LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE EU

Drug Authorisation

2001/ 3/ .

General Procedures of Marketing Authorisation

(1) , (2) , (3) (4) .

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Mandatory Centralized Procedure for Biosimilars

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Legal effect of a Marketing Authorisation issued within the centralized procedure

(EMA).

Requirements for the MAH after obtaining a MA

Pharmacovigilance

2001/ 3/ 520/2012.

Compliance with Directive on falsified medicines for human use

2011, 21, 2011

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Drug Manufacturing and Import in the EU

2003/ 4/

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN SELECTED EU COUNTRIES

Poland

General Regulatory Framework

( ) , 2001 (201 4 ,) (**Pharmaceutical Law**)

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Marketing Authorization

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Import Authorization

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(**Reimbursement Act**).

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Brokers Arrangement

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Intellectual Property

Legal Framework

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(1) [illegible] 30, 2000 ([illegible] 201[illegible]) (the **Industrial Property Act**)

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Manufacturing Authorisation

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Import Authorisation

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Wholesale authorization

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Intellectual Property

(**EUTM**)

(**CDR**),

(**EUIPO**),

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Spain

Marketing authorization

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(**RLD 1/2015**),

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Manufacturing authorization

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(**"RD 824/2010"**) 1/2015

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Wholesale authorization

1/2015,

1 2/2013, 11 (**"RD 782/2013"**).

14 2/2013

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Reimbursement and pricing in Spain

2 3 1/2015

(“Ministry of Health”)

102 1/2015,

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REGULATORY ENVIRONMENT

Intellectual Property

UK

General Regulatory Framework

2001/ 3/ 2012 (, 2012/1 1) (**"UK Regulations"**).

("MHRA"),

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Drug authorization

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Manufacturing/Importations authorizations

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Wholesale authorization

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Reimbursement

Brexit

31, 2020 (**Exit Day**).
201 (**Withdrawal Agreement**) 50
(**TFEU**).
Transition Period 31, 2020,
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31, 2020 1.)
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No deal Brexit scenario

31, 2020
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Intellectual Property

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European Union IP Rights

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National IP Rights

(**WTO**),

(**TRIPS Agreement**).

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Italy

Drug authorization

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Manufacturing authorization

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Import authorization

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Wholesale authorization

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REGULATORY ENVIRONMENT

Reimbursement in Italy

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Specific regulations for biosimilar drug, if any, relating to the marketing/import of such drugs

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Intellectual Property

(**IPRs**)
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(**IPTQ**).

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France

Medicinal product marketing authorization

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Import authorization

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Reimbursement and pricing

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(**CEPS**) (**LEEM**).

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Specific regulations for biosimilars

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Pricing of biosimilars

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le Comité économique des produits de santé et les Entreprises du médicament, conclu le 18 décembre 2019), it is indicated that fixation and regulation of biosimilars prices and their reference biological medicinal products will be specified in an amendment to this framework agreement. This amendment has however not yet been concluded. It is also indicated that the procedure for admission of biosimilars to reimbursement will be accelerated (75 days after the Transparency Commission advice and if not, an explanation to justify it) (Article 22.b).

The duration of the 2015 framework agreement will certainly be extended at least until December 31, 2020 by an amendment which will probably include pricing issues for biosimilars but it is too early to know what will be indicated in this respect.

Intellectual Property

Under French law, intellectual property law is governed by the provisions of the French Intellectual Property Code (Code de la propriété intellectuelle) which is harmonized with the EU protection of intellectual work.

In France, the National Institute of Industrial Property (Institut National de la Propriété Industrielle, or INPI) is the main regulatory entity responsible for receiving, examining and deciding on the registry and protection of patents, trademarks and other intellectual property works such as creative rights and designs applications.

A third-party user must obtain consent or a proper license from the owners to use them except for certain specific circumstances provided by law. Otherwise, the use will constitute a counterfeit (i.e. an infringement of these exclusive rights).

Patent

The French Intellectual Property Code provides that an invention is patentable if it is new, inventive, susceptible of industrial application and is not excluded from patentable subject matter.

According to Article L 611-2 of the French Intellectual Property Code, a French patent is valid for a term of 20 years maximum, starting from the application date. Patents remain in force by the payment of annuities. They must be paid no later than the last day of the anniversary month of the application filing. After a maximum period of 20 years, the invention is in the public domain, i.e. it no longer enjoys protection and anyone can exploit it, however a supplementary protection certificate can be issued in very specific circumstances under the terms of Article L 611-3 of the French Intellectual Property Code.

A French patent is obtained through its registration before National Institute of Industrial Property (Institut National de la Propriété Industrielle, or INPI) and the application procedure is set out in Articles L 612-1 et seq and in Articles R 612-1 et seq of the French Intellectual Property Code.

Trademark

According to the French Intellectual Property Code, for a sign to be registered as a trademark, it has to meet the following conditions: it must be licit, distinctive, and available. French Government implemented the Directive (EU) 2015/2436 into the French Intellectual Property Code by the transposition Ordinance of November 13, 2019, published in the Official Journal on November 14,

2019. According to such Ordinance, a sign may be represented "in any appropriate form by means of commonly available technology, and therefore not necessarily by graphic means, provided that such representation offers satisfactory guarantees for this purpose", with the sole condition that the representation is "clear, precise, distinct, easily accessible, intelligible, durable and objective".

Therefore, a request for registration may be rejected if the sign is identical or similar to a trademark or a sign pending for registration in the same or similar category of commodities or services.

The ownership of a trademark is obtained through its registration before the French National Institute of Industrial Property and the application procedure is set out in Articles L.712-1 et seq of the French Intellectual Property Code.

French trademark registrations are effective for a 10 year period, indefinitely renewable.

Whenever a trademark is subject to transfer or license agreements, to a contribution to a company, or to pledges, these agreements must be published with the French National Institute of Industrial Property.

Industrial designs

Under the French Intellectual Property Code, industrial designs can be protected by an exclusive right if the two following conditions are met : to be new and to have a specific character. This protection grants to their creator a monopoly over the use of these designs. Indeed, French legislators believed that the appearance of products is of strategic importance for commercial and industrial companies at several levels : distinction from the competition, attraction of the consumers, result of financial and human investments, etc.

When eligible, protection is granted by the French National Institute of Industrial Property for a renewable five-year period starting from the application date, to a maximum of 25 years. However, it is possible to initially request a renewable ten-year period of protection upon filing (in exchange of payment of an additional fee), up to the same maximum period of 25 years.

Trade secrets

In 2018, French legislators implemented in the French Commercial Code (Article L.151-1&seq) a European Union Directive 2016/943 of the European Parliament and of the Council dated June 8, 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

It provides for the protection of information which is not generally known or easily accessible for people in the concerned business or activity, and has "an actual or potential commercial value because of its secret nature" and "is subject to reasonable protective measures by its legitimate holder, taking into account the circumstances, to maintain its secret nature". This provision makes it illegal to obtain, use or disclose this information with no agreement of its legitimate holder.

SANCTIONS LAWS AND REGULATIONS

This section sets out a summary of the sanctions regimes imposed by the respective jurisdictions.

U.S.

Treasury regulations

OFAC is the primary agency responsible for administering U.S. sanctions programs against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency or activities involving U.S.-origin goods, software, technology or services even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens ("green card" holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest—no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements)—except pursuant to an authorization or license from OFAC.

OFAC's comprehensive sanctions programs currently apply to Cuba, Iran, North Korea, Syria, and the Crimea region of Russia/Ukraine (the comprehensive OFAC sanctions program against Sudan was terminated on October 12, 2017). OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the "UNSC") can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation.

There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions

committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees.

United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

EU

Under EU sanction measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to EU sanctions where that counterparty is not a Sanctioned Person or not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

OVERVIEW

We are a leading China-based pharmaceutical company with global pharmaceutical, innovative biotech and CDMO businesses.

The history of our Company can be traced back to April 21, 1998 when Shenzhen Hepalink Industrial Development Company Limited (9 w • ¼ 8 ï • Þ " ® !), our Company's predecessor, was established with a registered share capital of RMB2 million, funded primarily by our founders.

The shareholding structure of Shenzhen Hepalink Industrial Development Company Limited as of the date of the establishment was as follows:

Name of the Shareholders	Percentage of shareholding (%)
Mr. Li Li (½ ^)	51.00%
Ms. Li Tan (½ ~)	38.00%
Mr. Shan Yu (Á)	10.00%
Shenzhen Jizao Fiberglass Co., Ltd. (9 • ˆ š ¨ { Þ " ® !)	1.00%

Details of the background of our founders, Mr. Li, Ms. Li and Mr. Shan are set out in the section headed "Directors, Supervisors and Senior Management" in this document.

On January 19, 2001, Shenzhen Hepalink Industrial Development Company Limited was renamed as Shenzhen Hepalink Biotechnology Company Limited (9 w • [J ¦ " Þ " ® !) and it was further renamed as Shenzhen Hepalink Pharmaceutical Company Limited (9 w • ¹ 8 Þ " ® !) on September 28, 2002. On December 27, 2007, upon approval by the Ministry of Commerce, it was restructured into a foreign invested joint-stock limited company and was renamed as Shenzhen Hepalink Pharmaceutical Co., Ltd. (9 w • ¹ 8 p ... Þ " ® !). The Company was further renamed as Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (9 w • ¹ 8 « p ... Þ " ® !) on February 20, 2017. In respect of the conversions, our PRC legal adviser has confirmed that the Company has obtained all the approvals for the restructuring from the relevant authorities and the restructuring complies with the relevant laws and regulations.

Since May 6, 2010, our A Shares have been listed on the Shenzhen Stock Exchange with the stock code of 002399. As of the Latest Practicable Date, our Company had not received any notice from the Shenzhen Stock Exchange alleging any material non-compliance incidents on the part of our Company. Save as otherwise disclosed in this document, the Company confirms that since the date of listing of A Shares on the Shenzhen Stock Exchange, the Company has been operating in compliance with the applicable listing rules of the Shenzhen Stock Exchange in all material respects and there is no matter that should be brought to the attention of the Hong Kong Stock Exchange.

Development Company Limited. Upon completion of the capital injection, Mr. Li, Ms. Li, Yuanzheng Investment, and Mr. Shan held 35%, 30%, 30% and 5% of the equity interests of Shenzhen Hepalink Industrial Development Company Limited, respectively and our share capital was increased to RMB20 million.

2. Transfer of equity interests held by our founders to Topknow in November 2000

On November 14, 2000, Mr. Li, Ms. Li and Mr. Shan entered into an equity transfer agreement, pursuant to which each of them transferred their respective 35%, 30% and 5% equity interests in Shenzhen Hepalink Industrial Development Company Limited to Topknow at a consideration of RMB 7 million, RMB 6 million and RMB 1 million, respectively. The consideration was determined with reference to the registered share capital of Shenzhen Hepalink Industrial Development Company Limited. Upon the completion of the equity transfer in December 2000, Topknow and Yuanzheng Investment held 70% and 30% of the equity interest of Shenzhen Hepalink Industrial Development Company Limited, respectively.

3. Transfer of equity interests held by Yuanzheng Investment in June 2007

On June 12, 2007, Yuanzheng Investment, Topknow and Mr. Li entered into an equity transfer investment, pursuant to which Yuanzheng Investment agreed to transfer 18.93% and 4% equity interests of Shenzhen Hepalink Pharmaceutical Company Limited to Topknow and Mr. Li respectively.

Pharmaceutical Company Limited was converted into a sino-foreign joint venture company. Leren Technology, Jintiantu, GS Pharma, Shuidi Shichuan, Feilaishi and Yingshi Information held 41.05%, 35.42%, 12.50%, 4.03%, 3.50% and 3.50% equity interest in Shenzhen Hepalink Pharmaceutical Company Limited, respectively.

6. Restructuring and increase in the share capital in 2007

In December 2007, upon approval by the Ministry of Commerce, Shenzhen Hepalink Pharmaceutical Company Limited was converted into a foreign invested joint-stock limited company with a registered capital of RMB90 million and was renamed as Shenzhen Hepalink Pharmaceutical Co., Ltd. (- 9 w • ¹ 8 p ... Þ " ® !).

7. Increase in the share capital in 2009

In June 2009, upon approval at a shareholders' general meeting, we further increased our registered capital to RMB360 million through capitalization of capital reserves.

8. A Shares Offering and Listing on the Shenzhen Stock Exchange in 2010

As approved by the CSRC, our Company completed the IPO of our A Shares which were issued at an offer price of RMB148.00 per A Share under the A Share Offering, and our A Shares have been listed on the Shenzhen Stock Exchange under the stock code of 002399 since May 6, 2010. Our Company raised net proceeds of approximately RMB5.7 billion from the A Shares Offering after deducting underwriting commission of approximately RMB218.0 million and offering related expenses. Following completion of our A Shares offering in May 6, 2010, our registered share capital was further increased to RMB400,100,000.

The shareholding structure of our Company immediately after the A Shares Offering was as follows:

Name of the Shareholder	Number of A Shares held	Approximate percentage of Shareholding (%)
Leren Technology	147,780,000	36.94
Jintiantu	127,512,000	31.87
GS Pharma	45,000,000	11.25
Shuidi Shichuan	14,508,000	3.63
Feilaishi	12,600,000	3.15
Yingshi Information	12,600,000	3.15
Other A Shares Shareholders	40,100,000	10.02
Total	400,100,000	100%

9. Increase in share capital in 2011

In July 2011, upon approval at a shareholders' general meeting, we increased our registered capital to RMB800,200,000 through capitalization of capital reserves.

10. Reduction in share capital in April 2016

In April 2016, the Company completed the repurchase of 20,698,935 A Shares, pursuant to a shareholders' resolution dated August 27, 2015 authorizing the Company to repurchase Shares of up to RMB 1 billion, thus our registered capital decreased to RMB779,501,065.

11. Increase in share capital in June 2016

In June 2016, upon approval at a shareholders' general meeting, we increased our registered capital to RMB1,247,201,704 through capitalization of capital reserves. The shareholding structure of our Company immediately after the increase in share capital up to the Latest Practicable Date was as follows:

Name of the Shareholder	Number of A Shares held	Approximate percentage of Shareholding (%)
Leren Technology	474,029,899	38.01
Jintiantu	408,041,280	32.72
Shuidi Shichuan	46,425,600	3.72
Feilaishi	40,320,000	3.23
Other A Shares Shareholders	278,384,925	22.32
Total	1,247,201,704	100%

MAJOR ACQUISITIONS AND DISPOSALS

Since our establishment, our Group has made strategic investments and acquisitions that are intended to further our strategic objectives. Our Group has also streamlined our business through disposals of certain subsidiaries or equity interests.

