This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.

OVERVIEW

We are a biopharmaceutical company with an integrated platform for product development and commercialization. We strategically focus on some of the largest and fast-growing therapeutic areas with significant unmet medical needs in China, primarily including oncology and severe infection. Leveraging our integrated platform, we strive to develop and commercialize a portfolio of high-quality marketed products, including our proprietary product, Zadaxin, and pipeline drugs in our focused therapeutic areas.

Our Business Model and Key Risks:

We primarily engage in the sales of (i) our proprietary product, Zadaxin; (ii) our in-licensed products; and (iii) promotion products on behalf of our business partners in China. In recent years, we started the development of a number of pipeline drug candidates. Our current portfolio of pipeline drug candidates contain not only some late-stage candidates, but also a number of early-stage candidates that have entered into Phase II clinical trial or earlier stage. During the Track Record Period and as of the Latest Practicable Date, we generated our revenue primarily from the sales of Zadaxin, which we rely on our CMO partner Patheon Italia to produce, to Sinopharm in China.

Proprietary product — Zadaxin

During the Track Record Period, we generated our revenue primarily from the sales of Zadaxin in China. Zadaxin is our proprietary product. We developed Zadaxin in the early 1990s and obtained the approval for its sales in the China market in 1996. Revenue contributed by the sales of Zadaxin accounted for approximately 91.7%, 83.0%, 79.0%, 80.2% and 83.7% of our total revenue in 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively. We generate our revenue through the sales of Zadaxin to Sinopharm in China, which has acted as our exclusive importer and distributor for Zadaxin in China for approximately 10 years. In 2017, 2018, 2019 and the nine months ended September 30, 2020, sales to our largest customer, in which Sinopharm owned more than 50% of the equity interest as of the Latest Practicable Date, accounted for approximately 87.5%, 77.9%, 71.6% and 79.8% of our total sales, respectively. During the Track Record Period, we manufactured Zadaxin through our CMO partner, Patheon Italia with whom we have worked since 2002 under a manufacturing and supply agreement subject to a term of automatic renewal every two years. We have a long-term and stable business relationship with Sinopharm and Patheon Italia.

Currently, there are a number of generic thymalfasin drugs competing with Zadaxin in the market. If thymalfasin is included in the volume-based procurement in the future, and if such generic competitors to Zadaxin choose to participate in the bidding and successfully get included in the volume-based procurement, Zadaxin may experience significant pressure on its market share and price level. For key risks in relation to Zadaxin, see "Risk Factors — We rely on the sales of a limited number of proprietary product and promotion products for business partners, especially in Mainland China, which account for a substantial portion of our total revenue. If we are unable to maintain the sales volume, pricing levels and profit margins of such products due to factors such as competition or change in government regulations, our operations, revenue and profitability could be adversely affected", "Risk Factors — We are dependent upon Sinopharm as the exclusive importer and distributor of Zadaxin; because of China's tiered method of importing and distributing finished pharmaceutical products, our results may vary substantially from one period to the next." and "Risk Factors — We rely on limited number of suppliers to manufacture our proprietary product and in-licensed products. If our proprietary product and in-licensed products are not produced to the necessary quality standards, or if our suppliers' production capacities cannot satisfy our demands, our operations, reputation, revenue and profitability could be adversely affected."

Our in-licensed products, promotion products and drug candidates

For our in-licensed products, we sign licensing agreements with our in-licensing partners, through which we acquire licenses and get involved in the product development process from various stages, ranging from IND filing for some of our early-stage pipeline products, to pivotal clinical trials for some of our late-stage pipeline products. We derive demand for our in-licensed products primarily from hospitals and pharmacies through our sales and marketing activities, and we sell them through distributors to hospitals and pharmacies.

As of the Latest Practicable Date, Zometa was our only marketed in-licensed product and we expect commercialization of our other in-licensed product, Angiomax, in the first quarter of 2021. In 2017, 2018 and 2019, and the nine months ended September 30, 2020, we generated no revenue and nil, nil, nil and RMB55.9 million of other income from profit transferred from Novartis for Novartis's sales of Zometa in China pursuant to our licensing arrangement with Novartis. As authorized by Novartis, we began distributing Zometa as the importer and distributor in certain provinces in China since December 2020 and thereby began generating revenue from our sales of Zometa. In January 2021, we completed the transfer of Import Drug License ("IDL") for Zometa, and became the Marketing Authorization Holder ("MAH") of Zometa in the PRC.

In addition, we also sell promotion products for our partner pharmaceutical companies, such as Pfizer and Baxter, as a promotor and distributor for such business partners. For the promotion products we sell for our business partners, our business partners supply us with such promotion products, which are imported and distributed through SciClone Jiangsu. We engage in marketing and promotion activities for such promotion products and sell such promotion products to our distributors through the distribution network we manage. In recent years, we started the development of a number of pipeline drug candidates. Our current portfolio of pipeline drug candidates contain not only some late-stage candidates, but also a number of early-stage candidates that have entered into Phase II clinical trial or earlier stage, focusing on oncology and severe infection as our primary therapeutic areas.

Primary therapeutic area focus:

- **Oncology**: For details of the oncology market, see "Industry Overview — Oncology Market." Amongst other clinical adoptions, our proprietary product, Zadaxin, has been listed in the treatment guidelines for the treatment of liver cancer, pancreatic cancer and lymphoma, and the incidences of such cancers are expected to constantly increase in the near future. According to Frost & Sullivan, the incidence of liver cancer in China was 410.4 thousand in 2019, and is expected to reach 462.8 thousand in 2024 and 526.0 thousand in 2030, representing a CAGR of 2.4% from 2019 to 2024 and a CAGR of 2.2% from 2024 to 2030; the incidence of pancreatic cancer in China was 108.4 thousand in 2019, and is expected to reach 127.1 thousand in 2024 and 152.2 thousand in 2030, representing a CAGR of 3.2% from 2019 to 2024 and a CAGR of 3.0% from 2024 to 2030; the incidence of lymphoma in China was 95.4 thousand in 2019, and is expected to reach 107.1 thousand in 2024 and 121.6 thousand in 2030, representing a CAGR of 2.4% from 2019 to 2024 and a CAGR of 2.1% from 2024 to 2030.
- **Severe infection**: According to Frost & Sullivan, infectious diseases are currently the second largest therapeutic area in China. Our proprietary product, Zadaxin, has been indicated for the treatment of hepatitis B, and has been listed in the treatment guidelines for the treatment of sepsis and COVID-19 by enhancing the immunity of the patients. See "Business — Products and Services — Our Proprietary Product — Zadaxin 日达仙 — Indications and Clinical Adoptions." The increasingly challenging treatment of complex severe infection diseases has generated unmet medical needs, leading to promising market potentials. See "Industry Overview."

Our products and services:

We have a high-quality portfolio of marketed products, including our proprietary product, Zadaxin. During the Track Record Period, we generated our revenue primarily from the sales of Zadaxin in China. Zadaxin is approved in multiple jurisdictions, including China and other countries such as South Korea, Thailand, Argentina, Italy, Cambodia, Singapore and Indonesia. Over the past decades, Zadaxin has gained recognition among doctors and patients as a trusted branded product, especially for its potential benefits in treating SARS and COVID-19. Zadaxin has demonstrated market potential, evidenced by its sustainable revenue growth through challenges, including generic competition, changes in reimbursement policies and changes in the centralized tender processes. As the first branded thymalfasin (胸腺法新) drug in China, Zadaxin has consistently demonstrated high product quality, as supported by third-party academic studies including the studies conducted by Shanghai Institute for Food and Drug Control, a government-sponsored institution in Shanghai responsible for the examination of the quality of food and drugs.

