Partnership) 上海禮頤投資管理合夥企業(有限合夥)[8]	Investment manager	7,709,454 Domestic Shares (L)	3.46%	8.57%
Shanghai Liyao Investment Management Co., Ltd (上海禮曜投資管理有限公司)[8]	Investment manager	7,709,454 Domestic Shares (L)	3.46%	8.57%

Other Information

Name of substantial Shareholder	Capacity/Nature of interest	Number and class of Shares	Approximate % of interest in our Company	Approximate % of the relevant class of Shares[1]
Worldwide Healthcare Trust PLC[6]	Beneficial owner	6,917,000 H Shares (L)	3.11%	5.21%
HSBC Global Asset Management (Hong Kong) Limited	Investment manager	6,679,200 H Shares (L)	3.00%	5.03%
Shanghai Li'an Venture Capital Investment Center (Limited Partnership) (上海禮安創業投資中心（有限合夥）)[8]	Beneficial owner	4,600,000 Domestic Shares (L)	2.07%	5.11%

Notes:

(1) The Shareholders of Domestic Shares and Unlisted Foreign Shares are of the same class and have the right to attend the class meeting of holders of Domestic Shares and Unlisted Foreign Shares.

(2) Pursuant to the Concert Party Agreement.

(3) To the best of our Directors' knowledge, as at June 30, 2019, LAV Spring (Hong Kong) Co., Limited directly held 13,140,000 H Shares. Each of Lilly Asia Ventures Fund II, L.P. (as the sole shareholder of LAV Spring (Hong Kong) Co., Limited), LAV Management Company, Limited (as the fund manager of Lilly Asia Ventures Fund II, L.P.) and Shi Yi (as the sole shareholder of LAV Management Company, Limited) is deemed to have an interest in the H Shares held by LAV Spring (Hong Kong) Co., Limited under the SFO. In addition, each of LAV Management Company, Limited and Shi Yi is deemed to have an interest in the 3,109,454 H Shares held by Lilly Asia Ventures III Investment (Hong Kong) Co., Limited and the 6,218,908 H Shares held by LAV Bio III Investment (Hong Kong) Co., Limited. Shi Yi is deemed to have an interest in the 3,567,200 H Shares held by LAV Amber Limited.

(4) To the best of our Directors' knowledge, as at June 30, 2019, Capital Guardian Trust Company directly held 479,400 H Shares, Capital International, Inc. directly held 674,900 H Shares, Capital International Sarl directly held 229,200 H Shares, and Capital Research and Management Company directly held 12,228,000 H Shares. The Capital Group Companies, Inc. is deemed interested under the SFO.

(5) To the best of our Directors' knowledge, as at June 30, 2019, QM29 Limited directly held 13,036,538 H Shares. Each of Qiming Venture Partners IV, L.P. (as the holder of 96.94% of the issued share capital of QM29 Limited), Qiming GP IV, L.P. (as the general partner of Qiming Venture Partners IV, L.P.) and Qiming Corporate GP IV, Ltd. (as the general partner of Qiming GP IV, L.P.) is deemed to have an interest in the H Shares held by QM29 Limited under the SFO.

(6) To the best of our Directors' knowledge, as at June 30, 2019, Worldwide Healthcare Trust PLC directly held 6,917,000 H Shares, and The Biotech Growth Trust PLC directly held 2,001,200 H Shares. OrbiMed Capital LLC manages the portfolio of Worldwide Healthcare Trust PLC and The Biotech Growth Trust PLC and is deemed interested under the SFO.

(7) To the best of our Directors' knowledge, as at June 30, 2019, Future Industry Investment Fund (Limited Partnership) directly held 8,855,336 Domestic Shares. SDIC Fund Management Company Ltd. is the general partner of Future Industry Investment Fund (Limited Partnership) and is deemed interested under the SFO.

(8) To the best of our Directors' knowledge, as at June 30, 2019, Suzhou Litai Venture Capital Investment Center (Limited Partnership) directly held 3,109,454 Domestic Shares, and Shanghai Li'an Venture Capital Investment Center (Limited Partnership) directly held 4,600,000 Domestic Shares. Each of Shanghai Li Yi Investment Management Partnership (Limited Partnership) (as the general partner of both Suzhou Litai Venture Capital Investment Center (Limited Partnership) and Shanghai Li'an Venture Capital Investment Center (Limited Partnership)), Shanghai Liyao Investment Management Co., Ltd (as the general partner of Shanghai Li Yi Investment Management Partnership (Limited Partnership)) and Chen Fei (as the sole shareholder of Shanghai Liyao Investment Management Co., Ltd) is deemed to have an interest in the Domestic Shares held by Suzhou Litai Venture Capital Investment Center (Limited Partnership) and Shanghai Li'an Venture Capital Investment Center (Limited Partnership) under the SFO.

USE OF PROCEEDS FROM LISTING

The H Shares were listed on the Main Board of the Stock Exchange on the Listing Date. 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.