Major Acquisitions

The following table sets forth details of our major acquisitions in recent years:

Date of completion	Equity interests acquired	Principal business activities of the target	Transferor	Amount of consideration
April 2014	Acquisition of 100% equity interest of SPL	Development, manufacture and sales of pharmaceutical products in the US	American Capital, Ltd., and other shareholders of SPL, all of which are Independent Third Parties	US$330,370,000 (1)
October 2015	Acquisition of 100% equity interest of Cytovance			

capacity of the entities. The above transactions have been properly and legally completed and settled and the approvals from the relevant authorities have been obtained.

Further Information in respect of the Acquisition of SPL

SPL is a limited liability company incorporated in the State of Delaware, US, on July 13, 2006. It is principally engaged in the research, development, manufacture and sale of pharmaceutical products in the US, including heparin sodium API. Prior to our acquisition of SPL, SPL was our competitor for the manufacture and sale of heparin sodium API in the US. In 2012, we began negotiations on a possible acquisition of SPL with SPL's largest shareholder, American Capital, Ltd. ("American Capital"). In considering such opportunity, our Directors believed that the acquisition would enable the Company to (i) improve its market competitiveness and capability, (ii) extend its global reach, (iii) strengthen its supply chain, and (iv) enhance its research and development capability. In December 2013, we entered into a stock purchase agreement with American Capital and other shareholders of SPL to acquire all of SPL's shares. Completion of the acquisition took place in April 2014 and SPL became our wholly-owned subsidiary upon completion.

Further Information in respect of the Acquisition of Cytovance

Cytovance is a limited liability company incorporated in the State of Delaware, US, on March 11, 2011. It is principally engaged in the provision of CDMO services. In 2015, with a view of expanding SPL's drug development capability, our Directors approached the shareholders of Cytovance to explore the opportunity of acquiring Cytovance. Our Directors believed that such acquisition would enable the Company to (i) enter the CDMO platform quickly, (ii) improve its research and development capability, and (iii) gain access to Cytovance's clients, which include small and mid-sized drug development companies. In August 2015, we entered into a stock purchase agreement with the shareholders of Cytovance to acquire all of Cytovance's shares. Completion of the acquisition took place in October 2015 and Cytovance became our wholly-owned subsidiary upon completion.

Since our acquisitions of SPL and Cytovance, our Group has operated a fast-growing CDMO business, specializing in the development and manufacture of large molecule pharmaceutical products. For details, see "Business—Our CDMO Business". Save as disclosed above, to the best knowledge of our Directors, there were and are no past or present relationships between any selling shareholder of SPL or Cytovance and our Company, subsidiaries, Shareholders, Directors, senior management or respective associates.

Further Information in respect of the Acquisition of Topknow

Topknow is a limited liability company established by Mr. Li, Ms. Li and Mr. Shan in China on June 7, 2000. It is principally engaged in the research and development, manufacture and distribution of heparin pharmaceutical products, in particular enoxaparin sodium injection products. Topknow has been controlled by Mr. Li and Ms. Li since its incorporation. As of January 1, 2017, its directors consisted of Mr. Li, Ms. Li, Mr. Shan, Dr. Li Jianke and Ms. Liu Wanlin. Ms. Liu Wanlin resigned as a director of Topknow in February 2018 and was replaced by Mr. Hui Yue Yat. Both Dr. Li Jianke and Mr. Hui Yue Yat ceased to be directors of Topknow from April 2018.

Prior to our acquisition of Topknow, our Group has been supplying heparin sodium API to Topknow and its subsidiaries in the ordinary course of business. Heparin sodium API is the principal

raw material which Topknow requires for the manufacture of its enoxaparin sodium injection products. During the process of applying for the listing of our A Shares on the Shenzhen Stock Exchange in 2010, in order to eliminate future related party transactions between our Group and Topknow, Mr. Li and Ms. Li undertook to the Company to inject the entire equity interests of Topknow to our Group upon satisfaction of certain conditions. After such conditions were met, in February 2018, we entered into an equity transfer agreement with the shareholders of Topknow to acquire Topknow's entire equity interests for a cash consideration of RMB2,400,000,000 (the "Acquisition").

The salient terms of the equity transfer agreement for the Acquisition are set out in the table below:

Date of Agreement:	February 11, 2018
Parties:	(1) Buyer: our Company (the "Buyer"); and (2) Vendors: all shareholders of Topknow, comprising our Controlling Shareholders, Mr. Shan, Shuidi Shichuan and other shareholders of Topknow, who are Independent Third Parties (collectively, the "Vendors").
Acquired interest:	100% equity interest in Topknow
Consideration:	RMB2,400,000,000
Basis of determination of the consideration:	The parties agree to adopt an independent valuation report dated September 11, 2017, which valued Topknow's total enterprise value as RMB2,422,022,600 as of March 31, 2017. Although such valuation was much higher than Topknow's net asset value at the time, the valuer was of the view that the premium was justified, taking into account Topknow's intrinsic value (such as its industry status, experienced management team and R&D capabilities), as well as the growing market demand for Topknow's core product, enoxaparin finished doses, which would provide Topknow with continued profitability and development prospects.
Payment terms:	1. The Buyer shall pay the total consideration in cash. 2. Each Vendor shall receive an amount of consideration in proportion to their respective equity interest in Topknow. 3. The Buyer shall settle payment with each Vendor by the dates stipulated in the agreement as follows: (i) in respect of Vendors who are Independent Third Parties, within one month of completion, or within five working days after foreign exchange clearance has been obtained, as applicable; and (ii) in respect of Vendors comprising our Controlling Shareholders, Mr. Shan and Shuidi Shichuan, a deposit by June 30, 2018, and the remaining balance within one month after the Buyer has announced Topknow's financial performance for the year ended December 31, 2018.

Completion terms: Completion shall take place upon obtaining approvals from the relevant authorities in respect of the change in Topknow's shareholders.

Other material terms: To ensure that the Acquisition would not have a material adverse impact on our Shareholders' interest, certain Vendors shall provide a guarantee of Topknow's net profit for the three years ending December 31, 2018, 2019 and 2020. For details, see "Profit Guarantee of Topknow" below.

Profit Guarantee of Topknow

Pursuant to the equity transfer agreement, our Controlling Shareholders, along with Mr. Shan and Shuidi Shichuan (together, the "Obligors"), entered into a supplemental agreement with our Company and guaranteed that if Topknow's net profit (after deducting non-recurring gains and losses) falls below RMB190,600,000, RMB286,800,000 and RMB340,800,000, respectively, for the years ended December 31, 2018, 2019 and 2020, each of them shall be jointly and severally liable to compensate our Company up to the amount of consideration they received from the Acquisition (the "Profit Guarantee").

The Profit Guarantee was determined by reference to Topknow's historical and forecasted financial performance, as determined by the independent valuer at the time of the Acquisition. The table below sets forth Topknow's historical and forecasted financial performance by revenue, gross profit and net profit for the periods indicated below at the relevant time:

	Historical performance			Forecasted performance			
	Year ended December 31,		Three months ended March 31,	Nine months from April 1, 2017 up to December 31,	Year ending December 31,		
	2015	2016	2017	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	207,113	304,882	81,204	410,852	1,201,635(1)	1,617,169	1,850,561
Gross Profit	30,181	54,627	8,229	5,563	226,931(1)	337,064	401,466
Net profit	30,469	49,849	4,900	5,365	190,548(1)	286,728	340,790

Note:

(1) The increase in Topknow's forecasted revenue, gross profit and net profit for 2018 onwards as compared to previous years was due to the fact that Topknow obtained marketing approvals for Inhixa and Neoparin in 2016 and was expected to generate significant revenue from the European market after it launched and commercialized Neoparin in Poland at the end of 2016, and Inhixa in various markets including Italy, Germany, UK and Spain from the third quarter of 2017. For details about Inhixa and Neoparin, see "Business—Our Pharmaceutical Products". The independent valuer considered Topknow's forecasted financial performance to be reasonable, taking into account (i) Topknow's entry into the European market, which is the largest market of enoxaparin finished doses worldwide, (ii) the growing trend for the global enoxaparin finished dose market, and (iii) Topknow's business plans and pipeline products. For more industry related information, please refer to the section headed "Industry Overview—Enoxaparin Finished Dose Market—Market Size."

According to the terms of the Profit Guarantee, the amount of compensation for not meeting the guaranteed net profit for each year shall be calculated according to the formula:

$$\text{Amount of compensation for the year} = \frac{\left(\begin{array}{c}\text{Aggregate amount of guaranteed net profit as of the end of the year} \\ - \text{Aggregate amount of realized net profit as of the end of the year}\end{array}\right)}{\text{Aggregate amount of guaranteed net profit for the guaranteed period}} \times \text{Consideration received by the relevant Obligor from the Acquisition} - \text{Accumulative compensation paid in previous years (if any)}$$

The compensation will be paid on an annual basis. If the amount of compensation calculated above is less than 0, the value will be taken as 0 and the compensation paid in the previous year will not be reversed. In the event that compensation shall be paid, each of the Obligors shall pay the compensation in proportion to their respective consideration received from the Acquisition and the Obligors shall be jointly liable for the compensation. The total compensation for the three years ending December 31, 2020 shall be capped at RMB1,854,720,000, equivalent to the total amount of cash consideration received by the Obligors from the Acquisition.

According to the terms of the Profit Guarantee, the Company shall engage a qualified accountant to perform the above calculation as part of its annual audit for each respective year. The results of such calculation will be disclosed to our Shareholders by way of an announcement or in the Company's annual report. In the event that the Obligors are required to pay compensation, the Company will notify them in writing within 5 working days of such disclosure and the Obligors shall settle the payment by cash to a designated bank account of the Company within 10 working days upon receiving such notice. Further, at the end of the year ending December 31, 2020, the Company shall engage a qualified accountant to conduct an asset impairment test on the assets of Topknow which were priced based on the valuation through income method. If Topknow's asset impairment loss is greater than the total amount of compensation paid by the Obligors, each of the Obligors shall in addition be jointly and severally liable to compensate the Company for the difference with their own funds. The Company will update its shareholders on Topknow's audited financial results and any compensation to be received from the Obligors for the year ending December 31, 2020 by way of an announcement on or around the same time as it publishes its financial results for that year.

The Profit Guarantee does not represent the anticipated level of future profits of Topknow and should not be considered in any way as an indication of the projected profit of Topknow or the Company for the relevant years. The compensation from the Obligors (if any) will not constitute a new connected transaction of the Company upon [REDACTED] because it is made pursuant to a pre-existing agreement. For the year ended December 31, 2018, Topknow recorded a net profit of RMB198,111,000 and thus met the guaranteed net profit for the year. For the year ended December 31, 2019, Topknow recorded a net profit of RMB167,944,000 and thus was RMB118,856,000 short of meeting the guaranteed net profit for the year. The Company calculated the amount of compensation in accordance with the formula disclosed above and recognized other receivables from the Obligors of RMB252,399,000, with the corresponding entry recognized in other reserves. Such amount has been fully settled since May 6, 2020. Accordingly, Topknow's profit shortfall for the year ended December 31, 2019 did not have any impact on the revenue and profits of the Group for the year. For details, please refer to "Consolidated Statement of Changes in Equity" and "Note 46. Related Party Transactions" in "Appendix I—Accountants' Report".

As both the Company and Topknow are ultimately controlled by Mr. Li and Ms. Li, the Acquisition constitutes a business combination under common control. Accordingly, the consolidated financial statements of the Company were prepared as if Topknow had been combined throughout the Track Record Period. For details, please refer to "Note 1 Business Combination" in "Appendix I—Accountants' Report".

Further Information in respect of our Share Subscription in Resverlogix

Resverlogix is a company incorporated in Alberta, Canada, on August 17, 2000. Since 2005, its shares have been listed on the Toronto Stock Exchange (TSX: RVX). It is a clinical-stage

biopharmaceutical company focused on developing drugs for cardiovascular diseases. Its leading drug candidate, RVX-208, has completed phase III clinical trials, for which we have exclusive development and commercial rights in Greater China. For details, see "Business—Our Innovative Drug Business—Pipeline Drugs of Our Portfolio Companies—RVX-208". In 2015, our founders were introduced to Resverlogix by an independent financial advisory company. Following completion of due diligence work by our Company, between July 2015 and March 2019, we subscribed for an aggregate of 81,713,191 shares in Resverlogix for a total consideration of CAD124,830,900 and US$15,000,000, respectively. As a result, Resverlogix became our associate company in which we held a 38.50% equity interest as of the Latest Practicable Date.

Further Information in respect of our Share Subscription in Curemark

Curemark is a limited liability company incorporated in the State of Delaware, US. It is a clinical-stage biopharmaceutical company focused on developing novel therapies for the treatment of neurological disorders. Its leading drug candidate is CM-AT, which is in Phase III clinical trials for autism. Curemark is our customer. Since January 2018, our subsidiary, SPL, has been supplying pancreatin API, the principal raw material required for the preparation of CM-AT, to Curemark in the ordinary course of business. Between February 2018 and March 2020, we subscribed for an aggregate of 172,157 shares in Curemark for a total consideration of US$59,657,000, comprising a cash consideration of US$8,000,000 and the provision of pancreatin products and preparation services to

Prior to the Disposal, our Company supplied heparin sodium API to Hepatunn for its manufacture of heparin sodium injections. Hepatunn generated revenue from the sales of heparin sodium injections to distributors in China, which accounted for 2.5% and 1.3% of our Group's total revenue in 2017 and 2018, respectively. Since the Company's acquisition of Topknow in May 2018, the Directors wanted to concentrate the Company's business and resources on the production of enoxaparin sodium injections, and eliminate the potential competition between Topknow's production of enoxaparin sodium injections and Hepatunn's production of heparin sodium injections. Further, as the market for heparin sodium injections has become increasingly competitive in the PRC in recent years, the price of Hepatunn's core products, especially heparin sodium injections, has continuously declined. Thus, Hepatunn has experienced continuous losses in recent years. As the business for enoxaparin sodium injections is more profitable than heparin sodium injections, to improve our Group's financial performance and to focus our resources on the manufacture and sales of our core product, enoxaparin sodium injections, our Directors decided to dispose of our 85% equity interest in Hepatunn in June 2018.