Our in-licensed products include Angiomax and Zometa. Angiomax is indicated for use as an anticoagulant for use in patients undergoing percutaneous coronary intervention including patients with heparin-induced thrombocytopenia and thrombosis syndrome. Angiomax is expected to be commercialized in the first quarter of 2021. Zometa is indicated for the treatment of patients with multiple myeloma and patients with documented bone metastases from solid tumors, and hypercalcemia of malignancy. As of the Latest Practicable Date, Zometa was sold through the

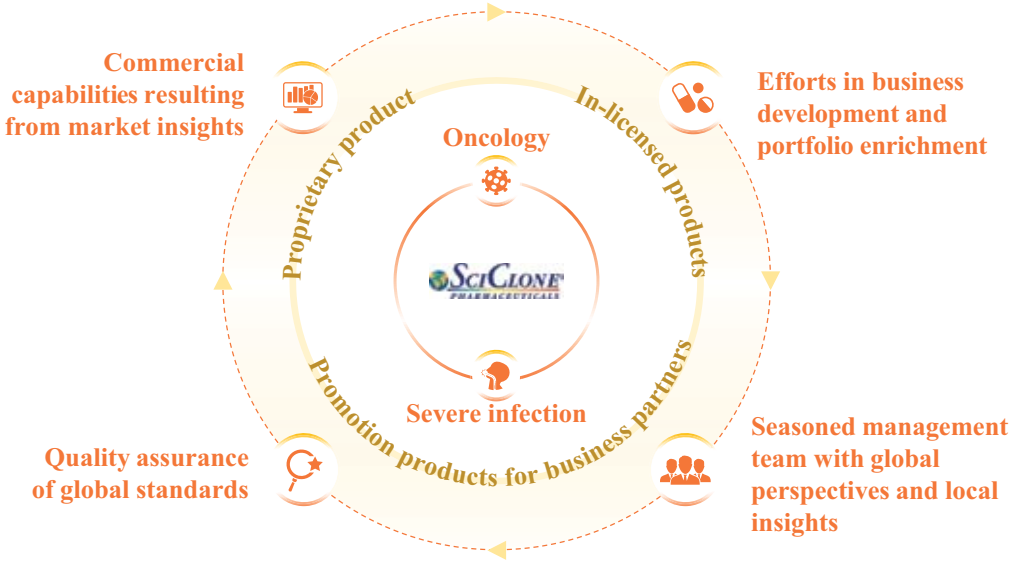
existing distribution network by Novartis in several provinces in China, and we recognized other income from Zometa through our licensing arrangement with Novartis to receive profit transferred from Novartis for the sales of Zometa. We also started recognizing revenue from our sales of Zometa since December 2020 as we began distributing Zometa as the importer and distributor in certain provinces in China. In January 2021, the transfer of IDL for Zometa was completed, and we became the MAH of Zometa in the PRC. We also sell promotion products for our partner pharmaceutical companies, such as Pfizer and Baxter. In addition, we have built a pipeline of in-licensed early- to late-stage drug candidates.

Our core competencies:

Our four core competencies have strengthened our leading market position and sustained our financial success.

- **Commercial capabilities resulting from market insights**: Our commercial capabilities underpin our success. Our cohesive sales and marketing team consists of highly experienced personnel with industry knowledge, who are able to timely respond to market dynamics, improve operational efficiency and enhance customer experiences. Driven by our market insights, our commercialization initiatives enable us to capture industry and policy trends. As a result, we remain highly nimble in adopting innovative business models, including the online Go-To-Patient ("GTP") platform which has successfully extended our sales beyond hospitals into pharmacies and ensured our sustainable growth despite challenges.
- **Efforts in business development and product portfolio enrichment:** Through the close collaboration across our business development, clinical development and regulatory affairs teams, and leveraging our strong relationship with leading KOLs in our commercialization network, we have benefited from our efforts in enriching our product portfolio by identifying and commercializing product candidates with market potential, thereby establishing a product pipeline of in-licensed early- to late-stage drug candidates covering high potential therapeutic areas. Our efforts in portfolio enrichment, coupled with lifecycle management, resulted in the successful expansion of the clinical adoptions of Zadaxin.
- **Quality assurance of global standards:** Our quality assurance system is commensurate with the global standards of compliance of our MNC partners. It minimizes our operational risk and safeguards our sustainable growth, making us stand out as a biopharmaceutical company with high-quality products, a go-to partner of pharmaceutical MNCs and a valued and reliable source of long-term return for investors.
- **Seasoned management team with global perspectives and local insights:** Core members of our management team have, on average, more than 20 years of experience in the pharmaceutical industry. They lead our business operations with global perspectives sharpened by extensive managerial experience in pharmaceutical MNCs, and local insights accumulated through decades of groundwork with hospitals, doctors, pharmacies and patients in China.

The chart below sets forth our primary focused therapeutic areas, the products and services we provide, and our core competencies:



Based on our core competencies, we have achieved strong financial results during the Track Record Period. In 2017, 2018 and 2019, and the nine months ended September 30, 2019 and 2020, our revenue was RMB1,213.0 million, RMB1,408.9 million, RMB1,708.1 million, RMB1,290.8 million and RMB1,584.2 million, respectively, representing a CAGR of 18.7% from 2017 to 2019, while our profit was RMB19.6 million, RMB535.1 million, RMB614.6 million, RMB487.2 million and RMB689.8 million, respectively.

Marketed Products

	Product Name	Mechanism of Action	Indication(s)	Originator / Partner	Commercial Rights
Proprietary	Zadaxin® (thymalfasin)	Immunomodulator of thymalfasin	Cancers / infectious diseases	–	Proprietary asset
License-in	Zometa® (zoledronic acid)	Osteoclast-mediated bone resorption inhibitor	Bone metastases from solid tumors	Novartis (Switzerland)	Permanent right to commercialize in Mainland China IP acquired or licensed
Promotion products for business partners	Farlutal (Medroxyprogesterone Acetate)	Gonadotropin inhibitor	Cancers	Pfizer (USA)	Promotion services and distribution through 2022 for renewal
	Methotrexate	DHFR inhibitor Nuclear estrogen receptors and DNA synthesis reducer	Acute leukemia / cancers		
	Estracyt (Estramustine Phosphate)	DNA alkylator	Hormone resistant advanced prostate cancer		
	Holoxan (Ifosfamide)	DNA and protein synthesis inhibitor	Cancers	Baxter (USA)	Promotion services and distribution through 2022 for renewal
	Mesna (Sodium-2-mercaptoethane Sulfonate)	Organosulfur compound used as an adjuvant in cancer chemotherapy to detoxify urotoxic metabolites	Urotoxicity		
	Endoxan (Cyclophosphamide)	Protein synthesis inhibitor through cross-linking of DNA and RNA	Cancers		

Abbreviations: DHFR = Dihydrofolate Reductase; DNA = Deoxyribonucleic Acid; PCI = Percutaneous Coronary Intervention; RNA = Ribonucleic Acid

Notes:

(1) As of the Latest Practicable Date, Zometa was sold through the existing distribution network by Novartis in several provinces in China, and we recognized other income from Zometa through our licensing arrangement with Novartis to receive profit transferred from Novartis for

the sales of Zometa. We also started recognizing revenue from our sales of Zometa since December 2020 as we began distributing Zometa in certain provinces in China. In January 2021, we completed the transfer of IDL for Zometa, and became the MAH of Zometa in the PRC.

(2) As of the Latest Practicable Date, all of these marketed products were covered by the centralized tender process, and none of these marketed products was covered by the volume-based procurement. See "Regulatory Overview — Drug Purchase by Hospitals."

(3) As of the Latest Practicable Date, Holoxan, Mesna and Endoxan were listed in the National Essential Drug List. See "Regulatory Overview — National Essential Drug List."

Product to be Marketed

	Product Name	Mechanism of Action	Indication(s)	Originator / Partner	Commercial Rights
License-in	Angiomax® (bivalirudin)	Anticoagulant for PCI	Percutaneous transluminal coronary angioplasty Percutaneous coronary intervention	The Medicines Co. (USA)	Permanent right to commercialize in Mainland China IP licensed

Note:

(1) We entered into a Product Promotion Agreement with Huizheng (Shanghai) Pharmaceuticals Technology Co., Ltd ("Huizheng") on August 31, 2020, under which Huizheng was engaged for the promotion and distribution of our in-licensed product Angiomax in Mainland China. Angiomax is expected to be commercialized in the first quarter of 2021.