Up to June 30, 2019, we used approximately RMB37.5 million from the proceeds mentioned above, including (i) RMB12.1 million for the research and development and commercialization of our MCV candidates; (ii) RMB5.3 million for the research and development of our DTcP vaccine candidates; (iii) RMB6.3 million for the research and development of our TB Booster, PBPV and PCV13*i* candidates; (iv) RMB8.4 million for the research and development of our pre-clinical vaccine candidates; and (v) RMB5.4 million for working capital and other general corporate purposes.

Based on our estimates, which we believe are consistent with industry practice, we currently intend to apply these net proceeds for the purposes as same as what we described in the Prospectus.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

The Company had not purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

APPRECIATION

We wish to express our sincere gratitude to our shareholders and business partners for their continued support, and to our employees for their dedication and hard work.

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

Hong Kong, August 22, 2019

Report on Review of Interim Financial Information

To the Board of Directors of CanSino Biologics Inc.
(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 27 to 49, which comprises the interim condensed consolidated balance sheet of CanSino Biologics Inc. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2019 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 August 2019

Condensed Consolidated Statements of Comprehensive Income

For the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
Selling expenses	8	**(1,674)**	–
Administrative expenses	8	**(34,751)**	(12,481)
Research and development expenses	8	**(57,642)**	(49,025)
Other income	9	**5,394**	9,956
Other gains/(losses)-net		**87**	(7)
Operating loss		**(88,586)**	(51,557)
Finance income	10	**19,413**	119
Finance costs	10	**(504)**	(43)
Finance income-net	10	**18,909**	76
Loss before income tax		**(69,677)**	(51,481)
Income tax expense	11	**–**	–
Loss for the period and total comprehensive loss		**(69,677)**	(51,481)
Loss attributable to owners of the Company		**(69,677)**	(51,481)
Loss per share			
– Basic and diluted loss per share (in RMB)	12	**(0.38)**	(0.34)

The notes on pages 32 to 49 form an integral part of this interim consolidated financial information.

Condensed Consolidated Balance Sheet

As at 30 June 2019

	Notes	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	**525,175**	507,449
Right-of-use assets	15	**34,537**	–
Land use rights		**–**	18,936
Intangible assets	16	**33,898**	32,320
Other receivables and prepayments	17	**27,044**	16,166
Term deposits with initial term of over three months		**300,000**	–
Total non-current assets		**920,654**	574,871
Current assets			
Inventories		**11,862**	8,494
Other receivables and prepayments	17	**10,794**	15,129
Financial assets at fair value through profit or loss	18	**40,058**	–
Financial assets at amortised cost	19	**60,000**	140,000
Term deposits with initial term of over three months		**353,534**	–
Cash and cash equivalents		**452,921**	57,381
Total current assets		**929,169**	221,004
Total assets		**1,849,823**	795,875

Condensed Consolidated Balance Sheet

As at 30 June 2019

	Notes	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital and share premium	20	**1,805,998**	689,486
Capital reserves		**35,707**	24,119
Accumulated losses		**(280,965)**	(211,288)
Total equity		**1,560,740**	502,317
LIABILITIES			
Non-current liabilities			
Borrowings	22	**140,000**	150,000
Lease liabilities		**10,875**	–
Deferred income		**51,609**	36,873
Total non-current liabilities		**202,484**	186,873
Current liabilities			
Trade payables	23	**3,991**	6,651
Other payables and accruals	24	**56,809**	98,509
Borrowings	22	**10,000**	–
Lease liabilities		**10,301**	–
Deferred income		**5,498**	1,525
Total current liabilities		**86,599**	106,685
Total liabilities		**289,083**	293,558
Total equity and liabilities		**1,849,823**	795,875

Approved and authorised for issue by the board of directors on 22 August 2019.

Director: Xuefeng YU

Director: Shou Bai CHAO

The notes on pages 32 to 49 form an integral part of this interim consolidated financial information.

Condensed Consolidated Statements of Changes in Equity

For the six months ended 30 June 2019

	Note	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	Accumulated losses RMB'000	Total Equity RMB'000
Balance at 1 January 2019 (Audited)		**160,951**	**528,535**	**24,119**	**(211,288)**	**502,317**
Comprehensive income						
– Loss for the period		**–**	**–**	**–**	**(69,677)**	**(69,677)**
Transaction with owners						
– Issuance of shares	20	**61,699**	**1,054,813**	**–**	**–**	**1,116,512**
– Share-based payments	21(b)	**–**	**–**	**11,588**	**–**	**11,588**
Balance at 30 June 2019 (Unaudited)		**222,650**	**1,583,348**	**35,707**	**(280,965)**	**1,560,740**
Balance at 1 January 2018 (Audited)		156,444	515,556	8,339	(73,007)	607,332
Comprehensive income						
– Loss for the period		–	–	–	(51,481)	(51,481)
Transaction with owners						
– Issuance of shares	20	4,507	12,979	–	–	17,486
– Share-based payments	21(b)	–	–	5,821	–	5,821
Balance at 30 June 2018 (Audited)		160,951	528,535	14,160	(124,488)	579,158

The notes on pages 32 to 49 form an integral part of this interim consolidated financial information.

