IPO FACT SHEET

Mabpharm Limited (2181)

ISSUE STATISTICS

Offer Size:	HK$1,175.37m - HK$1,527.98m
Placement Tranche:	783.58m
Price:	HK$1.50 - HK$1.95
Board lot:	2,000
Entry fee:	HK$3,939.31
Historical PE	N.A
Net tangible asset per share:	HK$0.34 - HK$0.42
Market Cap (post-IPO):	HK$6,186.1m- HK$8,042m
Open:	20 May 2019
Close:	12.00 noon on 24 May 2019
Trading:	31 May 2019
Sponsor:	China International Capital Corporation Hong Kong Securities Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	-	N.A
2018	-	N.A
Loss and total comprehensive expense for the year		
2017	(47,706)	N.A
2018	(149,759)	213.9%

BACKGROUND

- The Group are a leading biopharmaceutical company in China, focusing on the research, development and production of new drugs and biosimilar for cancers and autoimmune diseases.
- They strive to bring to market high quality and affordable innovative biologics through their efficient R&D system and low-cost pharmaceutical production capability, and develop differentiated therapeutic products by fully utilizing their extensive R&D experience.
- Their pipeline of drug candidates currently consists of nine monoclonal antibody drugs, three of which are their Core Products under phase III clinical trials: CMAB007 (omalizumab), CMAB009 (cetuximab) and CMAB008 (infliximab).
- In addition, two of their other drug candidates, CMAB809 (trastuzumab) and CMAB819 (nivolumab), have obtained approval for clinical trials.
- Their production site in Taizhou, currently equipped with a 3*1,500L bioreactor system, is one of the largest antibody drug production facilities in China in terms of production capacity according to Frost & Sullivan.

BUSINESS STRATEGIES

- Continue to advance the clinical research and commercialization of their drug candidates.
- Continue to maintain investments in advanced technologies and product development.
- Expand their production capacity to support their commercialized products.
- Continue to attract and nurture high quality talents to support their rapid growth.
- Establish global brand awareness and foster deeper and more extensive cooperative relationship with domestic and overseas renowned pharmaceutical companies.

COMPETITIVE STRENGTHS

- Focus on the Chinese cancer and autoimmune disease monoclonal antibody market with huge clinical demand and growth potential.
- Strong R&D capabilities resulting in a diversified and comprehensive monoclonal antibody pipeline, including three late-stage monoclonal antibodies targeting cancers and autoimmune diseases.

- Leading R&D team and technology platform enabling an efficient R&D system.
- Highly efficient manufacturing base with leading monoclonal antibody manufacturing technologies resulting in clear cost advantages.
- Highly experienced and visionary management, sales and research teams supported by leading investors.

KEY RISKS

- They have not yet generated revenue and have accumulated significant losses since their inception as a result of their significant research and development expenses in relation to their clinical development and other expenses related to their ongoing operations and anticipate that they will continue to incur losses in the future and may never achieve or maintain profitability. If they are unable to successfully complete clinical development, obtain regulatory approval and commercialize their drug candidates, or if they experience significant delays in doing so, you may lose all or part of your investment.
- They may need additional capital to fund their operations that they may be unable to obtain in a timely manner on acceptable terms. Raising additional capital may cause dilution to their shareholders, restrict their operations or require us to relinquish rights to their technologies or drug candidates.
- All of their drugs are still under development and they are heavily dependent on the success of their Core Products CMAB007, CMAB009 and CMAB008. They may not successfully develop, obtain the approval for or commercialize any of their drug candidates or incur significant delays in doing so.
- Pre-clinical and clinical development involves a lengthy and expensive process with an uncertain outcome. As a result, they are unable to predict if or when they will successfully develop or commercialize any drug candidates under such programs.
- If they fail to achieve the product development milestones, it could adversely affect the price of their Shares and their business prospects.
- Failure to attain market acceptance and demand for their drugs among the medical community, third-party players or others may have an adverse impact on their operations and profitability.
- They face significant competition in the biopharmaceuticals market, in particular for therapeutic antibody drugs. Multinational drug companies may continue to competitively dominate the therapeutic areas of their Core Products as a result of medical professionals' preference for the marketed and existing first-mover drugs manufactured by multinational drug companies for a prolonged period of time.
- If their pharmaceutical products are not included in the National Medical Insurance Catalogue or other government-sponsored medical insurance schemes, they may not have pricing advantage to gain sufficient market share over in-market product, and their sales, profitability and business prospects could be adversely affected.
- In conducting biologics discovery, development and manufacturing, they face potential liabilities, in particular, product liability risks.
- They may be unable to attract and retain senior management and retain scientific employees, including certain former employees of Biomabs.
- They recorded negative reserves for the year ended December 31, 2017 as they incurred significant losses primarily due to their research and development expenses in relation to clinical activities. Negative reserves could have a material adverse effect on their ability to declare dividends and conduct their business. There can be no assurance that they will not experience negative reserves again and they will be eligible to declare and distribute any amount of dividends in the future.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
For the research and development activities of core product candidates.	231.5	18.7%
For the capital expenditures and other expenses for their production facilities initially focused on core product candidates.	636.4	51.4%
For the research and development activities of their other product candidates.	247.6	20.0%
For working capital and other general corporate purposes.	123.8	10.0%
Total:	**1,238.2**	**100.0%**

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