Pipeline Products

	Product Name	Mechanism of Action	Indication(s) / Clinical Adoptions	Partner	Date of Partnership Commencement	Commercial Rights	Our Contribution in China	Pre-Clinical / IND Filing / Phase I / Phase II / Phase III / NDA/BLA Filing / Marketed
Late-Stage	Oravig [1]	Lanosterol 14 α - demethylase inhibitor	Oropharyngeal candidiasis	Vectans Pharma (France)	June 2, 2008	10-year license from the date of first commercial sales in Mainland China, Hong Kong and Macau	Completed the phase III trial and obtained NMPA approval for commercialization	Marketed (Vectans Pharma); Commercialization expected in Q3-2021
Late-Stage	Vibativ (telavancin) [2]	Dual antibacterial activity on cell wall and cell membrane	HABP/VABP complicated skin and skin structure infections	Cumberland Pharma-ceuticals (USA)	May 21, 2015	15-year license from the date of first commercial sales in Mainland China, Hong Kong, Macau, Taiwan and Vietnam	Obtained IND and clinical trial waiver	Marketed (Cumberland Pharmaceuticals); Clinical trial waiver obtained; NDA submission expected in Q3-2021
Late-Stage	RRx-001 [3]	Myc inhibitor and antagonist of CD47-SIRPα pathway	Small cell lung cancer Colorectal cancer	EpicentRx,Inc. (USA)	June 30, 2020	10-year license from the date of first commercial sales in Mainland China, Hong Kong, Macau and Taiwan	Pre-IND conducted and in preparation of IND filing	US Phase III trial ongoing (Soligenix); US Phase III trial completion expected by the end of 2021 Combo with Irinotecan; US Phase II trial completed and Phase III trial launch expected in Q2-2021
Late-Stage	Naxitamab	Targeting GD2	High risk neuroblastoma	Y-mAbs Therapeutics, Inc. (USA)	December 17, 2020	license of an indefinite term from December 17, 2020 in Mainland China, Hong Kong, Macau and Taiwan	-	US Phase I and Phase II trials completed (Y-mAbs); Received approval fromFDAon BLA in November 2020[6]
Late-Stage	Omburtamab	Targeting B7-H3–expressing cells	CNS/ leptomeningeal metastasis from neuroblastoma	Y-mAbs Therapeutics, Inc. (USA)	December 17, 2020	license of an indefinite term from December 17, 2020 in Mainland China, Hong Kong, Macau and Taiwan	-	US Phase I and Phase II trials completed (Y-mAbs); Y-mAbs plans to refile BLA for Omburtamab in early 2021[6]
Early Stage	PEN-866 [4]	Mini-conjugate of HSP90-SN38	Solid tumors	Tarveda Therapeutics (USA)	March 17, 2020	20-year license from March 17, 2020 in Mainland China, Hong Kong, Macau and Taiwan	-	US Phase II basket trial ongoing (Tarveda Therapeutics); US Phase II trial completion expected in Q4-2022
Early Stage	PT-112	Platinum-containing compounds	Late stage prostate cancer Cholangiocarcinoma	Phosplatin Therapeutics (USA)	May 26, 2015	15-year license from the date of first commercial sales in Mainland China, Hong Kong, Macau and Vietnam	Completed phase I and initiated phase II trial	US Phase II trial ongoing (Phosplatin Therapeutics); US Phase II trial completion expected in Q4-2021 Combo with Gemcitabin; Phase II trial completion expected in Q4-2022
Early Stage	ABTL-0812	Akt/mTOR inhibitor	Endometrial cancer lung cancer pancreatic cancer	Ability Pharma (Spain)	April 22, 2016	15-year license from April 22, 2016 in Mainland China, Hong Kong, Macau, Taiwan and Vietnam	Obtained IND	EU Phase II trial ongoing (Ability Pharma); EU Phase II trial ongoing

China status [5] Partner's overseas status [5] Intend to utilize overseas clinical data for the NDA application in China

Abbreviations: Akt = Protein Kinase B; HABP = Hospital-acquired Bacterial Pneumonia; HSP90 = Heat Shock Protein 90; mTOR= Mammalian Target of Rapamycin; SN38 = 7-ethyl-10-hydroxycamptothecin; VABP = Ventilator-associated Bacterial and Pneumonia

Notes:

1. Our partner conducted Phase III and the earlier phases of the clinical trials. We obtained clinical waiver for clinical trials in China, and intend to conduct a bridging study for approval.
2. We conducted Phase III of the clinical trials, and our partner conducted the earlier phases of the clinical trials.
3. We expect to participate in the China portion of Phase III MRCT (Multi-Regional Clinical Trials) for Small Cell Lung Cancer in 2021 with EpicentRx.
4. We intend to join China portion of Phase III MRCT with Tarveda.
5. We are responsible for the clinical trials in China. Our partners are responsible for the clinical trials overseas.
6. Naxitamab and Omburtamab, both being biological products, are required to obtain BLA approval before commercialization. For both products, a Phase II clinical trial is adequate to serve as a pivotal trial in support of a BLA approval. As a result, as of the Latest Practicable Date, no Phase III clinical trial was intended or would be carried out for Naxitamab and Omburtamab.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors:

- A product portfolio focusing on high-potential therapeutic areas, led by marketed products with strong cash generation ability and effective lifecycle management, and fueled by pipeline products, to drive sustainable long-term growth;

- Product commercialization in China driven by innovation and evidenced by a proven track record;
- Efforts in business development and portfolio enrichment to build a drug pipeline that addresses unmet medical needs;
- Strong brand image underpinned by quality assurance of global standards; and
- A visionary management team with a successful track record in the pharmaceutical industry.

See "Business — Our Competitive Strengths."

OUR STRATEGIES

We intend to carry out the following key strategies:

- Continue to strengthen our marketed product portfolio through effective lifecycle management;
- Optimize our pipeline with accelerated fast-to-market strategy for late-stage assets and potential first/best-in-class focus for early-stage assets;
- Continue to innovate in business model and enhance our commercial and development capabilities; and
- Commit to development of talent and enhancement of our operational infrastructure to support our future expansion.

See "Business — Our Strategies."

COMPETITIVE LANDSCAPE

We believe Zadaxin possesses advantages in its competition with generics. As of the Latest Practicable Date, only one generic drug to Zadaxin (Jitai (基泰), the generic thymalfasin drug manufactured by ShuangCheng Pharmaceuticals) had passed the consistency evaluation for quality and efficacy, and even in comparison to its generic drug competitor that has passed the consistency evaluation, we believe Zadaxin may still enjoy competitive edges, even though Zadaxin is sold at a higher price compared to its generic drug competitors:

- Zadaxin, as the first branded thymalfasin drug in China, possesses the first-mover advantage, which allows it to take advantage of its strong brand recognition and product loyalty from doctors and target patients, the majority of whom are self-paying or covered by private medical insurance, and are therefore less sensitive to differences in prices;
- Zadaxin, as a tested and approved thymic hormone drug, has the potential to be used as a combination therapy with other emerging treatments, which enables it to capture new industry opportunities; and
- Zadaxin is able to capitalize on our successful commercialization efforts, as well as the synergies created from innovative sales channels and the GTP model.

The table below shows the comparison between Zadaxin and generic thymalfasin drugs:

		Zadaxin	Generic Thymalfasin Drugs
Approval Time		1996	Ranging from 2015 to 2019
Price[1] (RMB/1.6mg)		474	Ranging from 77 to 122[3]
Annual Cost Per Patient[1][2] (RMB)		24,648	Ranging from 4,005 to 6,344[3]
Market Share[4] in the Thymalfasin Market in China in	2015	44.1%	55.9%
	2016	46.8%	53.2%
	2017	50.8%	49.2%
	2018	51.4%	48.6%
	2019	57.5%	42.5%

Notes:

(1) The information on price and annual cost per patient is based on data at wholesale price level in 2019.

(2) Annual cost per patient refers to the estimated average cost incurred by the application of the drug on the patient in a year. It is calculated based on the assumption that on average each patient on the drug receives 52 shots (1.6mg per shot) annually according to the relevant drug label.