Condensed Consolidated Statements of Cash Flows

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash flows from operating activities		
Cash used in operations	**(78,933)**	(54,728)
Interests received	**3,538**	119
Net cash used in operating activities	**(75,395)**	(54,609)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(55,300)**	(80,269)
Purchase of wealth management products	**(395,000)**	(858,200)
Addition of term deposits with initial term of over three months	**(653,534)**	–
Proceeds from disposal of wealth management products	**435,000**	945,200
Proceeds from disposal of property, plant and equipment	**–**	34
Purchase of intangible assets	**(1,717)**	(93)
Receipt of asset related government grants	**15,150**	–
Receipt of investment income on wealth management products	**2,489**	8,000
Proceeds from restricted cash	**–**	4,074
Payments for restricted cash	**–**	(2,334)
Net cash (used in)/generated from investing activities	**(652,912)**	16,412
Cash flows from financing activities		
Interest paid	**(3,963)**	(3,609)
Net proceeds from share issued	**1,127,770**	17,486
Proceeds from borrowings	**–**	41,667
Principal elements of lease payments	**(1,706)**	–
Payment of listing expenses	**(11,258)**	(6,326)
Net cash generated from financing activities	**1,110,843**	49,218
Net increase in cash and cash equivalents	**382,536**	11,021
Cash and cash equivalents at the beginning of period	**57,381**	18,247
Exchange gains/(losses) on cash and cash equivalents	**13,004**	(43)
Cash and cash equivalents at the end of period	**452,921**	29,225

The notes on pages 32 to 49 form an integral part of this interim consolidated financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2019

1. GENERAL INFORMATION

CanSino Biologics Inc. (the "Company") was incorporated in Tianjin of the People's Republic of China (the "PRC") on 13 January 2009 as a limited liability company by Xuefeng Yu, Tao Zhu, Dongxu Qiu, Xuan Liu and Helen Huihua Mao. The address of the Company's registered office is 401-420, 4th Floor, Biomedical Park, 185 South Avenue, TEDA West District, Tianjin, the PRC. Upon approval by the shareholders' general meeting held on 10 February 2017, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司)" to "CanSino Biologics Inc. (康希諾生物股份公司)" on 13 February 2017. The Company and its subsidiaries (collectively referred to as the "Group"), are principally engaged in the research and development, manufacturing and commercialisation of vaccine products for human use.

The Company's H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 28 March 2019 (the "Listing").

This condensed consolidated interim financial information ("Condensed Financial Information") is presented in Renminbi ("RMB"). This Condensed Financial Information has not been audited.

2. BASIS OF PREPARATION

This Condensed Financial Information has been prepared in accordance with Hong Kong Accounting Standard 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This Condensed Financial Information should be read in conjunction with the consolidated financial statements included in the Accountants' Report set forth in Appendix I to the Company's prospectus dated 18 March 2019 (the "Prospectus"), which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

3. ACCOUNTING POLICIES

The accounting policies applied to this Condensed Financial Information are consistent with those of the consolidated financial statements included in the Accountants' Report presented in the Prospectus.

The following new standards, amendments and interpretations to existing standards which have been issued but not yet effective on 1 January 2019 are applicable to the Group and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 1 and HKAS 8	Definition of material	1 January 2020
Amendment to HKFRS 3	Definition of a business	1 January 2020
HKFRS 17	Insurance contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

4. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019 in Note 4(b) below.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

(a) Adjustments recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.212%.

	Total RMB'000
Operating lease commitments disclosed as at 31 December 2018	25,853
Discounted using the lessee's incremental borrowing rate of at the date of initial application	22,416
Add: rental payable	1,621
Less: deposits as guarantee	(1,744)
Lease liability recognised as at 1 January 2019	22,293
Of which are:	
Current lease liabilities	8,788
Non-current lease liabilities	13,505
	22,293

The associated right-of-use assets for land use rights were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	As at 30 June 2019 RMB'000 (Unaudited)	As at 1 January 2019 RMB'000 (Unaudited)
Land use rights	**18,731**	18,936
Office rental	**15,341**	17,918
Motor vehicles	**465**	568
Total right-of-use assets	**34,537**	37,422

4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) Adjustments recognised on adoption of HKFRS 16 (Continued)

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by RMB37,422,000
- land use rights – decrease by RMB18,936,000
- other receivable – decrease by RMB2,056,000
- prepayments – decrease by RMB568,000
- other payable – decrease by RMB6,431,000
- lease liabilities – increase by RMB22,293,000.

There was no impact on retained earnings on 1 January 2019.

(i) Impact on loss per share

There was no significant impact on loss per share for the six months to 30 June 2019 as a result of the adoption of HKFRS 16.

(ii) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 *Determining whether an Arrangement contains a Lease*.