The salient terms of the equity transfer agreement for the Disposal are set out in the table below:

Date of Agreement:	June 6, 2018
Parties:	(1) Vendor: our Company (the "Vendor"); and (2) Buyer: Pangu Chenchen[(1)] (the "Buyer").
Disposed interest:	85% equity interest in Hepatunn
Consideration:	RMB34,000,000
Basis of determination of the consideration:	The consideration of the Disposal was determined after arm's length negotiations among the parties primarily with reference to the Company's investment amount in Hepatunn. Hepatunn's registered share capital at the time of the Disposal was RMB40,000,000. As such, the consideration was calculated as RMB34,000,000, accounting for the Company's 85% equity interest in Hepatunn. In determining the consideration, the parties also took into account other factors (such as Hepatunn's existing customers, distribution channels, licenses, intellectual property rights, goodwill and growth potential) which may be of value to the Buyer. No independent valuation was performed in relation to the Disposal.
Payment terms:	The consideration shall be paid in two equal instalments: (i)within seven days of signing the equity transfer agreement; and (ii)within 30 days after completion.
Completion terms:	Completion shall take place upon obtaining approvals from the relevant authorities in respect of the change in Hepatunn's shareholders and the fulfillment of pre-completion terms. The completion date shall not be later than July 10, 2018.

Pre-completion terms:	During the period between signing and completion, the Vendor shall: (i) maintain Hepatunn's normal business operations; and (ii) not dispose of any assets of Hepatunn.

Note:

(1) With a view to dispose of Hepatunn, the Company was introduced to Pangu Chenchen by Hepatunn's general manager in 2018. Pangu Chenchen is a limited partnership incorporated in the PRC on April 27, 2018. To the best knowledge of our Directors, it is a special purpose vehicle incorporated solely for the purpose of acquiring Hepatunn. At the time of the Disposal, its holders consisted of two business partners, Ms. Li Xianghong and Mr. Bian Xiaowei. Pangu Chenchen is principally engaged in the business of management consulting, brand management, market strategic planning, technical development and consulting services in the fields of biotechnology and medical technology, among other activities. Each of Pangu Chenchen and its respective holders is an Independent Third Party. Save as disclosed above, to the best knowledge of our Directors, there were and are no past or present relationships between Pangu Chenchen, any of its holders or associates, on the one hand, and our Company, subsidiaries, Shareholders, Directors, senior management or respective associates, on the other hand.

The Disposal was carried out in compliance with the applicable PRC laws and regulations and the listing rules of the Shenzhen Stock Exchange and no independent valuation was required under such laws, regulations or listing rules given the size and type of the transaction. Since July 2018, the Disposal has been properly and legally completed and settled and the approvals from the relevant authorities have been obtained.

After the Disposal, our Company has continued to supply heparin sodium API by way of purchase orders from Hepatunn, while our relationship with distributors who distributed Hepatunn's heparin sodium injections terminated. Since the Disposal, Hepatunn has continued to sell heparin sodium injections, as well as other products such as oxytocin and vitamin injections, independently from our Company.

Our PRC legal advisor has confirmed that Hepatunn did not have any non-compliance incidents during the Track Record Period and prior to the Disposal which would have a material adverse impact on our Group's operations as a whole. To the best knowledge of our Directors, Hepatunn was not subject to any material litigation or investigation by regulatory authorities during the Track Record Period and prior to the Disposal.

Deconsolidation of HighTide

Background

HighTide is a limited liability company incorporated in the Cayman Islands on February 28, 2018. Its principal operating subsidiary, Shenzhen Hightide Biopharmaceutical Ltd. ("Shenzhen HighTide"), was incorporated in the PRC in November 2011 and has been engaged in the research and development of pharmaceutical products since November 2011. Together with its subsidiaries, HighTide is a global clinical-stage pre-revenue biopharmaceutical company focused on discovering and developing novel drugs to treat chronic liver diseases, gastrointestinal diseases and metabolic disorders. HighTide's leading drug candidate, HTD1801, is a first-in-class oral small molecule drug candidate. The phase II clinical trial for the usage of HTD1801 in treating PSC is currently ongoing and the phase II clinical trial for the treatment of NASH has been completed. For details about HTD1801, see "Business—Our Innovative Drug Business—Pipeline Drugs of Our Portfolio Companies—HighTide's HTD1801".

HighTide was our former subsidiary. In 2011, our Company was introduced to Dr. Liu Liping ("Dr. Liu"), one of HighTide's founders, through an acquaintance of Mr. Shan. Dr. Liu has

approximately 20 years of drug research and development experience, including positions in several biotech companies prior to founding HighTide. Dr. Liu presented an opportunity for our Company to invest in the business of HighTide, which our Directors considered to be in line with our strategic objectives at the time. Thus, we decided to collaborate with Dr. Liu to establish Shenzhen HighTide. As part of reorganization, HighTide was incorporated in February 2018 and became the ultimate holding company of Shenzhen HighTide in September 2018. We have held a majority interest in HighTide since its incorporation and up to its deconsolidation from the Group on March 25, 2019, as disclosed in detail below. As of the Latest Practicable Date, we are HighTide's largest shareholder. Great Mantra Group Limited ("Great Mantra"), a wholly-owned subsidiary of Dr. Liu, is the second largest shareholder of HighTide.

The Deconsolidation

Since March 25, 2019, HighTide has been deconsolidated from the Group (the "Deconsolidation"). The circumstances that led to the Deconsolidation are as follows:

(i) On September 25, 2018, to raise funds for working capital, HighTide entered into a share purchase agreement to issue 3,033,334 Series B-1 preferred shares to new investors for an amount of US$13,000,000 (the "Series B-1 Issuance"). Such investors were ZT Global Energy Investment Fund I LP ("ZT"), Green Pine Growth Fund I LP ("GP"), and Greaty Investment Limited ("Greaty", together with ZT, GP, the "Series B-1 Investors"), all of which are Independent Third Parties, primarily focused on investment holding.

(ii) On December 29, 2018, to raise further funds for working capital, HighTide entered into a share purchase agreement to issue 2,100,000 Series B-2 preferred shares to new investors for an amount of US$9,000,000 (the "Series B-2 Issuance"). Such investors were Blue Ocean Healthcare Project I. Ltd. ("Blue Ocean") and Orient Champion Investment Limited ("Orient Champion"), both of which are Independent Third Parties, primarily focused on investment holding.

(iii) Upon.5(aent)-252.(b252.T.2727EcusE304.5(407ient)-252.(8US$900cest0eries)-306(3(B-2)-377.1

HighTide s(th)-305.36andseveadop77.352,8-378.76thep(s)-ck9.36ne7rop7-321.5(comppl378.755.5(3

irrevocable proxy rights to exercise voting rights attached to the shares underlying the RSU Scheme.

(v) On March 25, 2019, Ms. Yu Li ("Ms. Yu") was also appointed by Great Mantra as an additional director of HighTide. In light of the Series B-1 Issuance and Series B-2 Issuance, HighTide's shareholders had entered into a shareholders' agreement to amend HighTide's memorandum and articles ("M&A") to authorize our Company and Great Mantra, as HighTide's two largest shareholders, to appoint two directors each to HighTide's board, which may consist of a maximum of four directors. Prior to Ms. Yu's appointment, HighTide's board had comprised three members, namely Mr. Li, Mr. Bu and Dr. Liu. After Ms. Yu's appointment, Great Mantra and our Company have equal board representation. Pursuant to HighTide's M&A, matters shall be decided by majority vote in board meetings, and the chairman, who shall be elected by HighTide's directors collectively, does not have a casting vote. As of the Latest Practicable Date, the chairman of the board of HighTide has yet to be appointed. As Mr. Li and Mr. Bu no longer have sufficient representation to pass board resolutions in line with the threshold above, our Company lost majority control over HighTide's board.

(vi) As a result of our shareholding dilution and loss of board control described in paragraphs (iv) and (v) above, HighTide was deconsolidated from the Group on March 25, 2019.

(vii) On August 12, 2019, our shareholding in HighTide was further diluted to 47.02% as a result of the completion of the issuance of Series B-2 preferred shares to Orient Champion. On the same day, each of ZT, Greaty, GP, Blue Ocean and Orient Champion (the "Series B Investors") also transferred approximately 9.00% of their shares in HighTide to Wisdom Spring to be held on trust for the RSU Scheme. The transfer was made pursuant to terms of the Series B-1 Issuance and Series B-2 Issuance, which provided that HighTide's valuation would increase upon HighTide's Phase 2 clinical trials reaching clinical primary endpoint (the "Triggering Event"), and that each Series B Investor's shareholding ratio would adjust accordingly by dividing the initial purchase price paid over the increased valuation. Any extra shares held by such investors post-valuation would be transferred to the RSU Scheme at nil consideration to recognize the contribution of HighTide's key management and staff. The Triggering Event took place in August 2019. As such, the Series B Investors transferred their shares to Wisdom Spring in accordance with the agreed terms.

(viii) On August 12, 2019, HighTide's shareholders further amended the M&A to increase the maximum number of HighTide's board to five members, granting the majority shareholders the power to appoint a fifth director by ordinary resolutions. It is intended that an independent/external director will be appointed to the board as the fifth director. As of the Latest Practicable Date, such director has not yet been appointed.

Save as disclosed above, to the best knowledge of our Directors:

(i) there was and is no past or present relationship between, on the one hand, any of the other shareholders of HighTide and their ultimate beneficial owners (including Dr. Liu, Great Mantra, each Series B Investor, Wisdom Spring, the trustee of the RSU Scheme, and any of their directors or shareholders) and, on the other hand, our Company, subsidiaries, Shareholders, Directors, senior management or respective associates; and

(ii) there has been no change to the key management or board composition of HighTide or its subsidiaries as a result of the issuance of additional shares other than the appointment of Ms. Yu as an additional director of HighTide on March 25, 2019 and up to the Latest Practicable Date.

HighTide's shareholding

The following table sets out the respective shareholding of HighTide's shareholders for the respective periods from immediately before the Deconsolidation on March 25, 2019 up to the Latest Practicable Date:

	Approximate percentage of shareholding in HighTide		
Shareholder	immediately prior to March 25, 2019	from March 25, 2019 to August 11, 2019	from August 12, 2019 up to the Latest Practicable Date
The Company	53.81%	48.74%	47.02%
Great Mantra	33.45%	30.30%	29.23%
Shenzhen Qianhai Haichuang Fund Partnership (Limited Partnership)	3.12%	2.83%	2.73%
Able Holdings International Limited	0.94%	0.85%	0.82%
ZT	2.89%	2.62%	2.30%
Greaty	2.89%	2.62%	2.30%
GP	1.73%	1.57%	1.38%
Blue Ocean	1.16%	1.05%	0.92%
Wisdom Spring (for the RSU Scheme)	—	9.43%	10.09%
Orient Champion	—	—	3.22%
Total	100.00%	100.00%	100.00%

Reasons for the Deconsolidation

Our Company's interest in HighTide is a strategic equity investment instead of being part of our Company's core business operations. HighTide is and has always operated independently of our Company. While we participate in the major decision makings at the shareholders and board levels of HighTide, HighTide has its own management team (led by Dr. Liu) which is separate from our management team. To the best knowledge of our Directors, other than having board representation on HighTide and its subsidiaries, none of HighTide's senior management was appointed by, or otherwise related to, our Group since the establishment of HighTide up to the Latest Practicable Date.

Our Company had decided not to participate in the Series B-1 Issuance and Series B-2 Issuance (which resulted in dilution of our Company's shareholding in HighTide and thus the Deconsolidation) based on a holistic commercial decision by the Board. Taking into consideration our Company's financial position, the capital required to subscribe for additional shares, HighTide's business prospects and future profitability, the potential risks and capital involved in the development of HTD1801, our Directors considered that it was not in the best interests of our Company and Shareholders to inject further capital into HighTide by subscribing for new shares at the relevant time. Given the inherent risks associated with investment in a pre-revenue biopharmaceutical company and its continuous need for funding, it is customary for the founding shareholders to reassess their investment at various stages and decide whether to continue to inject capital or to seek funding from other investors. With the progression of HighTide's business development, our Directors have been assessing and evaluating our

investment in HighTide periodically. In future, our Company will continue to assess our investments in HighTide and make decisions in the interests of our Company and Shareholders.

Our PRC legal advisor has confirmed that the PRC entities of HighTide did not have any non-compliance incidents during the Track Record Period which would have a material adverse impact on

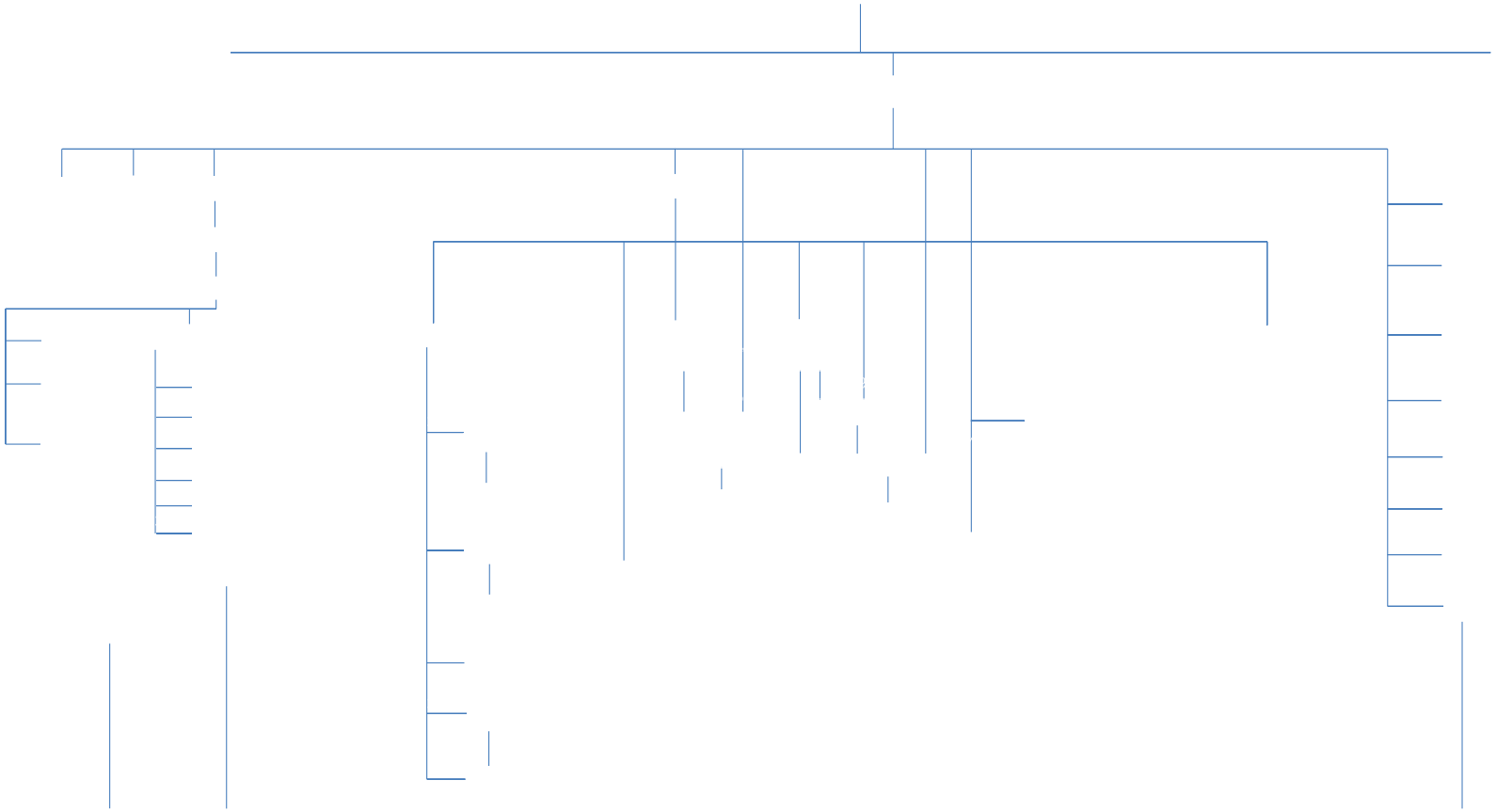
Detailed information of our other subsidiaries is set out in "Note 1. Corporate Information" in "Appendix I—Accountants' Report" in this document.