(3) Calculated based on price and annual cost per patient for generic thymalfasin drugs with available information. Industry information on price and annual cost per patient for some generic thymalfasin drugs approved in late 2019 is not available.

(4) In terms of revenue.

See "Industry Overview — The Thymic Hormones Market — Competitive Landscape." For key indicators on Zadaxin's safety and efficacy, see "Business — Products and Services — Our Proprietary Product — Zadaxin 日达仙 — Indications and Clinical Adoptions."

RELEVANT DRUG REGULATORY REGIMES

The drug regulatory regimes that are relevant to the business and results of operations of the Company include the centralized tender process and the volume-based procurement, both governing the purchase of drugs by public hospitals and public medical institutions, as well as the National Reimbursement Drug List ("NRDL") and National Essential Drug List ("NEDL"), both governing drug coverage and reimbursement. For the mechanism, selection criteria, evaluation, approval procedures of such regulatory regimes, our participation in such regimes and their impacts on the Company, see "Regulatory Overview — Drug Purchase by Hospitals", "Regulatory Overview — Laws and Regulations in Relation to the Coverage and Reimbursement" and "Business — Regulatory Regimes Affecting Prices of Pharmaceutical Products."

Our participation in the relevant drug regulatory regimes: For the centralized tender process, participation by pharmaceutical companies is voluntary. For the volume-based procurement, whether the compound for a specific drug is included in the volume-based procurement catalog is determined by the relevant government authorities, but the participation by pharmaceutical companies in the volume-based procurement is voluntary. For both the NRDL and the NEDL, whether the compound for a specific drug is included in such lists is determined by the relevant government authorities, and is beyond the control of pharmaceutical companies. As of the Latest Practicable Date:

- Our marketed products had generally participated in the centralized tender process;
- Bivalirudin, the compound for our product Angiomax, was listed in the catalog for the fourth batch of volume-based procurement on December 25, 2020. We participated in the fourth batch of volume-based procurement for bivalirudin with Angiomax in February

2021, but Angiomax did not win the bid. See "Financial Information — Recent Development — Angiomax's status in the volume-based procurement." Other than bivalirudin, none of the compounds for our marketed products had been included in the volume-based procurement catalog and none of our marketed products had participated in the volume-based procurement;

- Zadaxin was covered by the work-related injury insurance catalog of the NRDL, and the corresponding reimbursement was limited to patients eligible for employment injury insurance, while Zometa and the six promotion products we sell for our business partners were covered by the NRDL; and
- Only Holoxan, Mesna and Endoxan, among our marketed products were listed in the NEDL.

Impact of the centralized tender process: For the centralized tender process, we have made the decision whether to have Zadaxin participate in the centralized tender process in each province depending on our strategies in balancing price and sales volume based on the specific market conditions in each of the provinces. For provinces where we choose not to participate in or fail to win the bids in the centralized tender process, we are able to endure short term decrease in revenue and maintain mid-to-long-term growth driven by the sales to pharmacies. Since the participation in the centralized tender process is voluntary, our PRC Legal Advisor is of the view that the Company has the flexibility in adjusting its participation in the centralized tender process based on its strategies and business needs. Based on such flexibility of the Company in adjusting its participation and strategy, and the track record of the Company in successfully making such adjustments to optimize its results of operations and financial conditions, the Industry Consultant, Frost & Sullivan is of the view that the centralized tender process is not expected to have a material adverse impact on the business, results of operations and financial conditions of the Company.

Impact of the volume-based procurement: As of the Latest Practicable Date, the catalogs for four batches of volume-based procurement had been released, and the volume-based procurement had limited impact on our operations, revenue and profitability. Bivalirudin, the compound for our product Angiomax, was listed in the catalog for the fourth batch of volume-based procurement on December 25, 2020. We participated in the fourth batch of volume-based procurement for bivalirudin with Angiomax in February 2021, but Angiomax did not win the bid. See "Financial Information — Recent Development — Angiomax's status in the volume-based procurement." As of the Latest Practicable Date, only one generic thymalfasin drug had passed the consistency evaluation, while in practice the Joint Procurement Office led by the National Healthcare Security Administration would generally select a compound for which one innovative drug and at least two corresponding generic drugs that have passed the consistency evaluation are eligible to participate in the bid into the catalog. Therefore, the Industry Consultant, Frost & Sullivan is of the view that the likelihood for thymalfasin to be included in the volume-based procurement in the near future is low. In the case that thymalfasin is included in the volume-based procurement catalog, Zadaxin may face more intensive competition in sales to public hospitals and public medical institutions, and consequently, we and the Industry Consultant, Frost & Sullivan, believe that our business, results of operations and financial conditions will be adversely affected. See "Risk Factors — We may experience difficulties in our sales efforts as a result of pricing regulations or other policies such as volume-based

procurement that are intended to reduce healthcare costs, which could subject us to pricing and volume pressures and adversely affect our operations, revenue and profitability." In such case, we may formulate our optimal strategy and choose to participate or not to participate in the volume-based procurement depending on our balancing of various factors including the price level, sales volume and market shares, in similar ways as we formulate our strategy in participating in the centralized tender process. Since the participation in the volume-based procurement is voluntary, our PRC Legal Advisor is of the view that the Company has the flexibility in adjusting its participation in the volume-based procurement based on its strategies and business needs.

Impact of NRDL and NEDL: For both the NRDL and the NEDL, our PRC Legal Advisor is of the view that changes in the NRDL or NEDL coverage will have similar impacts on our products as on the competitors to our products containing identical compounds, and the Industry Consultant, Frost & Sullivan, is of the view that changes in the NRDL or NEDL coverage will not materially and adversely affect the competitive position of our products in comparison to that of their competitors containing identical compounds. On December 25, 2020, the NRDL was updated, with 119 drugs newly added to and 29 drugs removed from the NRDL. See "Regulatory Overview — Laws and Regulations in Relation to the Coverage and Reimbursement — Medical Insurance Catalogue." The Company believes, and the Industry Consultant, Frost & Sullivan, is of the view, that none of the drugs added to or removed from the NRDL on December 25, 2020 are direct competitors to Zadaxin or other marketed or pipeline products of the Company. Therefore, the Company believes, and the Industry Consultant, Frost & Sullivan is of the view, that the updates to the NRDL on December 25, 2020 does not have any material impact on the Company's business, results of operations and financial conditions, and is not expected to materially impact the Company's pricing or competitive strategies.

SALES, MARKETING AND DISTRIBUTION

For our proprietary and in-licensed products, we derive demand primarily from hospitals and pharmacies through our sales and marketing activities. We sell our proprietary and in-licensed pharmaceutical products through distributors to hospitals and pharmacies. Specifically, for our proprietary product, Zadaxin, we procure the API for Zadaxin from Polypeptide, we manufacture Zadaxin through our CMO partner Patheon Italia based on our sales and production forecast, and we generate revenue through sales of Zadaxin to Sinopharm, which acts as our exclusive importer and distributor for Zadaxin in China. In compliance with the "two-invoice system", after our sales of Zadaxin to Sinopharm, Sinopharm clears the products through customs of China as an imported drug and distributes further to hospitals and pharmacies. We sell Zadaxin through Sinopharm to 31 provinces, municipalities and autonomous regions in China as of September 30, 2020. The distribution network through Sinopharm for Zadaxin had reached approximately 1,130 class III hospitals, approximately 1,250 class II hospitals, approximately 720 pharmacies and approximately 3,560 other medical institutions in China as of September 30, 2020.

For our sales of promotion products for business partners, we develop and maintain our collaboration with pharmaceutical companies such as our current partners Pfizer and Baxter and derive demand for the promotion products from hospitals and pharmacies through our sales and marketing activities. Our revenue from our sales of promotion products for business partners is derived from selling the promotion products through distributors to hospitals and pharmacies. For

the promotion products we sell for business partners, we import and distribute through SciClone Jiangsu.

See "Business — Sales, Marketing and Distribution."

