IPO FACT SHEET

Ascentage Pharma Group International (6855)

ISSUE STATISTICS

Offer Size:	HK$392.2m – HK$416.6m
Placement Tranche:	12,180,900 Shares
Price:	HK$32.20 – HK$34.20
Board lot:	100
Entry fee:	HK$3,454.46
Historical PE	N/A
Net tangible asset per share:	HK$5.40 – HK$5.50
Market Cap (post-IPO):	HK$6,667.8m – HK$7,082.0m
Open:	16 Oct 2019
Close:	12.00 noon on 21 Oct 2019
Trading:	28 Oct 2019
Sponsor:	Merrill Lynch Far East Limited and Citigroup Global Markets Asia Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	6,328	-17.5%
2018	6,807	7.6%
Loss for the year		
2017	-118,514	9.9%
2018	-345,307	191.4%

BACKGROUND

- They are a globally-focused, clinical-stage biotechnology company engaged in developing novel therapies for cancers, hepatitis B virus, or HBV, and age-related diseases.
- Leveraging their technical expertise in structure-based drug design and their innovative drug discovery engine, they have developed a robust pipeline of eight clinical stage small molecule drug candidates.
- Their pipeline consists of novel small molecule drug candidates that disrupt complex and difficult-to-target protein-protein interactions, or PPIs, and next generation tyrosine kinase inhibitors, or TKIs.
- Their PPI drug candidates are intended to treat cancer and other diseases by restoring the normal function of key intrinsic apoptotic pathways, including the Bcl-2/Bcl-xL, MDM2-p53 and IAP pathways, which play a pivotal role in regulating apoptosis.
- They are also developing several next generation TKIs to treat diseases with high unmet medical needs. Their compounds are being developed for use as a single agent or in combination with other therapies.
- There are few currently approved drugs that utilize the new molecular entities targeting the new mechanisms of action involved in their novel therapies.
- As of June 30, 2019, they are conducting 28 Phase I or II clinical trials to evaluate their eight drug candidates in the United States, Australia and China. In addition, they are developing and implementing biomarker strategies in their drug discovery with the goal of improving the success rates of their clinical trials.

BUSINESS STRATEGIES

- Rapidly advance their current drug candidates.
- Continue to build a highly differentiated novel clinical pipeline by targeting key apoptosis pathways and addressing unmet medical needs.
- Increase their global presence and bring innovative medicines to global markets.
- Expand and strengthen their comprehensive intellectual property portfolio.
- Establish a fully integrated biotechnology company with a global reach through organic growth and partnership.
- Continue to attract, retain and incentivize quality talent.

COMPETITIVE STRENGTHS

- They are at the forefront of developing novel apoptosis targeting therapies for global patients.
- Broad and innovative product pipeline with first- and best-in-class potential.
- Compelling combination opportunities with other therapies offering significant upside potential.
- Comprehensive and growing global intellectual property portfolio to maximize their market potential.
- Experienced and visionary management team and talents with a proven track record.
- Global collaboration with leading biotechnology and pharmaceutical companies and academic institutions.

KEY RISKS

- They are a globally-focused, clinical-stage biotechnology company and have a limited operating history, which may make it difficult to evaluate their current business and predict their future performance.
- They have incurred net losses during the Track Record Period and anticipate that they will continue to incur net losses for the foreseeable future.
- They may be subject to impairment losses on goodwill and other intangible assets.
- Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.
- The regulatory approval processes of the FDA, NMPA, EMA and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable, and if they are ultimately unable to obtain regulatory approval for their drug candidates, their business will be substantially harmed.
- They face substantial competition, which may result in others discovering, developing or commercializing competing drugs before or more successfully than they do.
- They may not be able to protect their intellectual property rights throughout the world.
- The pharmaceutical industry in the PRC is highly regulated and such regulations are subject to change which may affect approval and commercialization of their drugs.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Allocated to the research and development to bring their Core Product, HQP1351.	126.5	42.0%
Allocated to the research and development of APG-1252.	39.1	13.0%
Allocated to the research and development of APG-2575.	57.2	19.0%
Allocated to theresearch and development of APG-115.	57.2	19.0%
Allocated to ongoing and planned clinical trials for the rest of their clinical programs, APG-1387, and APG-2449.	18.1	6.0%
Allocated to their working capital and general corporate purposes.	3.0	1.0%
Total:	**301.1**	**100.0%**

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