4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) The Group's leasing activities and how these are accounted for

The Group leases various offices and motor vehicles. Rental contracts are typically made for fixed periods of 3 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until the 2018 financial year, leases of offices and motor vehicles were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. There is no short-term leases or leases of low-value assets as at 30 June 2019.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Condensed Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Condensed Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements included in the Accountants' Report presented in the Prospectus.

6. FINANCIAL RISK MANAGEMENT

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

This Condensed Financial Information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements included in the Accountants' Report presented in the Prospectus.

There have been no changes in the risk management policies since year end.

6.2 Fair value estimation

The carrying amounts of the Group's financial assets and liabilities, including cash and cash equivalents, financial assets at amortised cost, financial assets at fair value through profit or loss, term deposits with initial term of over three months, other receivables, trade and other payables approximate their fair values. The fair value of financial liabilities for disclosure purpose is estimated by discounting the future contractual cash flows at the market interest rate available to the Group for similar financial instruments.

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2019 and 31 December 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value at 30 June 2019 and 31 December 2018.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2019 (Unaudited)				
Financial assets at fair value through profit or loss				
– Wealth management products with floating rates	**–**	**–**	**40,058**	**40,058**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2018 (Audited)				
Financial assets at fair value through profit or loss				
– Wealth management products with floating rates	–	–	–	–

There were no transfers between levels 1, 2 and 3 during the periods.

(a) Financial instruments in Level 3

The following table presents the changes in level 3 instruments for the six months ended 30 June 2019 and 2018, respectively.

	Wealth management products with floating rates	
	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
Opening balance	**–**	132,636
Additions	**140,000**	254,200
Settlements	**(100,276)**	(354,072)
Gain and losses recognised in profit or loss	**334**	2,363
Closing balance	**40,058**	35,127
Total gains or losses for the period included in "other income"	**276**	2,236
Changes in unrealised gains or losses for the period included in "other income" at the end of the period	**58**	127

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

6.2 Fair value estimation (Continued)

(b) Valuation process, inputs and relationship to fair value

The finance department of the Group performs the valuation of level 3 financial instruments for financial reporting purposes. It manages the valuation exercise of the investments on a case by case basis. At least once a year, the finance department would use valuation techniques to determine the fair value of the Group's level 3 instruments.

The valuation of the level 3 instruments mainly include financial assets at fair value through profit or loss. The following table summarises the quantitative information about the significant unobservable inputs used in the recurring level 3 fair value measurements.

Description	Fair value as at		Unobservable Inputs	Range as at		Relationship of unobservable input to fair value
	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)		**30 June 2019**	31 December 2018	
Financial assets at fair value through profit or loss	**40,058**	–	Expected rate of return	**2.60%-3.85%**	–	The higher the expected rate of return, the higher the fair value

If the unobservable inputs, the expected return, is 50 basis points higher/lower, the loss before income tax for six months ended 30 June 2019 would approximately decrease/increase by RMB49,000.

7. SEGMENT

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Group.

The Group is principally engaged in the research and development of vaccine products for human use. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The major operating entity of the Group is domiciled in the PRC. Accordingly, the Group's results were primarily derived in the PRC.

As at 30 June 2019 and 31 December 2018, all of the Group's assets were located in the PRC.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2019

8. EXPENSES BY NATURE

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Employee benefits expenses	**46,943**	27,486
Listing expenses	**13,978**	1,015
Depreciation and amortisation	**9,846**	5,270
Raw materials and consumables used	**9,696**	13,585
Utilities and office expenses	**4,203**	3,364
Consulting fee	**2,502**	870
Travelling and transportation expenses	**2,213**	1,703
Business tax and other transaction taxes	**1,444**	630
Testing fee	**1,281**	3,407
Auditors' remuneration		
– Audit services	**101**	150
– Other services	**135**	–
Operating lease rental expenses	**–**	2,723
Others	**1,725**	1,303
	94,067	61,506

9. OTHER INCOME

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Investment income on wealth management products	**2,118**	7,685
Government grants	**1,354**	2,210
Income from vaccine components	**1,906**	–
Others	**16**	61
	5,394	9,956

10. FINANCE INCOME – NET

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Finance income		
Interest income on bank deposits	**6,409**	119
Exchange gains on foreign currency deposits	**13,004**	–
	19,413	119
Finance costs		
Interest expenses on bank borrowings	**(3,941)**	(3,656)
Less: borrowing costs capitalised in qualifying assets (Note 14)	**3,941**	3,656
Charged to statement of comprehensive income	**–**	–
Interest and finance charges paid/payable for lease liabilities	**(504)**	–
Exchange losses on foreign currency deposits	**–**	(43)
	(504)	(43)
Finance income – net	**18,909**	76

11. INCOME TAX EXPENSE

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Current income tax expense	**–**	–
Deferred income tax expense	**–**	–
	–	–

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Loss before income tax	**(69,677)**	(51,481)
Tax expense calculated at statutory tax rate of 25%	**(17,419)**	(12,870)
Impact of applying preferential tax rate	**6,968**	5,148
Expenses not deductible for taxation purposes	**64**	23
Tax loss and temporary differences not recognised as deferred tax assets	**15,251**	10,457
Extra deduction of research and development expenses	**(4,864)**	(2,758)
Income tax expense	**–**	–

On 24 November 2016, the "Certificate of New Hi-tech Enterprise" was granted to the Company, and the Company becomes eligible for a corporate income tax rate of 15% for six months ended 30 June 2018 and 2019.

12. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding.

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Loss for the period	**(69,677)**	(51,481)
Weighted average number of ordinary shares in issue (in thousand)	**185,609**	152,969
Basic loss per share (in RMB)	**(0.38)**	(0.34)

(b) Diluted loss per share

The Group had potential dilutive shares related to the shares held for share award scheme. Due to the Group's negative financial results, shares held for share award scheme has anti-dilutive effect on the Group's loss per share. Thus, diluted loss per share is equivalent to the basic loss per share.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2019

13. DIVIDENDS

No dividend has been declared by the Company for the six months ended 30 June 2019 (30 June 2018: Nil).

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Equipment and instruments RMB'000	Motor vehicles RMB'000	Office equipment and furniture RMB'000	Construction in progress RMB'000	Total RMB'000
As at 1 January 2019 (Audited)							
Cost	20,067	17,522	55,062	639	5,084	444,864	543,238
Accumulated depreciation	(635)	(10,434)	(22,379)	(271)	(2,070)	–	(35,789)
Net book value	19,432	7,088	32,683	368	3,014	444,864	507,449
Six months ended 30 June 2019 (Unaudited)							
Opening net book value	**19,432**	**7,088**	**32,683**	**368**	**3,014**	**444,864**	**507,449**
Additions	**–**	**–**	**3,243**	**–**	**487**	**20,863**	**24,593**
Disposals	**–**	**–**	**(13)**	**–**	**–**	**–**	**(13)**
Transfer upon completion	**6,487**	**–**	**722**	**–**	**–**	**(7,209)**	**–**
Depreciation	**(477)**	**(1,418)**	**(4,303)**	**(78)**	**(578)**	**–**	**(6,854)**
Closing net book value	**25,442**	**5,670**	**32,332**	**290**	**2,923**	**458,518**	**525,175**
As at 30 June 2019 (Unaudited)							
Cost	**26,554**	**17,522**	**58,766**	**639**	**5,562**	**458,518**	**567,561**
Accumulated depreciation	**(1,112)**	**(11,852)**	**(26,434)**	**(349)**	**(2,639)**	**–**	**(42,386)**
Net book value	**25,442**	**5,670**	**32,332**	**290**	**2,923**	**458,518**	**525,175**

During the six months ended 30 June 2019, the Group has capitalised borrowing costs amounting to RMB3,941,000 on qualifying assets (six months ended 30 June 2018: RMB3,656,000). Borrowing costs were capitalised at the weighted average of its borrowings rate of 5.225% during the period (six months ended 30 June 2018: 5.197%).

Certain of the Group's property, plant and equipment have been pledged as collateral under the Group's borrowing arrangements. The carrying amount of property, plant and equipment pledged as collateral were RMB262,150,000 as at 30 June 2019 (31 December 2018: RMB254,344,000).

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2019

15. RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Office rental RMB'000	Motor vehicles RMB'000	Total RMB'000
As at 1 January 2019 (Restated)				
Cost	20,508	17,918	568	38,994
Accumulated amortisation	(1,572)	–	–	(1,572)
Net book value	18,936	17,918	568	37,422
Six months ended 30 June 2019 (Unaudited)				
Opening net book value	**18,936**	**17,918**	**568**	**37,422**
Amortisation	**(205)**	**(2,577)**	**(103)**	**(2,885)**
Closing net book value	**18,731**	**15,341**	**465**	**34,537**
As at 30 June 2019 (Unaudited)				
Cost	**20,508**	**17,918**	**568**	**38,994**
Accumulated amortisation	**(1,777)**	**(2,577)**	**(103)**	**(4,457)**
Net book value	**18,731**	**15,341**	**465**	**34,537**

Certain of the Group's land use rights have been pledged as collateral under the Group's borrowing arrangements. The carrying amount of land use rights pledged as collateral were RMB10,709,000 as at 30 June 2019 (31 December 2018: RMB10,826,000).

16. INTANGIBLE ASSETS

	Capitalised product development costs RMB'000	Computer software RMB'000	Non-proprietary technologies RMB'000	Total RMB'000
As at 1 January 2019 (Audited)				
Cost	31,585	138	7,443	39,166
Accumulated amortisation	–	(72)	(6,774)	(6,846)
Net book value	31,585	66	669	32,320
Six months ended 30 June 2019 (Unaudited)				
Opening net book value	**31,585**	**66**	**669**	**32,320**
Additions	**1,685**	**–**	**–**	**1,685**
Amortisation	**–**	**(33)**	**(74)**	**(107)**
Closing net book value	**33,270**	**33**	**595**	**33,898**
As at 30 June 2019 (Unaudited)				
Cost	**33,270**	**138**	**7,443**	**40,851**
Accumulated amortisation	**–**	**(105)**	**(6,848)**	**(6,953)**
Net book value	**33,270**	**33**	**595**	**33,898**