REASONS FOR THE [REDACTED]

Our Company is seeking [REDACTED] on the Hong Kong Stock Exchange in order to raise further capital for the development and expansion of our Company's business, and to further raise our profile as a business with a global presence and thus, enhance our ability to attract new customers, business partners, strategic investors and key management personnel.

SHAREHOLDING STRUCTURE PRIOR TO THE [REDACTED]

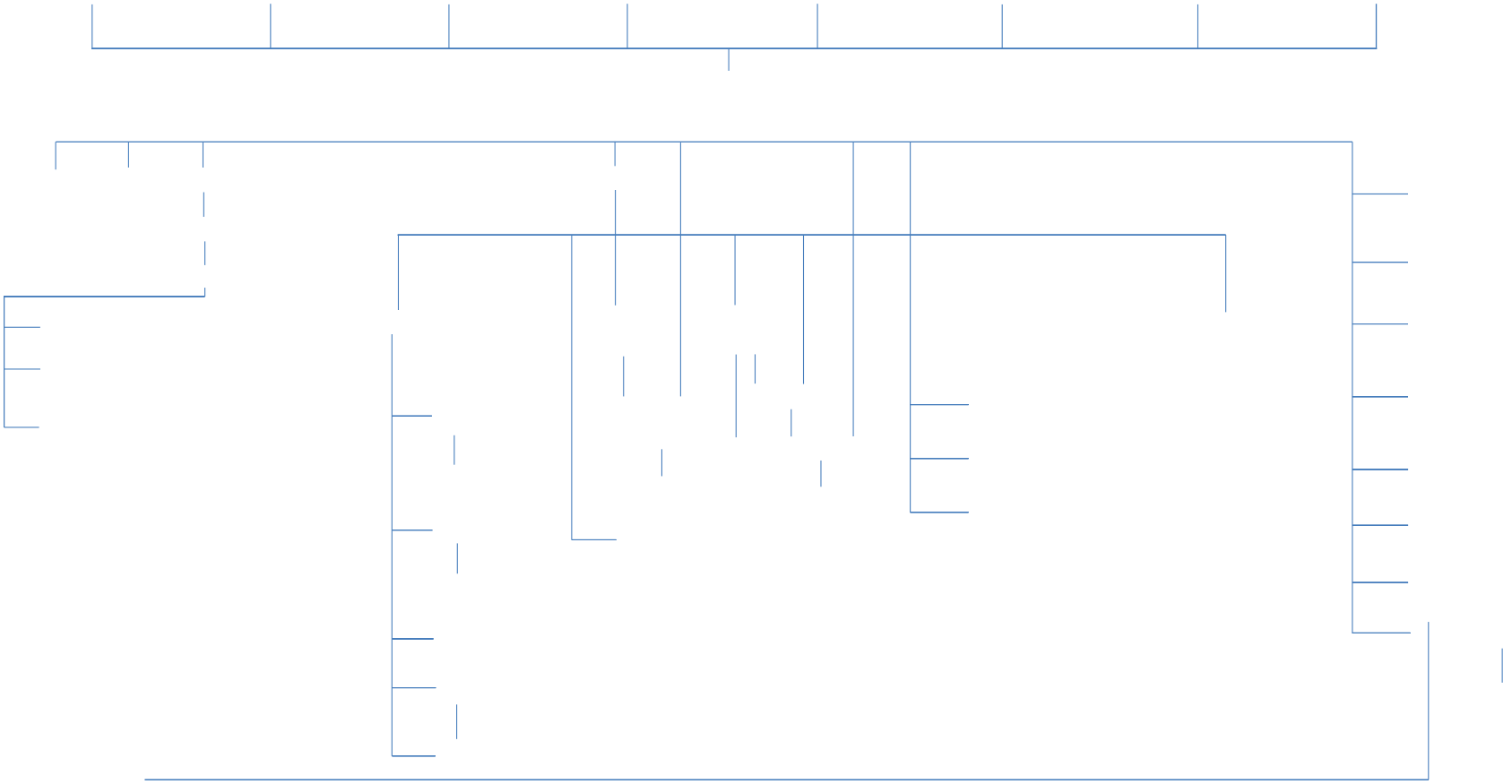
The following chart sets forth our simplified shareholding structure, subsidiaries and principal investee companies immediately before the [REDACTED] :



(2) Jintiantu is owned as to 99.00% by Ms. Li as a general partner and 1% by Mr. Li as a limited partner, respectively.
(3) Shuidi Shichuan is owned as to 99.00% by Mr. Shan and 1.00% by Ms. Li, respectively.
(4) Mr. Li is the sole owner of Feilaishi.
(5) Mr. Li and Ms. Li are the spouse of each other and Mr. Shan is the brother of Ms. Li.
(6) Guolian Securities Co., Ltd. and CMS Asset Management Co., Ltd. hold A Shares as asset managers for the benefit of the participants of the Share Schemes II and III, respectively. For further details on the Schemes, see "Appendix VI—Statutory and General Information".
(7) The remaining 3.60% in Chengdu Sunrace Co., Ltd. is held by Mr. Lu Wenxing, an Independent Third Party.
(8) SPL engages primarily in the manufacture and sale of pharmaceutical products. It also provides CDMO services. For details, see "Business—Our Subsidiaries".
(9) The remaining 15.60% in OncoQuest Inc. is held by Synergy Alpha Investment Fund as to 6.00% and other private investors as to less than 5% each, all of which are Independent Third Parties.
(10) The remaining 6.00% equity interest in OncoVent is held by Dierepharma HK Limited, an Independent Third Party.
(11) The remaining 34.00% in Shenzhen Fanpu Biotechnology Co., Ltd. is held by Mr. Zhou Hongwei and Mr. He Yan as to 30.30% and 3.70%, respectively, which are Independent Third Parties.
(12) The remaining 45.00% in Shenzhen Penghe Property Management Co., Ltd. is held by Yulong Computer Communication Technology (Shenzhen) Co., Ltd. and Shenzhen Xizhilang Food R&D Center Co., Ltd. as to 35.00% and 10.00%, respectively, both of which are Independent Third Parties.
(13) The remaining 1.00% in Shenzhen Maple Sea Capital Equity Investment Fund Partnership (Limited Partnership) is held by Beijing Maple Sea Capital Management Center (Limited Partnership), which is owned as to 25.00% by our wholly-owned subsidiary, Shenzhen Dekang Investment Development Co., Ltd.
(14) Our Company holds 68.52% in TPG Biotechnology Partners V, L.P. and its affiliated partnership as a limited partner. The remaining 31.48% is held by Independent Third Parties as to less than 10% each.

SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The following chart sets forth our simplified shareholding structure, subsidiaries and principal investee companies immediately following completion of the [REDACTED] , assuming the [REDACTED] is not exercised:



(2) Jintiantu is owned as to 99.00% by Ms. Li as a general partner and 1.00% by Mr. Li as a limited partner, respectively.
(3) Shuidi Shichuan is owned as to 99% by Mr. Shan and 1% by Ms. Li, respectively.
(4) Mr. Li is the sole owner of Feilaishi.
(5) Mr. Li and Ms. Li are the spouse of each other and Mr. Shan is the brother of Ms. Li.
(6) Guolian Securities Co., Ltd. and CMS Asset Management Co., Ltd. hold A Shares as asset managers for the benefit of the participants of the Share Incentive Schemes II and III, respectively. For further

Overview

Our mission is to become a leading global pharmaceutical company targeting high-mortality diseases through innovation, with coverage in pharmaceutical, biotech and CDMO sectors.

We are a leading China-based pharmaceutical company with global pharmaceutical, innovative biotech and CDMO businesses. We ranked the first by both export value and export volume of injectable finished doses in 2018 among China-based pharmaceutical companies, with major sales into the EU market.

Founded by a group of seasoned polysaccharide-chemists with scientific insights and profound understanding of immunology, we have built up a portfolio of both leading drugs in the anticoagulant and antithrombotic therapeutic areas and innovative drug candidates focusing on diseases with an immune system disorder axis, including oncology, autoimmune, metabolic and other areas. These diseases are among the largest unmet medical needs globally and represent the leading causes of morbidity and mortality.

Our leading drugs, Inhixa, Neoparin and Prolongin are three different brands of enoxaparin sodium injection which in total have been approved in 53 countries and sold in 19 countries. We have also supplied enoxaparin sodium injection to our customers in 14 other countries. We are the only China-based pharmaceutical company with cumulative sales of enoxaparin sodium injections in the EU exceeding 100 million doses. Enoxaparin is the "gold standard" anticoagulant and antithrombotic drug for various indications, such as venous thromboembolism (VTE) and pulmonary embolism (PE), with huge market demands and significant growth potential. According to Frost & Sullivan, the global usage of enoxaparin reached 781.9 million syringes/vials in 2019, and is expected to reach 1,068.4 million syringes/vials in 2025. Its usage in China was 52.0 million syringes/vials in 2019, which is expected to increase at a CAGR of 23.6% to 185.5 million syringes/vials in 2025.

We are the largest China-based and third largest global manufacturer and marketer of enoxaparin sodium injection, with a global market share of 6.5%, based on 2019 worldwide sales according to Frost & Sullivan. In China we are the second largest supplier in the enoxaparin injection market with a market share of 10.9% in 2019, second only to the originator firm, according to Frost & Sullivan. We implement localized and differentiated marketing strategies in the three major enoxaparin markets, the EU, China and the U.S. Our marketing strategies incorporate a combination of direct sales, distributor network and supply agreement partnerships. Our effective marketing efforts have resulted in rapid growth of our enoxaparin injection sales. In the EU, sales volume of our enoxaparin sodium injection grew by 164% to 47.8 million syringes/vials in 2018 from 18.1 million syringes/vials in 2017, and grew by 77.0% to 84.6 million syringes/vials in 2019 from 47.8 million syringes/vials in 2018. In China, sales volume of our enoxaparin sodium injection grew by 81% to 5.8 million syringes in 2018 from 3.2 million syringes in 2017, and grew by 15.5% to 6.7 million syringes in 2019 from 5.8 million syringes in 2018. We expect our Prolongin to be the first enoxaparin approved based on Quality Consistency Evaluation (QCE) in China, further solidifying our competitive advantage to capture the fast growth of enoxaparin in the China market.

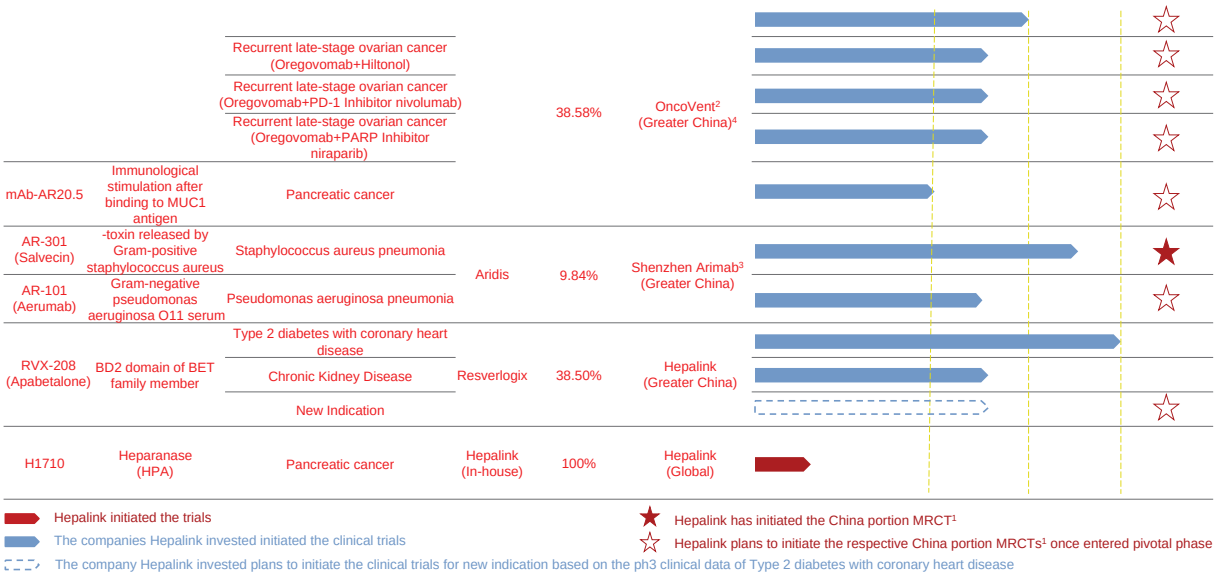
We are the largest provider of heparin API with a global market share of 40.7%, larger than the second and third market players combined, based on 2018 global revenue according to Frost &

Sullivan. We also have exclusive access to over 50% of the traceable heparin raw materials in China and 60% in the North America in 2018, which ensures sufficient supply of high quality heparin raw materials. With 91.3% of our revenue generated from markets outside PRC in 2019, we are continuously expanding our strong global footprint to additional overseas markets, such as Southeast Asia, Middle East and South America.

We have established a fully integrated business model covering the heparin industry value chain from supply of raw materials, manufacturing of APIs to the sales of enoxaparin finished doses. Based on such unique business model, we have developed our state-of-the-art supply chain management and facilities with proprietary manufacturing technologies, rigorous quality control standards and large-scale manufacture capability. Through our integrated supply chain management, we have access to a significant portion of the traceable crude heparin globally, which ensures safety, reliability and stability for the supply of our heparin raw materials. Our manufacturing processes and facilities comply with the CGMP requirements in the EU, the U.S. and China, and follow rigorous manufacturing and quality control standards. We have accumulated extensive manufacturing expertise and know-how including our proprietary extraction, purification and virus and bacteria inactivation technologies, which we believe will further solidify our long-term competitiveness in the global enoxaparin market. We are one of the few China-based pharmaceutical companies which are able to produce commercialized biological drugs on a large scale. Our facilities enable us to efficiently manufacture biopharmaceutical products in large volumes while consistently ensure high quality. We believe our unique business model together with state-of-the-art supply chain management and facilities serve as the cornerstones of our leading position in the global enoxaparin market.

