IPO FACT SHEET

TOT BIOPHARM International Company Limited (1875)

ISSUE STATISTICS

Offer Size:	HK$589.5m – HK$679.5m
Placement Tranche:	90m
Price:	HK$6.55 – HK$7.55
Board lot:	400
Entry fee:	HK$3,050.43
Historical PE	N/A
Net tangible asset per share:	HK$1.94 – HK$2.10
Market Cap (post-IPO):	HK$3,733.5m – HK$4,303.5m
Open:	29 Oct 2019
Close:	12.00 noon on 1 Nov 2019
Trading:	8 Nov 2019
Sponsor:	ICBC International Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	39,219	-24.0%
2018	9,218	-76.5%
Loss for the year/period attributable to the equity holders of the Company		
2017	-268,263	80.4%
2018	-70,290	-73.8%

BACKGROUND

- They are a clinical-stage biopharmaceutical company dedicated to developing and commercializing innovative oncology drugs and therapies.
- They have a comprehensive portfolio of oncology drug candidates, which include monoclonal antibodies (mAbs), antibody drug conjugates (ADCs), oncolytic virus products and specialty oncology drugs such as liposome drugs, targeting various types of cancers.
- They have built and established a fully integrated in-house platform of discovery, process development, quality management, pre-clinical and clinical development, as well as commercial-scale manufacturing facilities and proven sales and marketing capabilities, which provides flexibility and scalability for their business to expand along the innovative drug industry value chain.
- Their comprehensive product pipeline consists of seven biological and five chemical drug candidates, 11 of which are in-house developed. Their strategy is to develop innovative drugs that have high viability for commercialization and clear market demand. They focus on achieving a diverse product mix with a sustainable launch schedule, targeting to start from 2020.
- As of the Latest Practicable Date, they had four biological drug candidates in the clinical stage. Their most advanced biological drug candidate and Core Product, TAB008, is undergoing Phase III clinical trials. TAB008 is a bevacizumab biosimilar. Bevacizumab has been approved for the treatment of non-squamous non-small-cell lung cancer (nsNSCLC) and metastatic colorectal cancer (mCRC) in China. They currently expect to launch TAB008 between late 2020 and early 2021.

BUSINESS STRATEGIES

- Commercialize TAB008.
- Rapidly advance their clinical trials for drug candidates.
- Further enrich product portfolio via self-development and collaboration focusing on immune-oncology combination therapies and seeking innovative cancer treatment solutions.
- Strengthen their in-house sales and marketing force and commercial-scale manufacturing capacities.
- Continue to attract, train and retain quality talent to support their rapid growth and maximize the value of their integrated platform.

COMPETITIVE STRENGTHS

- Robust product pipeline with sustainable launch schedule, covering a wide variety of cancer types and extended applications.

- Well-established and advanced technology platforms focusing on oncology drugs.
- Cost-efficient commercial-scale and state-of-the-art manufacturing facilities, built to and operating at international standards.
- Proven open platform business model empowered by strong and integrated capabilities covering the full oncology drug industry value chain.
- Industry-leading, experienced and professional management team supported by a strong talent base.

KEY RISKS

- They depend substantially on the success of their drug candidates, all of which are undergoing pre-clinical or clinical development. If they are unable to successfully complete clinical development, obtain regulatory approval and commercialize our drug candidates, or experience significant delays in doing so, their business will be materially harmed.
- The regulatory approval processes of regulatory authorities are lengthy, time-consuming and inherently unpredictable. If they are ultimately unable to obtain regulatory approval for their drug candidates, their business will be substantially harmed.
- They currently do not generate revenue from sales of any drug products developed by us and may not become profitable in the foreseeable future, or at all.
- They have incurred significant net losses and net operating cash outflows since their inception, and they anticipate that they will continue to incur net losses and net operating cash outflows until they successfully commercialize their drug candidates.
- Their success depends on the ability to retain their research and development, manufacturing, clinical trial and sales and marketing team and other key executives, and to attract, train, retain and motivate qualified and highly skilled personnel.
- They have no experience in manufacturing their drug candidates on a large commercial scale, which is a highly exacting and complex process, and have not yet begun utilizing their manufacturing facilities for commercial purposes.
- They have limited experience in marketing drugs. If they are unable to develop sufficient capabilities to market and sell their drug candidates, they may not be able to generate product sales revenue.
- They may not be successful in developing, enhancing or adapting to new technologies and methodologies.
- If they are unable to obtain and maintain patent protection for their drug candidates, primarily their novel drug candidates, through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to theirs and compete directly against us, and their ability to successfully commercialize any product or technology may be adversely affected.
- If they are sued for infringing, misappropriating, or otherwise violating intellectual property rights of third parties or engaging in unfair competition, such litigation could be costly and time-consuming and could prevent or delay us from developing or commercializing their drug candidates.
- They face substantial competition, which may result in others discovering, developing or commercializing competing drugs before or more successfully than they do.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Will be used to fund ongoing and planned clinical trials, preparation for registration filings and the potential commercial launch (including sales and marketing) of TAB008.	166.3	30.0%
Will be used to fund ongoing and planned pre-clinical and clinical trials, expansion of facilities, preparation for registration filings and potential commercial launches (including sales and marketing) of the other drug candidates in their pipeline.	277.2	50.0%
Will be used for non-project specific capital expenditure.	83.2	15.0%
Will be used to fund continued expansion of their product portfolio in cancer and potentially other therapeutic areas through internal research and external licenses and business development collaborations.	11.1	2.0%
Will be used for their working capital and other general corporate purposes.	16.6	3.0%
Total:	**554.4**	**100.0%**

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is a licensed corporation providing securities brokerage and securities advisory services in Hong Kong.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHHK. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHHK may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHHK and its associates (as defined in the Securities and Futures Ordinance, Chapter 571 of Hong Kong) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKHHK to be reliable. However, UOBKHHK makes no representation as to the accuracy or completeness of such sources or the Information and UOBKHHK accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKHHK and its associates may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKHHK and its associates are subject to change without notice. UOBKHHK reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKHHK, its associates and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report. (2) UOBKHHK, its associate and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto. (3) the officers, employees and representatives of UOBKHHK may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"). and (4) UOBKHHK may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report is prepared by UOBKHHK, a company authorized, as noted above, to engage in securities activities in Hong Kong. UOBKHHK is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKHHK (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKHHK by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKHHK.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Certification/Regulation AC

Each research analyst of UOBKHHK who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report. (2) the report was produced independently by him/her. (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKHHK or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report. and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKHHK's total revenues, a portion of which are generated from UOBKHHK's business of dealing in securities.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report. and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Securities, which is regulated by Financial Services Authority of Indonesia (OJK). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report. and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

http://www.utrade.com.hk