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2019

17. OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Value added tax recoverable	**21,180**	12,228
Prepayments to suppliers of property, plant and equipment	**4,818**	1,882
Prepayments to other suppliers	**4,276**	3,546
Receivables of interest on term deposits	**2,871**	–
Receivables of vaccine components sale	**1,198**	286
Staff advances	**977**	300
Deposits as guarantee	**348**	2,377
Receivable of investment income on wealth management products	**163**	466
Prepayments of listing expenses	**–**	10,210
Others	**2,007**	–
	37,838	31,295
Less: non-current portion (note)	**(27,044)**	(16,166)
Current portion	**10,794**	15,129

Note: The non-current portion of other receivables and prepayments includes value added tax recoverable that could not be utilised in the coming 12 months, prepayments to suppliers of property, plant and equipment, receivables of interest on term deposits that could not be received in the coming 12 months. As at 31 December 2018, it also included long-term deposits as guarantee of offices and warehouses under operating lease agreements.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Wealth management products with floating rates	**40,058**	–

19. FINANCIAL ASSETS AT AMORTISED COST

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Wealth management products with fixed rates	**60,000**	140,000

Wealth management products with fixed rates held by the Group as at 30 June 2019 bear interests at 3.9% per annum with a duration of 91 days (31 December 2018: 3.85%-4.25% per annum with a duration of 35 to 91 days).

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2019

20. SHARE CAPITAL AND SHARE PREMIUM

	Numbers of shares	Nominal value of shares RMB'000
Authorised and issued		
As at 1 January 2019 (Audited)	160,950,899	160,951
Issuance of shares upon global offering (a)	61,699,000	61,699
As at 30 June 2019 (Unaudited)	**222,649,899**	**222,650**
As at 1 January 2018 (Audited)	156,444,274	156,444
Issuance of shares (b)	4,506,625	4,507
As at 30 June 2018 (Audited)	160,950,899	160,951

	Numbers of ordinary shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
As at 1 January 2019 (Audited)	160,950,899	160,951	528,535	689,486
Issuance of shares upon global offering (a)	61,699,000	61,699	1,054,813	1,116,512
As at 30 June 2019 (Unaudited)	**222,649,899**	**222,650**	**1,583,348**	**1,805,998**
As at 1 January 2018 (Audited)	156,444,274	156,444	515,556	672,000
Issuance of shares (b)	4,506,625	4,507	12,979	17,486
As at 30 June 2018 (Audited)	160,950,899	160,951	528,535	689,486

Note:

(a) On 28 March 2019, the Company's H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited by issuing 57,248,600 ordinary shares at a price of HKD22.00 per share for cash, before related issuance expenses, of approximately HKD1,259,469,000 (equivalent to approximately RMB1,079,239,000).

On 12 April 2019, the Company issued additional 4,450,400 new shares for the exercise of over-allotment of the global offering at a price of HKD22.00 per share for cash, before related issuance expenses, of approximately HKD97,909,000 (equivalent to approximately RMB83,895,000).

Accordingly, 61,699,000 ordinary shares with par value of RMB1.00 each are issued and RMB61,699,000 are credited to share capital, and remaining amounts, after netting of listing expenses, are credited to share premium.

(b) Pursuant to a share subscription agreement entered into between the Company, Tianjin Qianrui and Tianjin Qianzhi on 28 May 2018, which was subsequently approved by the annual general meeting of the Company held on 28 May 2018, the Company issued 3,299,475 shares to Tianjin Qianrui at a consideration of approximately RMB12,802,000, and issued 1,207,150 shares to Tianjin Qianzhi at a consideration of approximately RMB4,684,000. Upon completion of the share subscription by Tianjin Qianrui and Tianjin Qianzhi, the registered share capital of the Company was increased to RMB160,951,000 approximately. Tianjin Qianrui and Tianjin Qianzhi were special purpose vehicles to hold the ordinary shares for the Company's employees under the 2018 Employee Share Plan (Note 21).

21. SHARE-BASED PAYMENT

Tianjin Qianyi Enterprise Management Partnership (Limited Partnership) (天津千益企業管理合夥企業(有限合夥)) ("Tianjin Qianyi") was incorporated in Tianjin of the PRC under the Law of the People's Republic of China on Partnerships on 31 July 2015 as a vehicle to hold the ordinary shares for the Company's employees under the equity-settled share-based compensation plan of 2015 (the "2015 Employee Share Plan").

Tianjin Qianrui Enterprise Management Partnership (Limited Partnership) (天津千睿企業管理合夥企業(有限合夥)) ("Tianjin Qianrui") and Tianjin Qianzhi Enterprise Management Partnership (Limited Partnership) (天津千智企業管理合夥企業(有限合夥)) ("Tianjin Qianzhi") were incorporated in Tianjin of the PRC under the Law of the People's Republic of China on Partnerships on 28 May 2018 as vehicles to hold the ordinary shares for the Company's employees under the equity-settled share-based compensation plan of 2018 (the "2018 Employee Share Plan"). Detailed information of the 2015 Employee Share Plan and 2018 Employee Share Plan (together referred to as the "Employee Share Plans") are disclosed as follows.