Collaborating with Sinopharm, in order to diversify our sales channels and promote Zadaxin's sales to patients through pharmacies, we piloted our GTP platform in 2015 which had since enhanced Zadaxin's accessibility to patients by extending the sales of Zadaxin beyond hospitals into pharmacies. We started to generate sales through this platform in 2018. In 2018, 2019, and the nine months ended September 30, 2020, sales volume through our GTP model contributed to more than 20%, more than 30% and more than 50% of our total sales volume of Zadaxin, respectively, signifying the increasing accessibility of Zadaxin to patients through pharmacies.

CUSTOMERS

Under our product sales of our proprietary and in-licensed pharmaceutical products business, our direct customers generally consist of distributors for pharmaceutical products such as Sinopharm. Under our sales of promotion products for business partners business, our direct customers generally consist of distributors for pharmaceutical products. Under both our product sales of our proprietary and in-licensed pharmaceutical products business and sales of promotion products for business partners business, the end customers are hospitals and pharmacies.

For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, sales to our five largest customers accounted for approximately 98.2%, 88.5%, 81.3% and 87.2% of our total sales, respectively. In the same periods, sales to our largest customer, in which Sinopharm owned more than 50% of the equity interest as of the Latest Practicable Date, accounted for approximately 87.5%, 77.9%, 71.6% and 79.8% of our total sales, respectively. See "Business — Customers."

PRODUCT DEVELOPMENT

For our proprietary and in-licensed pharmaceutical products, we actively engage in development of such products. We focus on building up a drug portfolio with strong positioning in high-value and high-growth sectors, and we focus on drug development instead of drug research. For the promotion products we sell for our business partners, we currently do not engage in any further product development activities for any new promotion products we sell for our business partners.

As of the Latest Practicable Date, we had a pipeline of eight drug candidates, five of which are late-stage drug products that have entered into pivotal clinical trial or more advanced stages, and three of which are early-stage drug products that have entered into Phase II clinical trial or earlier stage.

For our in-licensed products, we acquire licenses and get involved in the product development process from various stages, ranging from IND filing for some of our early-stage pipeline products, to pivotal clinical trials for some of our late-stage pipeline products.

In November 2020, the CDE promulgated the Clinical Technical Guideline for Conditional Approval of Drugs (Tentative) (《藥品附條件批准上市技術指導原則(試行)》). See "Regulatory Overview — Laws and Regulations in Relation to Drugs — Registration of Drugs". Under such guideline, pipeline drugs treating seriously life-threatening diseases with no existing effective treatments available may apply for conditional approval if its clinical trials have shown efficacy and if its clinical value can be predicted. As our pipeline products primarily focus on therapeutic areas such as oncology and severe infection with significant unmet medical needs in China, we believe, and the Industry Consultant, Frost & Sullivan, is of the view that such guideline may expedite our product development process.

See "Business — Product Development."

PRODUCTION AND QUALITY CONTROL

We produced our proprietary product, Zadaxin, through our CMO partner, Patheon Italia, during the Track Record Period. See "Risk Factors — We rely on limited number of suppliers to manufacture our proprietary product and in-licensed products. If our proprietary product and in-licensed products are not produced to the necessary quality standards, or if our suppliers' production capacities cannot satisfy our demands, our operations, reputation, revenue and profitability could be adversely affected." In addition, we procure certain raw materials including active pharmaceutical ingredients from outsourced raw materials CMOs for the production of our proprietary and in-licensed pharmaceutical products. Our production quality management system is fully aligned with the current GMP as implemented in markets that we operate in.

For the promotion products we sell for our business partners, we do not participate in the production of such products; instead, our business partners, Pfizer and Baxter, supply us with such products. We also adopt stringent quality management measures for the promotion products we sell for our business partners.

See "Business — Production and Quality Control."

SUPPLIERS

Under our product sales of our proprietary and in-licensed pharmaceutical products business, our suppliers generally consist of the CMO manufacturer for Zadaxin and the manufacturers of our APIs used for the manufacturing of our final products. Under our sales of promotion products for business partners business, our suppliers are mainly Pfizer and Baxter, which supply us with finished promotion products we sell for them.

For the years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, purchases from our five largest suppliers accounted for approximately 50.7%, 61.9%, 63.4% and 67.6% of our total purchase amount, respectively. Purchases from our largest supplier accounted for approximately 20.7%, 23.1%, 30.3% and 30.9% of our total purchase amount in these periods, respectively. See "Business — Suppliers."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set out summary financial data from our Historical Financial Information for the Track Record Period, extracted from Appendix I to this prospectus. The summary financial data set out below should be read together with, and are qualified in their entirety by reference to, the Historical Financial Information in this prospectus, including the related notes. Our Historical Financial Information was prepared in accordance with IFRS.

Selected Income Statement Data

	For the year ended December 31,						Nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
Revenue	1,212,966	100.0	1,408,869	100.0	1,708,068	100.0	1,290,771	100.0	1,584,173	100.0
Cost of revenue	(181,178)	(14.9)	(302,999)	(21.5)	(393,141)	(23.0)	(292,745)	(22.7)	(346,063)	(21.8)
Gross profit	1,031,788	85.1	1,105,870	78.5	1,314,927	77.0	998,026	77.3	1,238,110	78.2
Sales and marketing expenses	(395,965)	(32.6)	(389,046)	(27.6)	(460,332)	(27.0)	(316,009)	(24.5)	(298,430)	(18.8)
Administrative expenses	(332,170)	(27.4)	(143,491)	(10.2)	(118,385)	(6.9)	(92,052)	(7.1)	(146,243)	(9.2)
Research and development ("R&D") expenses	(82,665)	(6.8)	(77,463)	(5.5)	(87,688)	(5.1)	(59,370)	(4.6)	(48,717)	(3.1)
Other income	13,313	1.1	37,085	2.6	6,795	0.4	6,755	0.5	65,624	4.1
Other expenses	—	—	—	—	—	—	—	—	(55,310)	(3.5)
Other gains/(losses) — net	26,459	2.2	(38,599)	(2.7)	(5,128)	(0.3)	(17,535)	(1.4)	7,979	0.5
Operating profit	260,760	21.5	494,356	35.1	650,189	38.1	519,815	40.3	763,013	48.2
Finance income	1,498	0.1	2,659	0.2	12,171	0.7	8,211	0.6	9,189	0.5
Finance costs	(1,744)	(0.1)	(1,742)	(0.1)	(1,189)	(0.1)	(1,101)	(0.1)	(17,381)	(1.1)
Finance (costs)/income, net	(246)	(0.0)	917	0.1	10,982	0.6	7,110	0.5	(8,192)	(0.6)
Profit before income tax	260,514	21.5	495,273	35.2	661,171	38.7	526,925	40.8	754,821	47.6
Income tax (expense)/credit	(240,932)	(19.9)	39,809	2.8	(46,567)	(2.7)	(39,747)	(3.1)	(65,065)	(4.1)
Profit for the year/period attributable to owners of the Company	19,582	1.6	535,082	38.0	614,604	36.0	487,178	37.7	689,756	43.5

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our gross profit was RMB1,031.8 million, RMB1,105.9 million, RMB1,314.9 million, RMB998.0 million and RMB1,238.1 million, respectively, and our gross margin was 85.1%, 78.5%, 77.0%, 77.3% and 78.2%, respectively. Our gross profit increased throughout the Track Record Period which was in line with our revenue growth. Our gross margin decreased in 2018 primarily due to a change in our

product mix as we started to engage in distribution and sales for Baxter products in 2018 and started to recognize product sales revenue for distribution of such products, which incurred higher cost of revenue as percentages of their revenues. Our gross margin increased in the nine months ended September 30, 2020 primarily due to an increase in the sales of Zadaxin during the period which has higher profit margin compared to that of other products, resulting from an increase in demand and usage of Zadaxin in the first half of 2020, primarily for the prevention and clinical treatment of COVID-19 in China.

