IPO FACT SHEET

CanSino Biologics Inc. (6185)

ISSUE STATISTICS

Offer Size:	HK$1,202.2m - HK$1,259.5m
Placement Tranche:	57,248,600 H shares
Price:	HK$21.00-HK$22.00
Board lot:	200
Entry fee:	HK$4,444.34
Historical PE	N/A
Net tangible asset per share:	HK$7.62-HK$7.88
Market Cap (post-IPO):	HK$2,692.6m- HK$2,820.9m (for H Shares)
Open:	18 Mar 2019
Close:	12.00 noon on 21 Mar 2019
Trading:	28 Mar 2019
Sponsor:	Morgan Stanley Asia Ltd and CLSA Capital Markets Ltd.

Year ended 31 Dec	(RMB'000)	yoy % chg
Operating loss		
2017	-63,796	21.1%
2018	-138,578	117.2%
Loss for the year and total comprehensive loss		
2017	-64,450	29.3%
2018	-138,281	114.6%

BACKGROUND

- CanSino's mission is to develop, manufacture and commercialize high quality, innovative and affordable vaccines.
- Their 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.
- Their 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, their TB Booster candidate and their 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 their DTcP vaccine candidates and MCV4 candidate).

  (iii) potential best-in-class vaccines in China developed to compete with the imported products in the PRC market (such as their PCV13i candidate).
- They are developing 15 vaccine candidates for 12 disease areas. In addition to their three near-commercial assets covering meningococcal diseases and Ebola virus disease, they have six vaccine candidates in clinical trial stage or CTA stage. They also have six pre-clinical vaccine candidates, including one combination vaccine candidate.
- In preparation for commercial production in the near future, they have built a manufacturing facility, located in Tianjin, designed, qualified and operated to meet international standards. The facility currently allows them to have an annual bulk production capacity of approximately 70 million to 80 million doses, which they believe will be fully capable of supporting their commercialization plans for their near-commercial candidates as well as supporting manufacturing of their clinical trial materials in the foreseeable future.

BUSINESS STRATEGY AND FUTURE PLANS

- Advance development and commercialization of near-commercial assets.
- Rapidly advance development of their pipeline of other vaccine candidates.

- Establish and strengthen their commercialization infrastructure.
- Build on their strengths through global collaborations and acquisition opportunities.

COMPETITIVE STRENGTHS

- Near-commercial assets with high potential.
- Ccomprehensive and robust vaccine pipeline to address the vast and underserved market.
- Advanced vaccine R&D platform technologies.
- Global-standard vaccine manufacturing capabilities and quality management system.
- World-class scientific and management team from leading global biopharmaceutical companies.

KEY RISKS

- They have incurred significant losses since their inception and anticipate that they will continue to incur losses for the next several years and may never achieve or maintain profitability.
- Their financial prospects depend on the successful development and approval of their clinical-stage and pre-clinical stage vaccine pipeline.
- They may face substantial competition in the market for vaccines.
- They may be unable to obtain regulatory approval for their vaccine candidates.
- They may not be able to be successfully prequalified by provincial CDCs of their target provinces or secure subsequent product orders.
- The commercial success of any of their vaccine and vaccine candidates will depend upon its degree of market acceptance by vaccinees, national and local CDCs, KOLs and others in the vaccine or disease prevention industry.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Will be used for the research and development and commercialization of their Core Products, as well as other key products in their product pipeline.	898.70	80.0%
Will be used for the continued research and development of their pre-clinical vaccine candidates.	112.40	10.0%
Approximately 10%, or HK$112.4 million, will be used for working capital and other general corporate purposes.	112.40	10.0%
Total:	**1,123.50**	**100.00%**

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