(a) Share award schemes

2015 Employee Share Plan

On 21 December 2015, shares of the Company were granted to 33 eligible employees (the "Grantees") under the 2015 Employee Share Plan. Under this plan, 3,474,600 shares of RMB1.00 each (equivalent to RMB3,474,600 paid-in capital before the conversion into a joint stock company) will be vested when the Company successfully completes an initial public offering and the Company's shares get listed on the stock exchange or the Company is acquired by other parties. The Grantees paid approximately RMB440,000 in total at an exercise price of RMB0.1265 each to Tianjin Qianyi on the grant date. If an employee ceases to be employed by the Company within this period, the awarded shares will be forfeited.

The 2015 Employee Share Plan is administered by Tianjin Qianyi. 3,474,600 shares of RMB1.00 each were acquired by Tianjin Qianyi from Xuefeng Yu, Tao Zhu, Dongxu Qiu and Helen Huihua Mao in total at a price of RMB0.1265 per share on 27 August 2015, and are held under the 2015 Employee Share Plan until such time as they are vested. Forfeited shares are purchased back by Tao Zhu at the price that the employees initially purchased.

2,931,941 awarded shares under the 2015 Employee Share Plan were unlocked and vested on 28 March 2019 when the Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited, and remaining 542,659 shares not granted were bought back by Tao Zhu. Thus, 2015 Employee Share Plan has been fulfilled completely.

21. SHARE-BASED PAYMENT (CONTINUED)

(a) Share award schemes (Continued)

2018 Employee Share Plan

On 28 May 2018, the Company issued 3,299,475 and 1,207,150 shares of RMB1.00 each to Tianjin Qianrui and Tianjin Qianzhi, respectively, at a price of RMB3.88 per share under the 2018 Employee Share Plan. Under the plan, 42 eligible employees were granted 3,299,475 shares issued to Tianjin Qianrui, of which 52,590 shares were granted to Zhu Tao and could be vested immediately and the rest 3,246,885 shares were granted to the other 41 eligible employees and could be vested when such eligible employees complete a five-year service period. 3 eligible employees were granted 1,207,150 shares issued to Tianjin Qianzhi, of which 19 shares were granted to Zhu Tao and could be vested immediately and the remaining 1,207,131 shares were granted to the rest 2 employees. 60% of these 1,207,131 shares could be vested when such eligible employees complete a three-year service period, and the remaining 40% could be vested when such eligible employees complete a five-year service period. Approximately RMB17,486,000 were paid by those employees to Tianjin Qianrui and Tianjin Qianzhi in total on the grant date. If an eligible employee ceases the employment by the Company within this period, the awarded shares will be forfeited.

Forfeited shares are purchased back by Tao Zhu, or a person designated by Tao Zhu, at the price that the employees initially purchased, and if applicable, plus 7% per annum interest.

The Company has power to govern the relevant activities of Tianjin Qianyi, Tianjin Qianrui and Tianjin Qianzhi and can derive benefits from the contributions of the eligible employees who are awarded with the shares under the Employee Share Plans. As at 30 June 2019, 4,454,016 awarded shares are unvested and debited to capital reserves (31 December 2018: 7,385,957).

Set out below are the movement in the number of awarded shares under the Employee Share Plans:

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Audited)
At the beginning of period	**7,385,957**	2,931,941
Vested	**(2,931,941)**	(52,609)
Granted	**–**	4,506,625
At the end of period	**4,454,016**	7,385,957
Shares not yet granted at the end of period	**–**	542,659

(b) Expenses arising from share-based payment transactions

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Share award schemes issued under the Employee Share Plans	**11,588**	5,821

As at 30 June 2019, the accumulated expenses arising from share-based payment transactions amounting to RMB20,156,000 are recognised in capital reserves (31 December 2018: RMB33,089,000).

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2019

22. BORROWINGS

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Borrowings from banks – secured	**150,000**	150,000
Less: current portion	**(10,000)**	–
Non-current portion	**140,000**	150,000

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Maturity of borrowings		
Less than 1 year	**10,000**	–
Between 1 and 2 years	**30,000**	20,000
Between 2 and 5 years	**110,000**	130,000
	150,000	150,000

As at 30 June 2019 and 31 December 2018, bank borrowings were denominated in RMB, bearing interest at rates equivalent to 105%-120% of rates announced by the People's Bank of China, and were secured against certain of the Group's property, plant and equipment (Note 14) and land use rights (Note 15).

The fair value of borrowings approximated their carrying amounts as at 30 June 2019 and 31 December 2018 as the borrowings carried interests which were benchmarked against rates announced by the People's Bank of China from time to time.

