IPO FACT SHEET

SHANGHAI JUNSHI BIOSCIENCES CO., LTD. (1877 HK)

ISSUE STATISTICS

Offer Size:	HK$3,079.7m – HK$3,238.6m
Placement Tranche:	158.91m
Price:	HK$19.38 – HK$20.38
Board lot:	1,000
Entry fee:	HK$20,585.37
Historical PE	N.A.
Net tangible asset per share:	HK$5.58 – HK$5.79
Market Cap (post-IPO):	HK$3,080m - HK$3,239m
Open:	11 Dec 2018
Close:	12.00 noon on 14 Dec 2018
Trading:	24 Dec 2018
Sponsor:	China International Capital Corporation Hong Kong Securities Ltd

Year ended 31 Dec	(HK$'000)	yoy % chg
Revenue		
2016	3,757	N.A.
2017	1,148	-69.4%
Profit / (Loss) for the year/period		
2016	(131,967)	N.A.
2017	(321,071)	143.3%

BACKGROUND

- They are an innovation-driven biopharmaceutical company dedicated to the discovery and development of innovative drugs and their clinical research and commercialization on a global scale.
- Equipped with their core platform technology of protein engineering, they stand at the frontier of R&D of macromolecular drugs.
- They are the first PRC company to file IND application and NDA with the NMPA for anti-PD-1 monoclonal antibody and the first PRC company to receive IND approvals from the NMPA for anti-PCSK9 monoclonal antibody and anti-BLyS monoclonal antibody
- As they supplement their product pipeline and explore drug combination therapies, they expect their innovation field to expand to R&D of more types of drugs, including small molecule drugs and antibody drug conjugates (or ADCs), as well as the exploration of the next-generation innovative therapies for cancer and autoimmune diseases.
- They have developed a product pipeline comprising 13 biologic drug candidates as of the Latest Practicable Date, covering a wide variety of indications associated with high levels of unmet medical needs. They include seven immuno-oncology drug candidates, two drug candidates for metabolic diseases, three targeting inflammation or autoimmune diseases and one to treat neurologic diseases.

BUSINESS STRATEGY AND FUTURE PLANS

- Focus on the advancement and commercialization of existing drug candidates.
- Rapidly expand their product pipeline.
- Scale up their macromolecules fermentation capacity and lower production cost.

COMPETITIVE STRENGTHS

- Distinguished capabilities in drug discovery and development.
- Drug development and production capacity on the full industry chain.
- Rapidly expanding and robust pipeline of drug candidates.
- Seasoned senior management team with complimentary skill sets.

KEY RISKS

- They depend substantially on the successful commercialization of their drug candidates in the future, which may fail or experience significant delays. Given their high risk of business failure as a new biopharmaceutical business, you may lose all or part of your investment if their business fails.
- 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.
- They may fail to complete the regulatory approval processes for their drug candidates, which are lengthy, time consuming and inherently unpredictable.
- They face substantial competition, and others may discover, develop or commercialize competing drugs before or more successfully than they do.
- They may not be able to protect their IP rights throughout the world.
- They have a limited operating history, which may make it difficult to evaluate their current business and predict their future performance.
- Their business depends on their executive Directors and key R&D personnel; if they lose any of them and are unable to find proper replacements in a timely fashion, their business prospects could be adversely affected.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
For the R&D and commercialization of their Core Product, JS001, to fund clinical trials for JS001 including (i) ongoing clinical trials in the PRC; (ii) post-launch Phase III clinical trials in the PRC; (iii) additional clinical trials to be initiated in the PRC for additional indications and combination therapies; and (iv) Phase I clinical trial in the United States and to fund the commercial launch of JS001.	1,208.43	40.0%
For the R&D of their other drug candidates to fund clinical trials, including head-to-head clinical trials and post-approval studies. Specifically, it will be used to fund (i) Phase I and III clinical trials for UBP1211 in the PRC; (ii) Phase I, II and III clinical trials for JS002 in the PRC; (iii) Phase I, II and III clinical trials for UBP1213 in the PRC; and (iv) preclinical studies and clinical trials for their other drug candidates in the PRC.	483.37	16.0%
For the construction of their Lingang Production Base and their Wujiang Production Base.	271.90	9.0%
For their investment in and acquisition of companies in the pharmaceutical sector, in particular companies with strong R&D and/or commercialization capabilities that are complementary to their Company.	755.27	25.0%
For their working capital and other general corporate purposes.	302.11	10.0%
Total:	**3,021.06**	**100.00%**

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