We have strategically constructed a robust portfolio of both exclusive development and commercial rights in Greater China for first-in-class clinical stage drug candidates and self-developed first-in-class drug candidate. These pipeline drugs are being developed to address the significant unmet medical demands in oncology, cardiovascular, inflammation and autoimmune areas. We place great importance in nurturing our partners and provide strong support to them in various areas including clinical development through our CDMO platform and equity investment. For example, Oregovomab, an immune-oncology antibody candidate being developed for first-line treatment of ovarian cancer in combination with chemotherapy, has shown a significant prolongation of median progression-free survival (median PFS 41.8 months vs. 12.2 months in patients treated by chemotherapy-alone, p=0.0027) in a phase II trial. It also showed a significant improvement in overall survival (OS) (p=0.0043). We own 8.58% equity interest in the developer company of Oregovomab as well as its exclusive development and commercial rights in Greater China.

As of the Latest Practicable Date, we have exclusive development and commercial rights in Greater China for five drug candidates targeting both oncology and non-oncology indications, among which two are in phase III global clinical trials, namely AR-301 and RVX-208, and two are in phase II global trials, namely Oregovomab and AR-101. We are also developing a self-discovered proprietary oncology drug candidate currently at preclinical stage. We believe we are able to leverage our manufacturing, marketing and distribution capabilities of enoxaparin and industry experience to successfully develop and commercialize our innovative drug pipeline. The following chart summarizes the development status of our pipeline drugs as of the Latest Practicable Date:



[1] MRCT refers to multi-regional clinical trials, which involves more than one independent center in enrolling and following clinical trial participants. It is widely conducted by many global pharmaceutical companies to reduce the time lag of launching innovative drugs in different regions.

[2] We directly hold 54.00% equity interest in OncoVent and are entitled to additional economic interest through our 38.58% equity interest in OncoQuest and our 14.94% equity interest in Quest Pharma Tech, which together hold 40.00% equity interest in OncoVent. Any profit of OncoVent will be reflected on our financial statement under equity method through our equity interest in OncoVent and Quest Pharma Tech, in addition to our direct holding in OncoVent.

[3] We directly hold 51.00% equity interest in Shenzhen Arimab and are entitled to additional economic interest through our 9.84% equity interest in Aridis, which holds the remaining 49.00% equity interest in Shenzhen Arimab. Any profit of Shenzhen Arimab will be reflected on our financial statement under equity method through our equity interest in Aridis, in addition to our direct holding in Shenzhen Arimab.

[4] Greater China region includes PRC, Hong Kong, Macau and Taiwan.

[5]

We operate a fast-growing CDMO business through two platforms, Cytovance, a CDMO platform enabling the development and manufacture of recombinant pharmaceutical products and critical non-viral vectors and intermediates for gene therapy, and SPL, a CDMO platform enabling the development and manufacture of pharmaceutical products from natural sources, to capture the growth opportunities in the global biopharmaceutical sector. Our CDMO business ranks among the top three China-owned biologics CDMO operators based on 2018 revenue according to Frost & Sullivan. Our CDMO revenue grew by 69.1% from RMB324.3 million in 2017 to RMB548.5 million in 2018 and grew by 43.4% to RMB786.4 million in 2019. Our customer base ranges from multinational pharmaceutical giants to midsize, small and virtual biotech companies. With continuous investments in capabilities, capacity and innovation, the dual CDMO platform addresses diverse customer needs while leveraging over 45 years of combined experience of Cytovance and SPL in the development and manufacture of large molecule pharmaceutical products for innovative biologically based therapeutics. In addition to supporting a multitude of customer drug pipelines, our own product pipeline is aptly enabled and enhanced by the dual CDMO platform strategy. By addressing the capacity shortage and technological challenge in the CMC process, our CDMO platform empowers our customers to develop drugs from concept to commercial manufacturing stage and ensures CDMO capacities for the development of our own pipeline drugs. Benefiting from the global growth in the biopharmaceutical

sector, our CDMO business has contributed to our rapid growth and diversified our revenue source. As of the Latest Practicable Date, we had 49 on-going projects and a backlog of US$56.3 million, which represents the total amount of contracted fees for services yet to be delivered. The following table shows the status of and the backlog from our on-going projects as of the Latest Practicable Date:

Biologics development stage	Number of on-going projects	Backlog (US$ in million)
Pre-IND		
Drug discovery	2	0.1
Preclinical development	15	13.6
Subtotal	17	13.7
Clinical trial		
Early-phase (phase I & II) clinical development	18	7.1
Late-phase (phase III) clinical development	7	16.0
Subtotal	25	23.1
Commercial manufacturing	7	19.6
Total	49	56.3

Our revenue increased by 69.7%, from RMB2,828.2 million in 2017 to RMB4,799.8 million in 2018, and decreased by 3.9%, to RMB4,612.1 million in 2019. Our net profit increased by 156.1% from RMB240.9 million in 2017 to RMB617.0 million in 2018, and increased by 69.2% to RMB1,043.9 million in 2019.

Our Strengths

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

Strategic focus on attractive therapeutic areas with both commercialized drugs of significant growth and potential first-in-class pipeline drugs

We are founded and led by a group of seasoned polysaccharide-chemists with a strategic focus on heparin to address coagulation and thrombosis that cause life-threatening conditions. Through two decades of research, we have also accumulated profound understanding of the immune response mechanisms and engaged in the development of innovative drug candidates for fatal diseases with an immune system disorder axis. Our portfolio includes both commercialized drugs and first-in-class pipeline drugs, which provides us with stable cash flow as well as significant growth potential.

- Enoxaparin. Our own branded enoxaparin sodium injections (Inhixa, Neoparin and Prolongin) have been approved in 5 countries and sold in 19 countries globally with Neoparin targeting Poland, Inhixa targeting the EU market other than Poland and Prolongin targeting China and other emerging markets. We have also supplied enoxaparin sodium injection to our customers in 14 other countries. We had cumulative sales of enoxaparin sodium injections in the EU exceeding 100 million doses since 2016. Enoxaparin is the "gold standard" anticoagulant and antithrombotic drug with huge market demands and significant growth potential. According to Frost & Sullivan, the global market size of enoxaparin was US$2,735.8 million in 2019, which is expected to increase

to US$4,868.8 million in 2025, and the global usage of enoxaparin reached 781.9 million syringes/vials in 2019, which is expected to reach 1,068.4 million syringes/vials in 2025.

— Six first-in-class drug candidates. Our drug candidates are being developed to treat diseases with a weak immune system axis (such as oncology and bacterial inflammation) and diseases with an overactive immune system axis (such as cardiovascular disease, non-infectious inflammation and autoimmune diseases). As of the Latest Practicable Date, we have obtained the clinical development and commercial rights of five of these drug candidates in the Greater China. Two of these drug candidates are in phase III clinical trials and two of them are in phase II clinical trials. We are also developing a self-discovered propriety oncology drug candidate currently at preclinical stage.

"Gold standard" anticoagulant and antithrombotic drug with outstanding safety profile

Enoxaparin is the "gold standard" anticoagulant and antithrombotic drug for various indications, such as VTE and PE, with significant growth potential, according to the assessment report published by EMA in March 2017. Enoxaparin has been vital in preventing and treating life-threatening conditions caused by coagulation and thrombosis, such as stroke, heart attack and PE. Compared with other general anticoagulant drugs, due to its glycosylated polysaccharide structure, enoxaparin cannot be synthesized *in vitro* at least in the short term, and is neither completely replaceable nor replicable.

Enoxaparin, a type of LMWH, is expected to gradually replace other LMWH drugs. Compared with other LMWH drugs, enoxaparin has wider range of approved indications, more comprehensive delivery routes, longer elimination half-life, higher bioavailability and better anti-Xa and anti-IIa activity ratios. Guidelines published by ACCF/AHA recommend the usage of enoxaparin over other anticoagulant and antithrombotic drugs for the treatment of myocardial infarction. The World Health Organization (WHO) incorporates enoxaparin in the list of essential medicines, highlighting its importance in the anticoagulant and antithrombotic areas and its application as a first option of standard antithrombotic therapy in routine practice in many settings.

Enoxaparin enjoys huge market demand and significant growth potential. According to Frost & Sullivan, the global usage of enoxaparin reached 781.9 million syringes/vials in 2019, and is expected to reach 1,068.4 million syringes/vials in 2025. Its usage in China was 52.0 million syringes/vials in 2019, and is expected to increase at a CAGR of 23.6% to 185.5 million syringes/vials in 2025.

We believe we will benefit from such significant market opportunities by virtue of the outstanding safety profile of our enoxaparin drugs. The outstanding safety profile of our enoxaparin products is demonstrated by its low pharmacovigilance (PV) rate, low batch-to-batch variation, high biological purity (anti-Xa and anti-IIa activity ratio) and high purity level. In 2019, among the 3,042 PV cases relating to enoxaparin reported on the EMA PV system (EudraVigilance), only 139 cases were related to Inhixa and no less than [redacted] cases were related to Neoparin, amounting to no less than 4.83% being related to Inhixa and Neoparin, while we sold 60.9 million syringes/vials of Inhixa and 23.7 million syringes/vials of Neoparin in the EU in 2019, accounting for 17.8% of the total enoxaparin doses sold in the EU in the same year. Our enoxaparin drugs also demonstrated lower batch-to-batch variation as compared to the originator brand drugs. Percentages of impurities, such as galacturonic acid and sulfate in our enoxaparin sodium product are lower than the originator brand.

Fully integrated business model to enhance profitability

We have a fully integrated business model covering the heparin industry value chain from supply of raw materials, manufacturing of APIs to the sales of enoxaparin finished doses. Such unique business model together with state-of-the-art supply chain management, proprietary manufacturing technologies, rigorous quality control standards and large-scale manufacture capability serve as the cornerstones of our leading position in the global enoxaparin market and allow us to secure sufficient supply of high quality raw materials, improve cost efficiency and enhance profitability.

— State-of-the-art supply chain management. To ensure sufficient supply of the key heparin raw material, crude heparin, we have built our own crude heparin factories in China and the U.S. The state-of-the-art supply chain network guarantees us exclusive access to over 50% of the traceable heparin raw materials in China and 60% in the North America by volume of the traceable heparin raw materials in 2018. Our state-of-the-art integrated supply chain management ensures safety, reliability, stability and quality for the supply of our heparin raw materials. Our outstanding supply chain management has helped us to establish our leading position in the global heparin industry during the Baxter Incident. In 2008, contamination in the heparin sodium API used in the heparin sodium injections sold by Baxter caused serious acute hypersensitivity reactions in patients. The FDA later confirmed that the heparin sodium API supplied by us did not cause any single event of severe allergic reaction, which made us one of the few major heparin sodium API suppliers unaffected by the Baxter Incident in the U.S. market.

— Proprietary manufacturing technologies and rigorous quality control. Our proprietary manufacturing technologies ensure the best-in-class quality of our products. Based on years of experience in manufacturing heparin products, we have developed leading manufacturing technologies and know-how, such as purification technology, virus and bacteria inactivation technology, structural integrity protection and activity release technology and directed compound separation technology. Our leading technologies enable us to effectively preserve the structural integrity and molecular activity to the highest degree while minimize the impurity level of our enoxaparin sodium API. The design of our manufacturing system is rooted in our pursuit for the best-in-class quality standards. Our manufacturing processes and facilities not only comply with the CGMP requirements in the EU, the U.S. and China, but also follow comprehensive and rigorous quality control standards which cover every step of the manufacturing process. Such high quality control standards ensure the outstanding safety profile of our products, which has been proven by our long-term relationships with leading pharmaceutical giants.

— Scaled production capability. We are one of the few China-based pharmaceutical companies which are able to produce commercialized biological drugs on a large scale. We have state-of-the-art manufacturing facilities in China and the U.S. As of the Latest Practicable Date, with respect to heparin sodium API, we have an annual production capacity of 10,000,000 mega in China and 3,000,000 mega in the U.S. With respect to enoxaparin sodium API, we have an annual production capacity of 33,350 kg in China. With respect to enoxaparin sodium injection, we have an annual production capacity of 240 million pre-filled syringes, and 80 million vials. Our large-scale manufacturing capability ensures us to meet the huge market demand and capture the significant growth potential of enoxaparin as well as achieve economics of scale.

We believe our fully integrated business model differentiates us from our competitors and gives us competitive advantages. It ensures sufficient supply of high quality raw materials and enhances our risk resistance profile with respect to price fluctuations and shortage of raw materials. It also improves cost efficiency as it allows us to have better control of the costs on each step throughout the operations of our heparin business and gives us flexibility in making price adjustments for our products in order to enhance our sales. Our powerful supply chain management and cost control capabilities, together with our large-scale manufacturing capability will support our high-volume sales of enoxaparin to capture the huge market demand for enoxaparin globally and continue our growth in enoxaparin business.

Well positioned to be the global leader in the enoxaparin market with effective marketing strategies in the major markets worldwide

We keep abreast of the latest market developments and implement localized and differentiated marketing strategies in the three major enoxaparin markets, the EU, China and the U.S., based on various factors including market size, growth potential, competition and regulatory environment in those markets. We believe we are well positioned to become the leader in the global enoxaparin market by implementing such effective and diversified marketing strategies.

— EU: As the largest enoxaparin market globally, Europe consumed 488.7 million syringes/vials of enoxaparin out of 781.9 million syringes/vials consumed globally in 2019, and total sales of enoxaparin in Europe (including both originator brand and biosimilar drugs) was US$1,664.9 million in 2019 and is expected to reach US$2,705.1 million in 2025, according to Frost & Sullivan. In the EU, as the first approved enoxaparin biosimilar drug, Inhixa has been commercialized in the UK and 10 EU countries including the top seven enoxaparin country markets (excluding Poland) in the EU in 2019, with the largest market share in the UK and leading market positions in Italy and Austria. In addition, Neoparin has the largest market share in Poland by sales in 2019. Our total sales volume of enoxaparin in the EU reached 84.6 million syringes/vials in 2019, accounting for 17.8% of market share in the EU. As a biosimilar drug, prescription of enoxaparin is based on brand name. To promote our brand name and product awareness, we have established a dedicated in-house sales team in the EU. We also engage distributors and third party promotors to expand our distribution network in various EU countries. As a pioneer in the EU enoxaparin biosimilars market, we believe we have established a strong brand name among leading hospitals and medical professionals.