In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our net profit was RMB19.6 million, RMB535.1 million, RMB614.6 million, RMB487.2 million and RMB689.8 million, respectively, and our net margin was 1.6%, 38.0%, 36.0%, 37.7% and 43.5%, respectively. Our net profit and net margin increased significantly in 2018 primarily due to (i) decreases in professional service fees and staff costs resulting from our privatization in 2017, discontinued U.S. operations and a corresponding decrease in staff; and (ii) changes in income tax expenses or credits resulting from adjustments made in 2018 to the U.S. repatriation tax estimate recorded in 2017, taking into consideration the use of our remaining tax credits to offset certain U.S. tax liabilities. See Note 14(c) "Income Tax Expense/(Credit) — U.S. Tax Reform" to the Accountant's Report included in Appendix I of this prospectus. Our net profit and net margin increased significantly in the nine months ended September 30, 2020 primarily due to (i) an increase in the sales of Zadaxin during the period, which has a higher profit margin compared to that of other products, resulting from an increase in demand and usage of Zadaxin in the first half of 2020, primarily for the prevention and clinical treatment of COVID-19 in China; and (ii) a decrease in sales and marketing expenses resulting from suspension of certain marketing and promotion activities and reduction in business travels due to the impact of COVID-19.

The following table sets forth a breakdown of our revenue, both in absolute amounts and as percentages of our revenue, from the sales of the products and provision of promotion services for the periods indicated:

	For the year ended December 31,						Nine months ended September 30,			
	2017		2018		2019		2019		2020	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
Product sales										
Zadaxin	1,112,610	91.7	1,168,816	83.0	1,349,309	79.0	1,035,089	80.2	1,326,337	83.7
Promotion products for business partners	56,687	4.7	208,720	14.8	314,333	18.4	222,632	17.2	250,892	15.8
DC Bead[(1)]	15,846	1.3	28,680	2.0	44,426	2.6	33,050	2.6	6,944	0.5
Promotion service revenue	27,823	2.3	2,653	0.2	—	—	—	—	—	—
Total	**1,212,966**	**100.0**	**1,408,869**	**100.0**	**1,708,068**	**100.0**	**1,290,771**	**100.0**	**1,584,173**	**100.0**

Note:

(1) We also generated revenue from the sales of our in-licensed product DC Bead during the Track Record Period. DC Bead is a microbead used in Transarterial Chemo-Embolization (TACE) for liver cancer treatment. The sales of DC Bead was discontinued on April 30, 2020 pursuant to the termination agreement we entered into with Boston Scientific after Boston Scientific's acquisition of BTG plc., which previously owned DC Bead.

Our sales volume for Zadaxin amounted to approximately 3.1 million units, 3.3 million units, 3.6 million units, 2.9 million units and 3.7 million units in 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively, and our average selling price for Zadaxin for the same periods was approximately RMB355, RMB349, RMB375, RMB362 and RMB360, respectively. Our revenue from the sales of Zadaxin increased significantly in the first half of 2020, as Zadaxin had been used for the prevention and clinical treatment of COVID-19 in China. Such significant increase was a one-off event, and the demand for Zadaxin for the treatment of COVID-19 decreased significantly in the second half of 2020 and may experience a further drop in the future.

We generated most of our revenue from Mainland China during the Track Record Period. In 2017, 2018, 2019 and the nine months ended September 30, 2019 and 2020, our revenue from Mainland China amounted to RMB1,141.2 million, RMB1,306.1 million, RMB1,611.8 million, RMB1,228.7 million and RMB1,501.9 million, accounting for 94.1%, 92.7%, 94.4%, 95.2% and 94.8% of our total revenue, respectively.

Selected Balance Sheet Data

	As of December 31,			As of September 30,
	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	284,643	240,448	273,807	780,478
Total current assets	1,143,008	1,055,829	1,572,016	2,032,077
Total assets	1,427,651	1,296,277	1,845,823	2,812,555
Total equity	959,898	1,042,871	1,525,177	166,010
Total non-current liabilities	23,196	23,092	14,047	1,642,943
Total current liabilities	444,557	230,314	306,599	1,003,602
Total liabilities	467,753	253,406	320,646	2,646,545
Total equity and liabilities	1,427,651	1,296,277	1,845,823	2,812,555
Net current assets	698,451	825,515	1,265,417	1,028,475

Our net assets decreased in the nine months ended September 30, 2020 primarily attributable to our dividend declaration of RMB2,230.4 million.

As of December 31, 2017 and 2018, we had accumulated losses of RMB702.8 million and RMB171.3 million, respectively, mainly resulting from our Group's accumulated losses before our privatization in 2017 caused by redundant costs and expenses associated with our previous U.S. operations. We recorded retained earnings of RMB229.0 million as of December 31, 2019 as we discontinued our U.S. operations which served as our management center for our global businesses prior to privatization, resulting in reduction of our costs and expenses, and as we continued generating profits and cash inflows during the Track Record Period.

Selected Cash Flow Data

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net cash generated from operating activities	153,827	167,441	1,031,626	867,773	809,887
Net cash (used in)/generated from investing activities	(4,704)	174,711	(152,490)	(77,495)	(511,026)
Net cash used in financing activities	(476,526)	(542,629)	(234,589)	(17,345)	(47,229)
Net (decrease)/increase in cash and cash equivalents	(327,403)	(200,477)	644,547	772,933	251,632
Effects of exchange rate changes on cash and cash equivalents	13,399	(5,190)	(1,019)	(169)	(19,155)
Cash and cash equivalents at beginning of year/period	795,633	481,629	275,962	275,962	919,490
Cash and cash equivalents at end of year/period	481,629	275,962	919,490	1,048,726	1,151,967

Key Financial Ratios

	As of/For the year ended December 31,			As of/For the nine months ended September 30,
	2017	2018	2019	2020
Current ratio	257.1%	458.4%	512.7%	202.5%
Return on equity (%)	1.7%	53.4%	47.9%	81.6%
Return on total assets (%)	1.3%	39.3%	39.1%	29.6%

See "Financial Information."

DIVIDEND

We declared dividends of nil, RMB563.4 million, RMB211.6 million, nil and RMB2,230.4 million and paid dividends in cash of nil, RMB563.4 million, RMB211.6 million, nil and RMB2,173.8 million to our then shareholders in 2017, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively. Our dividend payment of RMB2,173.8 million for the nine months ended September 30, 2020 was financed by the bank loan facility to be repaid by part of the proceeds from the Global Offering. See "Future Plans and Use of Proceeds." On February 5, 2021, our Board approved our plan to declare a dividend of USD120.0 million from our consolidated retained earnings as of December 31, 2020 to our existing Shareholders. We intend to pay such dividend with our own cash before the Listing. There is no assurance that dividends of any amount will be declared or be distributed in any year. We aim to maximize our Shareholders' interests. Though in order to retain flexibility for our business development, currently we do not have a formal dividend policy or a fixed dividend distribution ratio, our Board may declare dividends in the future after taking into account various factors including our future earnings and cash inflows, future plan for use of funds, long-term development of our business and other legal and regulatory restrictions. You should note that the historical dividend distributions are not indicative of our future dividend distribution policy and may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future. Any future declarations and payments of dividends will be at the absolute discretion of our Directors and will depend on our actual and expected results

of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. Any declaration and payment as well as the amount of dividend will be subject to our constitutional documents and the Cayman Companies Act. Our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Directors. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

See "Financial Information — Dividend Policy."

RISK FACTORS

Our business and the Global Offering involve certain risks as set out in the section headed "Risk Factors" in this prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include:

- We rely on the sales of a limited number of proprietary product and promotion products for business partners, especially in Mainland China, which account for a substantial portion of our total revenue. If we are unable to maintain the sales volume, pricing levels and profit margins of such products due to factors such as competition or change in government regulations, our operations, revenue and profitability could be adversely affected.
- We operate in a highly competitive environment, and we may not be able to compete effectively against current and future competitors selling competing drugs such as substitute or generic drugs and new innovative drugs, which could subject us to the pressure of price reduction and adversely affect our operations, revenue and profitability.
- We are dependent upon Sinopharm as the exclusive importer and distributor of Zadaxin; because of China's tiered method of importing and distributing finished pharmaceutical products, our results may vary substantially from one period to the next.
- We may experience difficulties in our sales efforts as a result of pricing regulations or other policies such as volume-based procurement that are intended to reduce healthcare costs, which could subject us to pricing and volume pressures and adversely affect our operations, revenue and profitability.
- If we, our employees, distributors or suppliers engage, or are perceived to engage, in misconduct or breaches, including corrupt or bribery practices, leakage of confidential information or unfair competition, or if we, our employees or business partners are involved in negative publicity or allegations, our operations and reputation could be adversely affected, and we could be exposed to regulatory investigations, costs and liabilities.
- We recorded significant amount of intangible assets and our operating results may vary significantly due to the impairment of such assets.