23. TRADE PAYABLES

The aging analysis of trade payables is as follows:

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Within 1 year	**3,790**	6,539
Between 1 year and 2 years	**89**	–
Between 2 year and 3 years	**–**	112
More than 3 years	**112**	–
	3,991	6,651

The carrying amounts of trade payables are denominated in RMB, and approximate their fair values due to short-term maturities.

24. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Other payables to suppliers of property, plant and equipment	**36,328**	65,546
Accrued listing expenses	**10,392**	8,940
Payroll and welfare payable	**4,010**	12,816
Consulting fees	**857**	1,045
Accrued taxes other than income tax	**295**	233
Interest payable	**218**	239
Utilities	**215**	190
Rental payable	**–**	6,431
Deposits from suppliers	**–**	6
Others	**4,494**	3,063
	56,809	98,509

25. CAPITAL COMMITMENTS

The following is the details of capital expenditure contracted for but not provided in the Condensed Financial Information.

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Contracted but not provided for		
– Property, plant and equipment	**24,337**	14,239

26. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

(a) The following companies and persons are related parties of the Group during the six months ended 30 June 2019 and 2018:

Names of the related parties	Nature of relationship
Tianjin Kun Jian Biopharmaceutical Co., Ltd. 天津坤健生物製藥有限公司	Under common control of Xuefeng Yu, Helen Huihua Mao, Dongxu Qiu and Tao Zhu

26. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant transactions with related parties

The Group has the following significant transaction with related parties:

Guarantee provided by related parties

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Tianjin Kun Jian Biopharmaceutical Co., Ltd.	**–**	150,000

Guarantee provided by Tianjin Kun Jian Biopharmaceutical Co., Ltd. on the Group's borrowings has been released in July 2018.

(c) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Salaries	**2,282**	1,416
Share-based compensation expenses (Note 21)	**890**	521
Others	**110**	351
	3,282	2,288

27. SUBSEQUENT EVENTS

There are no material subsequent events undertaken by the Group after 30 June 2019.

Definitions

"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"CanSino", "Company"; "the Company" or "We"	CanSino Biologics Inc. (康希諾生物股份公司), a joint stock company incorporated in the PRC with limited liability on February 13, 2017, or, where the context requires (as the case may be), its predecessor, Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司), a company incorporated in the PRC with limited liability on January 13, 2009
"CFDA"	China Food and Drug Administration (國家食品藥品監督管理總局), the PRC governmental authority responsible for regulating food and drugs before the Institutional Reform Plan in 2018
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this interim report, Hong Kong, Macau Special Administrative Region and Taiwan
"Concert Party Agreement"	the agreement entered into between Dr. Yu, Dr. Zhu, Dr. Qiu and Dr. Mao on February 13, 2017 pursuant to which Dr. Yu, Dr. Zhu, Dr. Qiu and Dr. Mao have undertaken to, among other things, vote unanimously for any resolutions proposed at any Shareholders' meeting of our Company
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Dr. Yu, Dr. Zhu, Dr. Qiu and Dr. Mao
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this report, our Core Products include our MCV2 candidate and MCV4 candidate
"CTA"	clinical trial application, the PRC equivalent of investigational new vaccine application
"Director(s)"	the director(s) of the Company
"Domestic Shares"	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. Chao"	Dr. Shou Bai CHAO, executive Director, chief operating officer and deputy general manager of the Company and spouse of Dr. Mao
"Dr. Mao"	Dr. Helen Huihua MAO, senior vice president and deputy general manager of the Company, our co-founder and Controlling Shareholder and spouse of Dr. Chao

Definitions

"Dr. Qiu"	Dr. Dongxu QIU, executive Director, senior vice president and deputy general manager of the Company, our co-founder and Controlling Shareholder
"Dr. Yu"	Dr. Xuefeng YU, chairman of the Board, executive Director, chief executive officer and general manager of the Company, our co-founder and Controlling Shareholder
"Dr. Zhu"	Dr. Tao ZHU, executive Director, chief scientific officer and deputy general manager of the Company, our co-founder and Controlling Shareholder
"Global Offering"	the offer of H Shares for subscription as described in the Prospectus
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law《中華人民共和國藥品管理法》as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"H Shares"	overseas listed shares in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	the Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on March 28, 2019
"Listing Date"	March 28, 2019, being the date on which the H Shares were listed on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules

Definitions

"NMPA"	National Medical Products Administration, the institution that performs the functions of CFDA instead according to the Institutional Reform Plan of the State Council
"NDA"	new drug application
"Nomination Committee"	The Nomination Committee of the Board
"Prospectus"	the prospectus issued by the Company dated March 18, 2019
"Reporting Period"	the six-month period from January 1, 2019 to June 30, 2019
"Remuneration and Assessment Committee"	The Remuneration and Assessment Committee of the Board
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shareholder(s)"	holder(s) of Shares
"Share(s)"	shares 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
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	supervisor(s) of our Company
"Unlisted Foreign Shares"	ordinary shares issued by our company with a nominal value of RMB1.00 each and are held foreign investors and are not listed on any stock exchange

康希诺生物股份公司
CanSino Biologics Inc.