— China: China enjoys one of the most rapid growth rates for enoxaparin sales globally. Total sales of enoxaparin in China reached US$307.9 million in 2019, representing a CAGR of 24.5% from 2014 to 2019, and is expected to reach US$698.0 million by 2025 according to Frost & Sullivan. The per capita use of enoxaparin in China was 0.04 dose while the per capita use was 0.95 dose in the EU in 2019, indicating significant growth potential in China. To further regulate the enoxaparin market and strengthen quality control in China, the NMPA has implemented an approval regime for injectable pharmaceuticals based on QCE in May 2020. We believe enoxaparin products that pass the QCE will gradually replace the low quality LMWH in the market that cannot pass the QCE. To capture the fast growth of enoxaparin market in China, we plan to further promote our current enoxaparin brand Prolongin after it obtains QCE approval. We submitted application for QCE approval of Prolongin to the NMPA in April 2018 and we believe Prolongin will be the first QCE-approved enoxaparin in China.

— U.S.: U.S. represents a significant enoxaparin market. According to Frost & Sullivan, total sales of enoxaparin in the U.S. is expected to increase from US$454.8 million in 2019 to US$837.9 million in 2025, representing a CAGR of 10.7%. In the U.S., as a generic drug, prescription of enoxaparin is based on the generic name. Large scale supply and manufacturing capability is key to capture the significant market demand in the U.S. We have submitted an ANDA for our enoxaparin sodium injection, which is currently under review by the FDA. In the meantime, we have a supply arrangement with a multinational pharmaceutical company to be its major supplier of enoxaparin sodium injections once launched in the U.S..

A robust portfolio of first-in-class clinical stage drug candidates for the China market

We have obtained exclusive development and commercial rights in Greater China for five pipeline drugs, among which two are currently in phase III clinical trials and two are in phase II clinical trials. Below are our late clinical stage drug candidates:

— Oregovomab: Oregovomab, an anti-idiotype murine monoclonal antibody, is an anti-CA125 immunotherapy drug candidate that is being developed by OncoQuest, in which we hold 38.58% equity interest. It has completed a phase II clinical trial as a first-line treatment combined with chemotherapy in patients with advanced primary ovarian cancer. Phase II clinical trial have proven the safety and efficacy of Oregovomab in such combined treatment regime for advanced primary ovarian cancer patients. The combination of Oregovomab and chemotherapy leverages the effects of chemotherapy without additional toxicity. Phase II clinical results have shown a significant prolongation of median PFS, with a median PFS of 41.8 months, compared with 12.2 months in patients treated by chemotherapy alone (p=0.0027). It also showed a significant improvement in OS (p=0.0043). OncoQuest is currently in discussion with the FDA regarding a phase III trial plan. We plan to participate in the phase III MRCT of Oregovomab for such combined treatment. Oregovomab has Orphan Drug Designation from the FDA and EMA. Oregovomab is also being evaluated in a phase II clinical trial in combination with an investigational stage immune booster (poly ICLC / Hiltonol) for patients with advanced recurrent ovarian cancer, a phase Ib/IIa clinical trial in combination with PD-1 inhibitor (nivolumab) as a novel combinational immunotherapy treatment for patients with recurrent ovarian cancer, and a phase II clinical trial as a combined treatment with a PARP inhibitor (niraparib) for patients with recurrent ovarian cancer.

— AR-301 (Salvecin): AR-301 is a fully human monoclonal IgG1 antibody (mAb) that specifically targets *S. aureus* alpha-toxin. It is being developed by Aridis (NASDAQ: ARDS) in which we hold 9.84% equity interest. It is currently being evaluated in a global phase III clinical study as an adjunctive therapy to standard of care antibiotics in patients diagnosed with ventilator associated pneumonia (VAP) caused by *S. aureus*. Results of a Phase I/II trial have shown that patients treated with AR-301 consistently demonstrated less time spent under mechanical ventilation and higher rates of *S. aureus* eradication as compared to those treated with antibiotics alone. AR-301 was granted Fast Track Designation by the FDA and Orphan Drug Designation by the EMA. We have received the NMPA approval for a phase III clinical trial in China as part of the global MRCT of AR-301, and we plan to initiate patient enrollment by the end of 2020.

— RVX-208 (Apabetalone): RVX-208 is an inhibitor of BET transcriptional regulators with selectivity for the second bromodomain. RVX-208 has completed phase III clinical trial

(BETonMACE) in combination with standard of care to reduce major adverse cardiovascular events among high-risk cardiovascular disease patients with type 2 diabetes mellitus, recent acute coronary syndrome, and low levels of high-density lipoprotein (HDL). It is being developed by Resverlogix (TSE: RVX) in which we hold 50% equity interest as of the Latest Practicable Date.

We believe we are able to leverage our industry experience and proven execution capabilities to develop and commercialize these late-stage product candidates in the China market.

A fast-growing CDMO business focusing on a vast spectrum of recombinant and naturally derived large molecule and gene therapy products

We operate a rapidly-growing CDMO business to capture the global growth opportunities in the biopharmaceutical sector and support the clinical development of our pipeline drugs. Our CDMO business ranked among the top three China-owned biologics CDMO operators based on 2018 revenue according to Frost & Sullivan. We offer comprehensive, integrated and highly customizable end-to-end CMC services, including R&D services, manufacturing services, quality assurance, and program management in our state-of-the-art laboratories and CGMP-compliant manufacturing facilities. Through combining the capabilities of our two platforms, Cytovance and SPL, our CDMO business enables the development and manufacture of a wide range of products including naturally derived and recombinant large molecule products and critical non-viral vectors and intermediates for gene therapy, which makes us distinct within the global CDMO industry.

Cytovance is a biopharmaceutical contract manufacturing company specializing in the development and manufacture of recombinant biologic pharmaceuticals from mammalian cell culture and microbial fermentation, and non-viral vectors and intermediates for gene therapy. Cytovance entered the gene therapy sector by developing an innovative platform in October 2019 for critical reagent grade pDNA manufacturing, in order to meet the huge market demand for high-quality pDNA. Cytovance has enabled successful clinical and company milestones for dozens of customers through its CMC services. As a testament to value created by our CDMO platform, several of Cytovance's customers were acquired by large pharmaceutical companies, such as Synageva BioPharma Corp. which was purchased by Alexion Pharmaceuticals, Inc. in 2015, Selexys Pharmaceuticals Corporation which was purchased by Novartis International AG in 2016, ARMO Biosciences, Inc. which was purchased by Eli Lilly and Company in 2018 and Synthorx Inc which was purchased by Sanofi in 2019.

SPL offers a broad spectrum of capabilities in the extraction, isolation and purification of naturally derived pharmaceuticals and extensive expertise in regulatory compliance. Moreover, SPL is able to provide services at scales ranging from laboratory development to CGMP suite production and further to metric-ton, full-scale commercial production.

The breadth of our CDMO services and our on-going innovation to focus on unmet market demands allow us to capitalize on the opportunities offered by different segments of the global biologics outsourcing services market. Our CDMO services address the capacity shortage and technological challenge in the CMC process during clinical development, which empower our customers to develop drugs from concept to commercial manufacturing stage and also help to accelerate the development of our pipeline drugs. Our CDMO business has a global and diversified customer base, consisting of leading global pharmaceutical companies and small- to mid-sized

biotechnology companies as well as start-up companies. We enjoy a high level of customer loyalty and industry referrals. We provided services to 50, 54 and 52 customers in the years ended December 31, 2017, 2018 and 2019, respectively, including three out of the ten largest pharmaceutical companies in the world.

As of the Latest Practicable Date, we had 49 on-going projects including 17 pre-IND projects, 25 clinical trial projects and 7 commercial manufacturing projects with a total backlog of US$56.3 million, which represents the total amount of contracted fees for services that we have contracted to perform but have not performed yet. During the Track Record Period, our CDMO services enabled approximately 20 regulatory filing milestones, including INDs, NDAs, BLAs or amendments.

Benefiting from the global growth in the biopharmaceutical sector, our CDMO business experienced rapid growth during the Track Record Period. Revenue from our CDMO business increased from RMB324.3 million in 2017 to RMB548.5 million in 2018, and further increased to RMB786.4 million in 2019. Our CDMO business has contributed to our rapid growth and diversified our revenue sources.

Seasoned polysaccharide-chemists founders and experienced management team with strategic insight and proven ability to lead our success

Our founders are seasoned biochemists with solid scientific background as well as strategic insight. We are led by our founder and chairman of our Board, Mr. Li, who has 27 years of experience in the biopharmaceutical industry. Mr. Li has led the development of our heparin and enoxaparin products and played an instrumental role in our research and development efforts and our overall business growth. Our co-founder and deputy general manager, Ms. Li, and co-founder and general manager, Mr. Shan, have also made significant contributions to the success of our Company. Ms. Li has 27 years and Mr. Shan has 26 years of experience in the biopharmaceutical industry. Since their founding of the Company in 1998, they have worked diligently and passionately to achieve their shared vision to provide high-quality and innovative drugs for treatment of diseases with high mortality to benefit patients globally. With decades of scientific research and industry experience of heparin, we believe our founders are able to replicate our success in the heparin industry to our other businesses and guide us to become a leading pharmaceutical company globally.

Led by our founders, we have assembled a stable senior management team with extensive industry expertise, innovative vision and strong execution capabilities. Members of our senior management team on average have nearly 20 years of experience in the biopharmaceutical industry. Many of them have worked with leading global biopharmaceutical companies. They bring extensive industry experience and in-depth knowledge on the intricacies of managing a biopharmaceutical company. With their exceptional experience in global operations and acquisitions, excellent track record and strong execution capabilities, we believe our management team will continuously deepen our competitive edge and strengthen our integrated global operations and consistently strive to achieve our mission to become a global leader.

Our Strategies

To achieve our goal to become a global leading pharmaceutical company, we intend to pursue the following strategies:

Continue to expand our market share of enoxaparin to become the leader in the global heparin industry

According to Frost & Sullivan, the global enoxaparin market is expected to grow to US$4,868.8 million in 2025. We aim to achieve significant market share in the global enoxaparin market by deepening penetration in our existing markets as well as expanding into new markets.

- EU: We are committed to continuing to increase our sales of enoxaparin in the EU market by implementing differentiated market strategies in various EU countries based on local market conditions and leveraging our experienced in-house sales team supported by our distributors and third-party promoters. As the pioneer of enoxaparin biosimilar in the EU, we plan to further increase our penetration in the major EU countries where we currently have sales and increase our sales to pharmacies, which generally have a higher profit margin than hospitals. In addition, we are considering suitable opportunities to launch our enoxaparin drugs in other European countries, such as Switzerland, primarily by enhancing physician's awareness through our increased academic marketing efforts and expanding our sales and distribution network.
- China: We plan to further promote our Prolongin as the first QCE-approved enoxaparin in China upon NMPA's approval and cultivate the PRC enoxaparin market.
- U.S.: In addition to our supply arrangement with a multinational pharmaceutical company to be its major supplier of enoxaparin sodium injections in the U.S., we are also developing our own generic enoxaparin sodium injection for which we have submitted an ANDA, which is currently under review by the FDA.
- Other markets: We aim to expand our sales of enoxaparin in Canada and the emerging markets, such as Southeast Asia, Latin America and Middle East. As of the Latest Practicable Date, our enoxaparin product has received marketing approvals in over 10 countries. Our distributors and we are also in the process of applying for marketing approval in over 15 countries. We believe we are able to become a leader in these markets by leveraging our high product quality, manufacturing and sales experience, customer base and sales network with local agents and pharmaceutical companies.

We will continue to solidify our leadership position in heparin sodium API, which serves as an important entry barrier for the global enoxaparin market, and maintain our position as the key manufacturer and supplier of heparin sodium API for well-known pharmaceutical companies. We plan to further optimize our supply chain management and enhance our quality control of the raw material of heparin API. We plan to expand the production capacity of crude heparin of our two factories in China to reduce our purchase of raw materials from third parties and increase our access to the traceable crude heparin globally. We will continue to invest in the research and development of manufacturing technologies and quality control system to further enhance our competitiveness and distinguish us from our peers.

Maximize the commercial value of our first-in-class pipeline drugs in China by leveraging our local insight and vast experience in global operations

We have developed a clear road map for the commercialization of our first-in-class pipeline drugs in China to maximize their commercial value. We have established an extensive sales and distribution network and teams in China for our heparin business and we believe we can leverage these resources in China to build specialized in-house sales teams and a distribution channel to hospitals and physicians for the academic marketing of our pipeline drugs. Through years of operations in China and globally, we have accumulated both local insight in China and vast experience in global operations. We believe we are able to leverage our successful experience in the heparin industry and our local insight in China to successfully launch our drug candidates and maximize their commercial value in China.

Further expand and develop our CDMO business and build a world-leading CDMO platform

We plan to further expand and develop our CDMO business to build a world-leading CDMO platform to capture the global growth opportunities in the biopharmaceutical sector and serve as the incubator for our pipeline drugs, by enhancing our production capacity, expanding our customer base and improving our research and development capabilities.

To enhance Cytovance's drug discovery, development and manufacture capabilities, we intend to double its production capacity of both microbial fermentation and mammalian cell culture. Moreover, we plan to expand rapidly into the gene therapy sector by increasing Cytovance's current pDNA manufacturing capacity and developing innovative manufacturing platforms for viral vectors, which will differentiate Cytovance from other CDMO service providers with the capability to manufacture both plasmids and viral vectors. We believe the significant unmet market demands for both plasmids and viral vectors will drive the growth of Cytovance. We also plan to enhance Cytovance's discovery and cell line development capabilities, protein analytics and materials testing services, and establish final dose manufacturing capabilities. Moreover, we plan to further enhance SPL's development and manufacturing services for large molecule pharmaceutical products extracted from a broader range of natural sources.

To increase our market share in the CDMO industry, we aim to deepen our collaborations with existing clients, such as leading multinational pharmaceutical companies, as well as expand our customer base and promote our CDMO services to new customers in order to secure more projects. Advanced technologies are crucial to become a world-leading CDMO platform. We will continue to invest in innovative technologies to stay at the forefront of the industry. This will enable us to provide the most efficient and effective CDMO solutions to our clients and accelerate their drug development process.

Expand our business and strengthen our core competencies through acquisitions and strategic investments

We intend to expand our business and strengthen our core competencies through selective acquisitions of, or strategic investments in, pharmaceutical or biotech companies. We are primarily

We believe that our strategic vision, vast industry experience and leading CDMO capabilities will make us a desirable acquirer and partner. Our strong business execution capabilities will help us effectively integrate the acquired businesses into our existing platform and achieve synergies with our R&D, manufacturing, sales and marketing capabilities.