See "Risk Factors."

SEC FCPA INVESTIGATION & SETTLEMENT

In August 2010, the U.S. Securities and Exchange Commission ("SEC") and the U.S. Department of Justice ("DOJ") commenced an investigation (the "Investigation") into SciClone US's potential violations of the Foreign Corrupt Practices Act ("FCPA") in conducting business in China. In February 2016, SciClone US settled with the SEC pursuant to a cease-and-desist order (the "Order") published by the SEC, resolving the Investigation. Around the same time, the DOJ confirmed that it declined to pursue further action. After SciClone US had paid the requisite amount and fulfilled its undertakings under the Order, in June 2018, the SEC's enforcement action was officially closed. After the case closure, we have continued to strengthen our internal control measures to ensure compliance with relevant laws and regulations. See "Business — Legal and Compliance — Legal Proceedings — SEC FCPA Investigation and Settlement."

OUR SINGLE LARGEST SHAREHOLDER

GL Capital Group is our single largest Shareholder. As of the Latest Practicable Date, GL Capital Group was interested in approximately 34.72% of the total issued share capital of our Company and was the single largest Shareholder of our Company. Following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), GL Capital Group will be interested in approximately 28.78% of the total issued share capital of our Company and will remain as our single largest Shareholder. Our Company will not have any controlling shareholder after the completion of the Global Offering. See "Relationship with Our Single Largest Shareholder."

OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 115,984,500 Offer Shares are issued pursuant to the Global Offering; (ii) the Over-allotment Option is not exercised; and (iii) 677,874,263 Shares are issued and outstanding following the completion of the Global Offering.

	Based on an Offer Price of HK$17.20	**Based on an Offer Price of HK$18.80**
	(HK$)	
Market Capitalization of our Shares	11,659.4 million	12,744.0 million
Unaudited pro forma adjusted net tangible assets per Share as of September 30, 2020	2.08	2.34

The unaudited pro forma adjusted net tangible assets per Share attributed to our Shareholders will decrease after our dividend payment in 2021. For further details and the calculation of the unaudited pro forma adjusted net tangible asset value per Share attributed to our Shareholders, see "Appendix II — Unaudited Pro Forma Financial Information."

LISTING EXPENSES

Assuming an Offer Price of HK$18.00 per Share (being the mid-point of the indicative offer price range stated in this prospectus), the aggregate commissions and fees, together with the Stock Exchange listing fee, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Global Offering, which are payable by us are estimated to amount in aggregate to be approximately RMB114.3 million, accounting for approximately 6.6% of the estimated gross proceeds. We incurred RMB23.4 million of listing expenses during the Track Record Period. We expect to charge approximately RMB13.1 million of the estimated listing expenses to profit or loss during 2020 and to capitalize approximately RMB77.8 million following the Listing.

USE OF PROCEEDS

Assuming an Offer Price of HK$18.00 per Share (being the mid-point of the Offer Price range stated in this prospectus) and assuming that the Over-allotment Option is not exercised, we intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 30.0% of net proceeds, or approximately HK$585.1 million, for investment in potential acquisition of drug targets in China or in other global markets and funding the in-licensing of new drug candidates;
- approximately 28.0% of net proceeds, or approximately HK$546.1 million, to repay existing debt, including our loan facility of USD300.0 million with China Minsheng Banking Corp., Ltd. Hong Kong Branch, with a maturity date of November 4, 2024, and interest rate of LIBOR plus 2.3 per annum;
- approximately 26.0% of net proceeds, or approximately HK$507.1 million, to fund the development and commercialization of our clinical-stage product candidates, including funding the planned clinical trials, preparation for registration filings and potential commercial launches (including sales and marketing) of RRx-001, Naxitamab, Omburtamab, PEN-866, PT-112, ABTL-0812 and others;
- approximately 10.0% of net proceeds, or approximately HK$195.0 million, to invest in our recruitment and expand our sales and marketing network and commercial and development infrastructure, including expansion of our sales force in preparation for new product launches and retail channel collaborations, and investment in establishment of CDCs for research and development of Zadaxin's vaccine adjuvant indication; and
- approximately 6.0% of net proceeds, or approximately HK$117.0 million, to fund ongoing clinical studies for additional clinical adoptions of our marketed product portfolio.

See "Future Plans and Use of Proceeds."

RECENT DEVELOPMENT

Selected Financials for the Three Months Ended December 31, 2020

Our revenue, gross profit and net profit for the fourth quarter of 2020 were lower by approximately 20.8%, 20.6% and 45.8% compared to our revenue, gross profit and net profit for the third quarter of 2020, respectively, primarily due to (i) a significant increase in our sales of Zadaxin in the first half of 2020 for the prevention and clinical treatment of COVID-19 in China, which accounted for a majority of our annual sales target, and the corresponding adjustment of sales plan in the fourth quarter of 2020, as well as a drop in demand for Zadaxin for the treatment of COVID-19 in the second half of 2020 which resulted in our revenue from Zadaxin in the second half of 2020 being substantially lower as compared to that in the first half of 2020, (ii) cancellation of Zadaxin shipments to China in December 2020 due to the lockdown of logistics warehouses at Shanghai Pudong International Airport for COVID-19 prevention, the sales of which would have otherwise generated RMB52.5 million in revenue, resulting in our delay in delivery which also affected our fulfillment of orders to Sinopharm, and (iii) increases in sales and marketing expenses and research and development expenses as delayed marketing and promotion activities and research and development activities in 2020 due to the impact of COVID-19 in the first half of 2020 were held in the fourth quarter of 2020 due to our gradual recovery from the COVID-19 impact to catch up on the slowdown in the first three quarters. These factors were all one-off events and we do not expect them to be recurring in the future. We expect to see growth in our revenue in 2021. We also expect our revenue from the sales of our in-licensed products, Angiomax and Zometa, will gradually increase in 2021 due to our commercialization efforts, and we expect our revenue from the sales of Zadaxin in 2021 will continue to account for a substantial part of our total revenue.

Our revenue in the three months ended December 31, 2020 decreased compared to our revenue in the three months ended December 31, 2019, primarily due to (i) a significant increase in our sales of Zadaxin in the first half of 2020 for the prevention and clinical treatment of COVID-19 in China, which accounted for a majority of our annual sales target, and the corresponding adjustment of sales in the fourth quarter of 2020, (ii) our inventory management initiatives to limit our year-end inventories in order to minimize the risk of inventory accumulation, (iii) cancellation of Zadaxin shipments to China in December 2020 due to the lockdown of logistics warehouses at Shanghai Pudong International Airport for COVID-19 prevention, resulting in our delay in delivery which also affected our fulfillment of orders, and (iv) the discontinued sales of DC Bead in April 2020. Our gross profit decrease during the same period was in line with our revenue decrease, and our gross profit margin remained relatively stable. We were not aware of any material adverse change in the demand for Zadaxin up to the date of this prospectus.

Our net profit in the three months ended December 31, 2020 decreased compared to our net profit in the three months ended December 31, 2019, primarily due to (i) decreases in revenue and gross profit, (ii) a significant increase in Listing expenses in connection with the Global Offering, and (iii) increases in sales and marketing expenses and research and development expenses as delayed marketing and promotion activities and research and development activities in 2020 due to the impact of COVID-19 in the first half of 2020 were held or resumed in the fourth quarter of 2020 resulting from our gradual recovery from the COVID-19 impact.

License Agreement with Y-mAbs for the in-licensing of Naxitamab and Omburtamab

On December 17, 2020, we entered into a License Agreement with Y-mAbs Therapeutics, Inc. ("Y-mAbs") for the in-licensing of two pipeline candidates, Naxitamab and Omburtamab. See "Business — Product Development — Products under Development — Products under Development — Late Stage — Naxitamab" and "Business — Product Development — Products under Development — Products under Development — Late Stage — Omburtamab."

NMPA approval for Oravig

In January 2021, we obtained the approval for the commercialization of Oravig in China from the NMPA. See "Business — Product Development — Products under Development — Products under Development — Late Stage — Oravig."

Passing of the consistency evaluation by Jitai (基泰), a generic thymalfasin competitor to Zadaxin

In December 2020, Jitai (基泰), the generic thymalfasin drug manufactured by ShuangCheng Pharmaceuticals passed the consistency evaluation for quality and efficacy. According to Frost & Sullivan, Jitai is the first generic thymalfasin drug that has passed the consistency evaluation. See "Industry Overview — The Thymic Hormones Market — Competitive Landscape." Generic drugs that have passed the consistency evaluation can enjoy certain market privileges. For example, generic drugs that have passed the consistency evaluation are allowed to participate in the volume-based procurement. Up to the date of this prospectus, thymalfasin was not included in the volume-based procurement; however, if thymalfasin is included in the volume-based procurement in the future, though we could either participate or decline to participate in the bidding for Zadaxin, Jitai may choose to participate in the bidding and may be included in the volume-based procurement, resulting in its price decline. Therefore, passing of the consistency evaluation by Jitai may subject us to increased competition, may create greater pressure on the market share and price level of Zadaxin, and consequently, may adversely affect our operations, revenue and profitability. See "Risk Factors — We rely on the sales of a limited number of proprietary product and promotion products for business partners, especially in Mainland China, which account for a substantial portion of our total revenue. If we are unable to maintain the sales volume, pricing levels and profit margins of such products due to factors such as competition or change in government regulations, our operations, revenue and profitability could be adversely affected."

Clinical progress update of SGX-942

In December 2020, SGX-942, one of our potential drug candidates, failed to achieve its Phase III clinical endpoint. It is considered as a subsequent adjusting event and full impairment to related intangible assets in the amount of RMB21.0 million had been provided as of September 30, 2020. The impairment losses were recognized as administrative expenses in the consolidated statements of comprehensive income for the nine months ended September 30, 2020. We will closely monitor the

subgroup analysis of the Phase III clinical data of SGX-942, and continue to develop its other potential clinical adoptions. See "Financial Information — Recent Development" and "Risk Factors — Development of new pharmaceutical products can be time-consuming and costly with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results. If we fail to develop and commercialize new pharmaceutical products, our operations, revenue and profitability could be adversely affected."

Angiomax's status in the volume-based procurement

Bivalirudin, the compound for our product Angiomax, was listed in the catalog for the fourth batch of volume-based procurement on December 25, 2020. We participated in the fourth batch of volume-based procurement for bivalirudin with Angiomax in February 2021, but Angiomax did not win the bid. The bid was won by three generic bivalirudin drugs, produced by Qilu Pharmaceutical Co.,Ltd., Hainan Poly Pharm. Co.,Ltd., and Hainan Shuangcheng Pharmaceuticals Co.,Ltd., respectively. See "Financial Information — Recent Development — Angiomax's status in the volume-based procurement." We believe that our overall business, results of operations and financial conditions will not be materially affected by the exclusion of Angiomax from the volume-based procurement.

Declaration of Dividend

On February 5, 2021, our Board approved our plan to declare a dividend of approximately USD120.0 million from our consolidated retained earnings as of December 31, 2020 to our existing Shareholders. We intend to pay such dividend with our own cash before the Listing.

Outbreak of COVID-19

Up to the date of this prospectus, our business, results of operations and financial conditions had not been materially affected by the outbreak of COVID-19. The outbreak of COVID-19 had had limited impacts on our product sales and promotion activities, production and logistics, supply of raw materials and promotion products, product development, and operations. In addition, we believe that the COVID-19 outbreak had not had any material impact on the implementation of our future plans and execution of our strategies. We made various business contingency plans to maintain our profitability and ensure our normal operations during the COVID-19 outbreak. See "Business — Internal Control and Risk Management — Risk Management in Response to the COVID-19 Outbreak."

Our revenue increased by 22.7% from RMB1,290.8 million in the nine months ended September 30, 2019 to RMB1,584.2 million in the nine months ended September 30, 2020, primarily due to the increase in revenue from sales of our proprietary product Zadaxin and promotion products for business partners. Revenue from sales of Zadaxin increased by RMB291.2 million, or 28.1%, from RMB1,035.1 million in the nine months ended September 30, 2019 to RMB1,326.3 million in the nine months ended September 30, 2020, due to an increase in demand and usage of Zadaxin in

the first half of 2020, primarily for the prevention and clinical treatment of COVID-19 in China, as thymalfasin, including Zadaxin as well as its generic drug competitors, had been listed for the treatment of severe and critical cases of COVID-19 according to the treatment guideline issued by NHC and National Administration of Traditional Chinese Medicine on February 14, 2020. Such significant increase was a one-off event, and the demand for Zadaxin for the treatment of COVID-19 decreased significantly in the second half of 2020 and may experience a further drop in the future. Such increase was partially offset by the decreased number of hospital visits and operations by patients, since the outbreak of COVID-19 led many hospitals in China to allocate significant resources to contain COVID-19, and patients suffering from other diseases generally avoided going to hospitals in order to prevent being infected. Revenue from sales of promotion products for business partners increased by RMB28.3 million, or 12.7% from RMB222.6 million in the nine months ended September 30, 2019 to RMB250.9 million in the nine months ended September 30, 2020, primarily due to increases in sales revenue from Methotrexate 50mg and Methotrexate 1g products. The sales and promotion activities of our promotion products for business partners had also been adversely affected by the outbreak of COVID-19, leading to a lower year-on-year revenue growth for such products compared with the growth rates recorded in 2019 and 2018. Up to the date of this prospectus, our promotion, sales and distribution arrangements, production activities, product development process and procurement process had substantially resumed to normal.

Our gross profit increased by 24.1% from RMB998.0 million in the nine months ended September 30, 2019 to RMB1,238.1 million in the nine months ended September 30, 2020 which was in line with our revenue growth. Our gross margin increased from 77.3% in the nine months ended September 30, 2019 to 78.2% in the nine months ended September 30, 2020, primarily due to an increase in sales of Zadaxin during the period which has higher profit margin compared to other products.

We had also been actively observing our social responsibility during the COVID-19 outbreak. See "Business — Environmental Matters, Social Responsibility and Governance."

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this prospectus, there has been no material adverse change that may impact our financial or trading position or prospects since September 30, 2020, being the end date of the periods reported on in the Accountant's Report in Appendix I of this prospectus, except as otherwise disclosed in this prospectus, and there has been no event since September 30, 2020 that would materially affect the information as set out in the Accountant's Report in Appendix I of this prospectus.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2020

Our Directors estimate, on the bases as set out in Appendix III to this prospectus and in the absence of unforeseen circumstances, that our estimated consolidated profit attributable to owners of

our Company and unaudited pro forma estimated earnings per Share for the year ended December 31, 2020 as follows:

Estimated consolidated profit attributable to owners of the Company for the year ended December 31, 2020	Not less than RMB740 million (approximately HK$888 million)
Unaudited pro forma estimated earnings per Share for the year ended December 31, 2020	Not less than RMB1.09 (approximately HK$1.31)

The profit estimate, for which our Directors are solely responsible for, has been prepared by them based on the audited consolidated results of our Group for the nine months ended September 30, 2020 as set out in the Accountant's Report in Appendix I to this prospectus and the unaudited consolidated results based on the management accounts of our Group for the three months ended December 31, 2020.

The unaudited pro forma estimated earnings per Share is calculated by dividing the estimated consolidated profit attributable to owners of the Company for the year ended December 31, 2020 by 677,874,263 Shares that had been assumed to be in issue throughout the year ended December 31, 2020. The calculation of the unaudited pro forma estimated earnings per Share does not take into account any Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option, the exercise of the outstanding options granted under the Option Incentive Plan or any Shares which may be issued or repurchased by the Company pursuant to the general mandates given to the Directors for the issue and allotment of Shares as described in the section headed "Share Capital" in this prospectus.