Furthermore, we will selectively pursue opportunities to in-license international blockbuster drugs, in particular those targeting therapeutic areas or conditions with significant unmet clinical demands, such as oncology and cardiovascular diseases, as well as those that fall into our main therapeutic areas.

Develop our Pingshan Industrial Park into a world-class manufacture base for pharmaceutical products

Our Pingshan Industrial Park is located within the National Biopharmaceutical Industrial Base in Pingshan, Shenzhen, China, with a total land area of over 200,000 sq.m. and a gross floor area of over 400,000 sq.m. authorized for construction. We have completed the construction and process validation of part of our facilities and product lines in Pingshan Industrial Park, and we are committed to developing our Pingshan Industrial Park into a world-class manufacturing base for pharmaceutical products. We have established 24,000kg annual production capacity of enoxaparin sodium API, and 12,000,000 mega annual production capacity of heparin sodium API. We plan to further expand our production capacity in Pingshan Industrial Park, including the production capacity of pre-filled syringes of enoxaparin sodium injection.

We also plan to make Pingshan Industrial Park as the manufacturing base for our innovative drug candidates in the future. With its leading production design and CGMP-compliant manufacturing system and facilities, we believe it can swiftly and seamlessly undertake the production of our new drug candidates to prepare for their commercialization in the near future.

OUR BUSINESS

We are a global pharmaceutical company with business spanning the manufacture and sale of pharmaceutical products, development of innovative drugs and CDMO services. Our sales of pharmaceutical products consist of (i) finished dose pharmaceutical products which include heparin sodium injection and enoxaparin sodium injection, (ii) API products including heparin sodium API and enoxaparin sodium API and (iii) other products mainly including pancreatin API. We have obtained exclusive development and commercial rights in Greater China for clinical stage innovative drug candidates which are being developed for the treatment of diseases with an immune system axis. We are also developing a self-discovered proprietary drug candidate currently at preclinical stage. We operate a CDMO business that provides R&D, manufacturing, quality management and program management services, through our wholly-owned subsidiary Cytovance, which specializes in the development and manufacture of recombinant pharmaceutical products and critical non-viral vectors and intermediates for gene therapy, and through our wholly owned subsidiary, SPL, which provides services in the development and manufacture of naturally derived pharmaceutical products.

The following table sets forth a breakdown of our revenue by our products and services during the Track Record Period.

	For the year ended December 31,					
	2017		2018		2019	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
Sales of goods						
Finished dose pharmaceutical products						
Enoxaparin sodium injection	311,165	11.0	981,938	20.5	1,230,840	26.7
Heparin sodium injection	70,032	2.5	63,705	1.3	—	—
Subtotal	381,197	13.5	1,045,643	21.8	1,230,840	26.7
API						
Enoxaparin sodium API	171,422	6.0	230,002	4.8	371,714	8.1
Heparin sodium API	1,674,707	59.2	2,522,384	52.6	1,902,275	41.2
Subtotal	1,846,129	65.2	2,752,386	57.4	2,273,989	49.3
Others[1]	217,124	7.7	385,403	8.0	287,538	6.2
Subtotal	2,444,450	86.4	4,183,432	87.2	3,792,367	82.2
CDMO service	324,308	11.5	548,469	11.4	786,401	17.1
Others[2]	59,467	2.1	67,906	1.4	33,337	0.7
Total	2,828,225	100.0	4,799,807	100.0	4,612,105	100.0

Notes:
(1) Other products mainly include pancreatin API.
(2) Other business mainly includes manufacture and marketing service, processing service, technical support service and other services.

OUR PHARMACEUTICAL PRODUCTS

The sales of our pharmaceutical products accounted for 86.4%, 87.2%, and 82.2% of our revenue in 2017, 2018, and 2019, respectively. We focus primarily on the anticoagulant and antithrombotic finished dose pharmaceutical products, including enoxaparin sodium injection and heparin sodium injection and their relevant APIs. The sales of our finished dose pharmaceuticals accounted for 13.5%, 21.8%, and 26.7% of our revenue in 2017, 2018 and 2019, respectively, and the sales of our API products accounted for 65.2%, 57.4%, and 49.3% of our revenue in the respective years.

The following table sets forth selective information relating to our products as of the Latest Practicable Date:

PRODUCT TYPE	PRODUCTS	APPROVAL FOR SALES IN CHINA	APPROVAL FOR SALES IN THE EU	APPROVAL FOR SALES IN THE U.S.	APPROVAL FOR SALES IN OTHER MAJOR COUNTRIES*	APPLICATION OF APPROVAL FOR SALES IN OTHER MAJOR COUNTRIES*
FINISHED DOSE PHARMACEUTICAL PRODUCTS	Enoxaparin sodium injection	Prolongin—approved by the NMPA for five strengths in 2005	Inhixa—approved by the EMA in 2016 for five strengths and in 2018 for multi-dose vials and high strengths Neoparin—approved in Poland in 2016 for five strengths and in 2018 for multi-dose vials and high strengths	Filed an ANDA under the FDA's review for enoxaparin sodium injection for seven strengths	Colombia, Chile, Paraguay, Madagascar, Jordan, Sri Lanka, Switzerland, Peru, Philippines, United Arab Emirates	Brazil, Canada, Saudi Arabia, Singapore, Malaysia, Israel, El Salvador, Costa Rica, Panama, Vietnam
	Heparin sodium injection	—	—	Four ANDAs approved for nine respective strengths by FDA	—	—
API PRODUCTS	Heparin sodium API	Approved by the NMPA in 2002	Approved by the EDQM in 2008 and renewed in 2013	Authorized supplier of heparin sodium API for the manufacture of several heparin products	Authorized supplier in Turkey, India, Italy, Brazil, South Korea, Mexico, Canada	Authorized supplier in Russia
	Enoxaparin sodium API	Approved by the NMPA in 2005	—	Filed DMF and under the FDA's review as the manufacturer referenced in a customer's ANDA for enoxaparin sodium injection Filed DMF and under the FDA's review of our ANDA for enoxaparin sodium injection for seven strengths	Authorized supplier in Algeria, Turkey, Brazil, Morocco, Uruguay, South Korea, Bangladesh, Paraguay, Colombia, India, Peru	Authorized supplier in Vietnam, Russia, Saudi Arabia, Mexico, Thailand, Malaysia, Jordan

* Marketing approvals of our products in these countries are or will be held by third parties, except for Canada and United Arab Emirates.

Our Finished Dose Pharmaceutical Products

Enoxaparin Sodium Injection

Our finished dose enoxaparin product, enoxaparin sodium injection, a sterile solution of enoxaparin sodium in water for injection, is an injectable anticoagulant and antithrombotic drug that helps prevent blood clots in patients. Our finished dose enoxaparin product is available as solution for injection in both pre-filled syringes and vials. Enoxaparin increases the effect of antithrombin III, a natural substance that controls the blood's clotting factors and helps prevent blood from clotting inside

the body, which helps to stop the formation of new blood clots and control existing ones. Our enoxaparin product has been approved for marketing in the EU and China for (i) prevention of venous thromboembolic disease in moderate and high risk surgical patients, in particular those undergoing orthopaedic or general surgery including cancer surgery, (ii) prevention of venous thromboembolic disease in medical patients with an acute illness and reduced mobility at increased risk of venous thromboembolism, (iii) treatment of deep vein thrombosis (DVT) and pulmonary embolism (PE), excluding PE likely to require thrombolytic therapy or surgery, (iv) prevention of thrombus formation in extra corporeal circulation during haemodialysis, and (v) treatment of acute coronary syndrome, including unstable angina and certain types of myocardial infarction.

Approved by the EMA, the NMPA and relevant governmental authorities, our enoxaparin product can be administered through all three injection routes, including subcutaneous injection, intravenous (bolus) injection and arterial line injection. In the comparison study with its reference drug Clexane, the fluctuation range of several features of our enoxaparin sodium API, including molecular distribution and molecular weight, the average degree of polymerization, the amount of disaccharide after enzymolysis fall within the range of Clexane, which indicates the high similarity between our enoxaparin product and the reference drug, the outstanding safety profile of our enoxaparin product and the stability of our manufacturing technologies. The post-market safety report retrieved from EudraVigilance that collects incidence of adverse events using enoxaparin sodium injections in 2019 also shows the safety of our enoxaparin sodium injection. In 2019, among the 3,042 PV cases relating to enoxaparin reported on the EMA PV system (EudraVigilance), only 139 cases were related to Inhixa and no less than 8 cases were related to Neoparin, amounting to no less than 4.8% being related to Inhixa and Neoparin, while we sold 60.9 million syringes/vials of Inhixa and 23.7 million syringes/vials of Neoparin in the EU in 2019, accounting for 17.8% of the total enoxaparin doses sold in the EU in the same year.

We are one of the few companies with integrated manufacturing process and manufacturing facilities of enoxaparin sodium injection that are in compliance with the EU, the U.S. and Chinese CGMP standards and have passed multiple inspections by the EMA, the FDA, the NMPA and other relevant governmental authorities. During the Track Record Period, our production of enoxaparin sodium injection was primarily conducted at Techdow Nanshan, which passed the inspection of the EMA in 2015, 2016, 2018 and 2019, the inspection of the FDA in 2018 and 2019 and the inspection of the NMPA in 2011 and 2016. During the Track Record Period, a small portion of our finished dose enoxaparin product was also produced by our OEM, the manufacturing process and facility of which are also in compliance with the EU CGMP requirements.

During the Track Record Period, we sold our enoxaparin finished dose products to over 20 countries either under our own brands or to other pharmaceutical companies for their resale under their own brands. In the EU, our enoxaparin sodium injection products were sold primarily to distributors and wholesalers for their sales to hospitals and pharmacies in the EU. In China, we sold our enoxaparin sodium injection to distributors for their further distribution to hospitals. Revenue generated from the sales of our enoxaparin finished dose products increased from RMB311.2 million in 2017 to RMB981.9 million in 2018 and further to RMB1,230.8 million in 2019, accounted for 11.0%, 20.5%, and 26.7% of our total revenue during the respective years.

EU and UK

Our enoxaparin product is currently marketed under our brand names, Inhixa and Neoparin. Inhixa has been approved by the EMA through the Centralized Authorization Procedure which allows

U.S.

We have entered into a supply agreement with a multinational pharmaceutical company to be its major supplier of enoxaparin sodium injections in the U.S. We are also developing our own generic enoxaparin sodium injection products for which we submitted an ANDA in 2013, which is currently under review by the FDA based on the sameness analysis as the originator brand name drug, Lovenox. Our manufacturing process and facilities in Techdow Nanshan passed the FDA's inspection in 2018 and 2019. We aim to submit our response to the FDA's latest complete response letter by the end of 2020 and we expect that the FDA will approve our ANDA in 2021 at the earliest. When we obtain the ANDA for our own branded enoxaparin sodium injection products in the U.S., we plan to collaborate with a world-leading pharmaceutical distributor, to mainly market and sell our products to pharmacies in the U.S.

Other Markets

During the Track Record Period, we also supplied enoxaparin sodium injections for pharmaceutical companies in the emerging market, including South America and Southeast Asia.

According to Frost & Sullivan, we are the third largest supplier of enoxaparin finished doses globally accounting for 6.5% of the global market share by revenue in 2019, and we are the second largest supplier of enoxaparin finished doses in China accounting for 10.9% of the market share in China by revenue in 2019. We also have a leading market share in the EU and the UK, with the largest market share in the UK and Poland and leading market positions in Italy and Austria accounting for 60.3%, 52.6%, 34.7% and 19.1% of the market shares in those countries, respectively. Enoxaparin finished doses have significant growth potential. As enoxaparin sodium is expected to replace other LMWH preparations, the global usage of enoxaparin sodium will continue to grow from 781.9 million pre-filled syringes/vials in 2019 to 1,068.4 million pre-filled syringes/vials in 2025 according to Frost & Sullivan.

Heparin Sodium Injection

Our heparin sodium injection is a sterile solution of heparin sodium in water for injection, standardized for anticoagulant activity. It is to be administered by intravenous or deep subcutaneous routes. Heparin inhibits reactions that lead to the clotting of blood and the formation of fibrin clots both of the fibrin stabilizing factor. The approved indications of heparin sodium injection are (i) anticoagulant therapy in prophylaxis and treatment of venous thrombosis and its extension, (ii) low-dose regimen for prevention of postoperative deep venous thrombosis and pulmonary embolism in patients undergoing major abdominothoracic surgery or who, for other reasons, are at risk of developing thromboembolic disease; (iii) prophylaxis and treatment of pulmonary embolism, (iv) atrial fibrillation with embolization; treatment of acute and chronic consumptive coagulopathies (disseminated intravascular coagulation), (iv) prevention of clotting in arterial and cardiac surgery, (v) prophylaxis and treatment of peripheral arterial embolism and (vi) application as an anticoagulant in blood transfusions, extracorporeal circulation, and dialysis procedures.

We received four ANDAs for generic heparin sodium injection in 2014 for nine strengths in single or multiple dose vials. Before the disposal of our equity interests in Hepatunn in June 2018, we generated revenue from its sales of heparin sodium injection in China, which accounted for 2.5% and 1.3% of our total revenue in 2017 and 2018, respectively. Moreover, we entered into a collaboration

agreement in 2010 with a world-leading pharmaceutical distributor as our partner for the promotion and distribution of heparin sodium injection in the U.S. (the "heparin partner"), under which we granted our heparin partner with exclusive right to use our ANDAs to market, sell and distribute heparin sodium injection in the U.S. that are manufactured, packaged and labeled by authorized manufacturers. During the Track Record Period, our heparin partner engaged third-party manufacturers to produce heparin sodium injection with the API we supplied. We plan to change the authorized manufacturer referenced in our ANDAs to Techdow Nanshan.

Primarily driven by the increase in the price of crude heparin, the market size of heparin is projected to grow from US$668.5 million in 2019 to US$731.8 million by 2025 at a CAGR of 1.5%, according to Frost & Sullivan. The heparin market is relatively scattered and less concentrated. There are many small market players, the profit margins of which are comparatively low.

Our API Products

Heparin sodium API

Heparin sodium is the sodium salt of sulfated glycosaminoglycans present as a mixture of heterogeneous molecules varying in molecular weights that retains a combination of activities against different factors of the blood clotting cascade. Our heparin sodium API product consists of heparin sodium purified from crude heparin, which is separated from the mucosa of porcine small intestines. Our heparin sodium API product is primarily used for the production of heparin sodium preparations and LMWH API.

As of the Latest Practicable Date, our heparin sodium API product was one of the few heparin sodium API products which received NMPA approval, EDQM approval and passed the FDA review. We commenced sales of our heparin sodium API product in the EU in 2000, in the U.S. in 2003 and in China in 2010. Moreover, we are one of the few companies with an integrated manufacturing system compliant with the U.S., EU and Chinese CGMP standards and has passed multiple inspections by the FDA, EMA, NMPA and other relevant governmental authorities. We participated in the revision of the USP heparin sodium standards in 2009, which was primarily in response to the contamination of heparin sodium API used in the Baxter Incident.

Our heparin sodium API was approved by the NMPA in 2002 and by the EDQM in 2008, and we have been authorized by the FDA as the heparin sodium API supplier for several finished dose heparin products. Moreover, our heparin sodium API has received marketing approvals in Canada and India. Our heparin sodium API is produced at our facility in Nanshan, Shenzhen, China (the "Hepalink Nanshan") which complies with the U.S. CGMP requirements, and passed five FDA inspections in 2005, 2008, 2011, 2013 and 2016, including an inspection following the Baxter Incident, where the FDA did not find any deficiencies. In addition, our manufacturing process and facilities of heparin sodium API at Hepalink Nanshan were also certified by BfArm after its inspections in 2006, 2009, 2012, 2014, 2017 and 2020, and is in compliance with Chinese CGMP requirements with certificates issued by NMPA after its inspections in 2003, 2008, 2012 and 2017. Our heparin sodium API is also produced at our manufacturing facility in Wisconsin, the U.S., which is in compliance with the U.S. CGMP requirements and has passed multiple inspections by the FDA. Our heparin sodium API business in the U.S. is operated by our wholly-owned subsidiary, SPL, based in the U.S.

Our self-developed proprietary technologies in the separation and purification of heparin sodium API allow us to maximize the yield of highly charged, high molecular weight heparin chains present in the starting material without affecting the material by degradation, such as depolymerization and/or desulfation caused by the applied process conditions. As a result, we are able to maintain a high

yield of the anti-factor IIa activity of our heparin sodium API. Since we are able to effectively remove impurities, such as lipids, peptides, protein and nuclear impurities, viruses, bacterial endotoxins, related glysosaminoglycans and other neutral and positively charged impurities, our heparin sodium API contains much less impurities per unit, compared with the standards stipulated per CHP, USP and EP. Our product's high purity and complete structure also led to an anti-factor IIa potency of not less than 200 IU/mg in 80% batches during the Track Record Period, higher than the 180 IU/mg minimum requirement stipulated per USP, EP and CHP. Specifically, our self-developed proprietary technologies include technology of impurities and components separation, technology of virus and bacteria inactivation, technology of genetic integrity protection, technology of the release of active substances and technology of directional components separation, which are protected as our know-how and trade secrets.

We have established an integrated supply chain to secure high quality crude heparin for the manufacturing of our heparin sodium API. Our supply is comprised of crude heparin produced by Independent Third Parties and our wholly-owned subsidies, Chengdu Sunrace and Shandong Ruisheng. We require that the crude heparin we purchase or produce are processed from porcine small intestines that can be traced to its supplier. As of the Latest Practicable Date, through our own subsidiaries in China and the U.S. and supply network, we had exclusive supply for over 50% of the traceable crude heparin in China and 60% in the North America by volume of the traceable heparin raw material in 2018.

During the Track Record Period, all of the heparin sodium API products we sold were produced in our facilities in Hepalink Nanshan and SPL, and our heparin sodium API products were sold to over 15 countries and regions. We are able to provide customized heparin sodium API according to our customers' specifications. Our customers remained relatively stable during the Track Record Period. Revenue generated from the sales of our heparin sodium API increased from RMB1,674.7 million in 2017 to RMB2,522.4 million in 2018 and due to the impact by African swine fever since late 2018, our revenue generated from the sales of heparin sodium API decreased from RMB2,522.4 million in 2018 to RMB1,902.3 million in 2019, accounted for 59.2%, 52.6%, 41.2% of our total revenue for the respective years.

As of the Latest Practicable Date, there were four major suppliers of heparin sodium API based in China and five major suppliers globally, according to Frost & Sullivan. According to Frost & Sullivan, we are the largest heparin sodium API supplier in the global market and our heparin sodium API product had a market share of 40.7% of the global heparin sodium API supply market by revenue in 2018. The global sales revenue of heparin sodium API reached US$1,262.8 million in 2019, which is expected to increase to US$3,317.6 million in 2025 at a CAGR of 17.5%, according to Frost & Sullivan. We believe our state-of-the-art supply chain management, rigorous quality control and manufacturing standards and proprietary manufacture technologies serve as the cornerstones of our leading position in the global heparin sodium API market, differentiate us from our competitors and strengthen our competitive advantages.

Enoxaparin sodium API

Our enoxaparin sodium API is the sodium salt of depolymerized heparin, obtained by alkaline depolymerization of heparin benzyl ester, by chemically breaking up the larger heparin chains into smaller fragments. Heparin sodium API is the primary raw material for our enoxaparin sodium API. Enoxaparin sodium API is used for the production of finished dose enoxaparin sodium pharmaceutical products.

As of the Latest Practicable Date, our enoxaparin sodium API product was one of the few enoxaparin sodium API approved by the NMPA and other regulatory authorities and qualified for sales in certain countries in Europe, South America, Asia and Africa. Moreover, we are one of the few companies with an integrated manufacturing process in compliance with U.S., EU and Chinese CGMP standards which has passed multiple inspections by the FDA, NMPA and EMA.

Our enoxaparin sodium API was approved by NMPA in 2005. We are currently under the FDA review as the API supplier referenced in a customer's and Techdow's enoxaparin ANDA applications. Our enoxaparin sodium API is produced at Techdow's facility in Nanshan, Shenzhen, China (the "Techdow Nanshan") in compliance with the EU, Chinese and Brazilian CGMP requirements, with the relevant certificate issued by the EMA in 2015 and 2018, NMPA in 2015, the Office for Registration of Medicinal Products, Medical Devices and Biocidal Products in Poland in 2013 and 2018, and ANVISA in 2011. Our production of enoxaparin sodium API at Techdow Nanshan is also in compliance with the U.S. CGMP standards, and passed the inspections by the FDA in 2012, 2015, 2018 and 2019. Moreover, our manufacturing process and facilities of enoxaparin sodium API in Pingshan Industrial Park are designed to be in compliance with the U.S, EU and China CGMP requirements and passed the EMA inspection in 2019, which will further increase our production capacity.

The high quality of our heparin sodium API and our self-developed proprietary technologies in the chemical process of the depolymerization of heparin benzyl ester allow us to maximize the yield of enoxaparin sodium API and ensure the stableness and completeness of its complex chemical features. We developed our proprietary technologies for manufacturing our enoxaparin sodium API which include directed cleavage and structural recombination techniques, targeted component and sequence selective separation techniques, and precise control techniques for purification and impurity removal of synthetic product, and are protected as our know-how and trade secrets. Our design of the manufacturing process and parameters and the technology know-how we apply in the process ensure that the structural integrity and molecular activity of our enoxaparin sodium API is highly consistent with the originator and the impurities of our enoxaparin sodium API are below or at the same level as the originator. In addition, we have established a comprehensive quality management system that guide our operations through our supply chain. We have set stringent quality standards on our enoxaparin sodium API product, which specifies a narrower range of molecular weight, a more stable molecular distribution and a more strict control of impurity than approved standards.

As a result of our proprietary production technologies, integrated supply chain and comprehensive quality management system, our enoxaparin sodium API is able to achieve a higher product quality. Potency of the anti-factor Xa activity of and the impurities contained in our enoxaparin sodium API conform with the respective requirement under the CHP, USP and EP and the potency tested in the API of our reference drug. Our stable manufacturing process also ensures less fluctuation in the product quality among each batch of enoxaparin sodium API we produce.

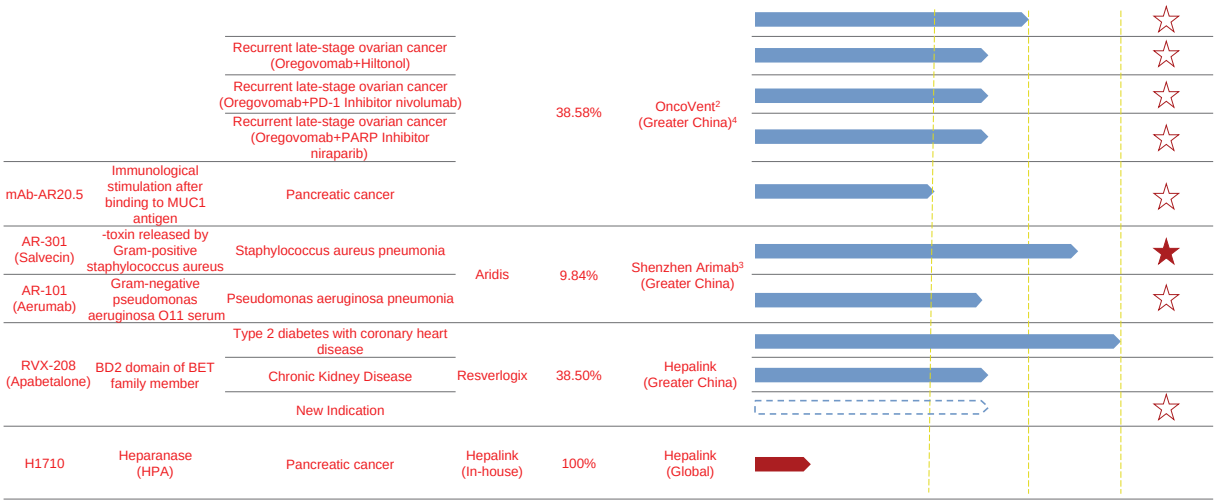
During the Track Record Period, all of the enoxaparin sodium API products we sold were produced at Techdow Nanshan, which were sold to our distributors and manufacturers of enoxaparin finished dose products in over 10 countries, primarily in the Middle East, Europe, South America and Asia, for the production of enoxaparin sodium injections. Revenue generated from the sales of our enoxaparin sodium API increased from RMB171.4 million in 2017 to RMB230.0 million in 2018 and further to RMB371.7 million in 2019, accounted for 6.0%, 4.8% and 8.1% of our total revenue for the respective years.

OUR INNOVATIVE DRUG BUSINESS

We have engaged in the investment in and development of first-in-class drug candidates that address the significant unmet clinical demands for fatal diseases with an immune system disorder axis. We have strategically invested in a number of biotech companies with first-in-class drug candidates in our focused therapeutic areas and have obtained from them exclusive development and commercial rights of certain drug candidates in the Greater China, including two drug candidates in phase III clinical trials, two drug candidates in phase II clinical trials, and one drug candidate in phase I clinical trial, as of the Latest Practical Date. We are also developing a self-discovered proprietary oncology drug candidate currently at preclinical stage.

For the drug candidates of which we own exclusive development and commercial rights in Greater China, we plan to join the respective MRCTs by opening clinical sites in China, such as phase III trial for Oregovomab and AR-301. The trial for AR-301 has been approved by the NMPA. Data from MRCTs can be submitted to multiple regulatory agencies in International Conference on Harmonization (ICH) and non-ICH countries. Our participation in the MRCTs can reduce the time lag of launching our respective drug candidates in China.

The following chart summarizes the development status of our innovative drug candidates as of the Latest Practicable Date:



[1] MRCT refers to multi-regional clinical trials, which involves more than one independent center in enrolling and following clinical trial participants. It is widely conducted by many global pharmaceutical companies to reduce the time lag of launching innovative drugs in different regions.

[2] We directly hold 54.00% equity interest in OncoVent and are entitled to additional economic interest through our 38.58% equity interest in OncoQuest and our 14.94% equity interest in Quest Pharma Tech, which together hold 40.00% equity interest in OncoVent. Any profit of OncoVent will be reflected on our financial statement under equity method through our equity interest in OncoVent and Quest Pharma Tech, in addition to our direct holding in OncoVent.

[3] We directly hold 51.00% equity interest in Shenzhen Arimab and are entitled to additional economic interest through our 9.84% equity interest in Aridis, which holds the remaining 49.00% equity interest in Shenzhen Arimab. Any profit of Shenzhen Arimab will be reflected on our financial statement under equity method through our equity interest in Aridis, in addition to our direct holding in Shenzhen Arimab.

[4] Greater China region includes PRC, Hong Kong, Macau and Taiwan.

[5]

Based on public information, HighTide is a global clinical-stage biopharmaceutical company focused on discovering and developing novel drugs to treat chronic liver diseases, gastrointestinal diseases and metabolic disorders with high unmet needs. Its leading drug candidate, HTD1801, is a first-in-class oral small molecule drug candidate. The phase II clinical trial for the usage of HTD1801 in treating primary sclerosing cholangitis (PSC) is currently ongoing and the phase II clinical trial for the treatment of nonalcoholic steatohepatitis (NASH) has been completed. The FDA has granted HTD1801 Fast Track Designation in both diseases.

Based on public information, Kymab, based in Cambridge, the UK, is a clinical stage biopharmaceutical company focused on the discovery and development of fully human monoclonal antibody drugs using its proprietary antibody platforms (IntelliSelect®) which contain the entire repertoire of human antibodies. Kymab's platform has been designed to maximise the diversity of human antibodies produced in response to immunisation with antigens. According to public source, Kymab is using its platforms for a number of internal drug discovery programmes and in partnership with pharmaceutical companies. It has a broad pipeline of therapeutic antibody programmes, with four drug candidates for immune-oncology therapy with significant growth potential.

Oregovomab

Oregovomab is an investigational first-in-class anti-CA125 immunotherapy intended to treat advanced ovarian cancer, including first-line treatment of primary advanced ovarian cancer and recurrent advanced ovarian cancer. Oregovomab is a high affinity murine monoclonal antibody specific for CA125 to induce therapeutic immunity directed against the tumor. OncoVent, a joint venture established by OncoQuest and us, in which we hold 54.0% equity interest, obtained exclusive rights to develop and commercialize Oregovomab in Greater China from OncoQuest, in which we hold 38.58% equity interest. We are entitled to additional economic interest in OncoVent through our investee companies which hold 40.00% of its equity interest in total. Oregovomab has been granted Orphan Drug Designation by the FDA and EMA for its indication in treating primary advanced ovarian cancer, for which, OncoQuest has completed a phase II clinical trial using Oregovomab as first-line therapy combined with first-line chemotherapy. Oregovomab is also undergoing three global clinical trials to evaluate Oregovomab combined with PARP inhibitor or immunotherapy for treating patients

Anti-angiogenesis inhibitors target to block the actions of vascular endothelial growth factor (VEGF), and thereby inhibiting endothelial cell proliferation and vessel formation, which will potentially slow down or stop tumor growth. Bevacizumab is an approved anti-angiogenesis inhibitor, the clinical results of which have shown that bevacizumab has limited efficacy in delaying the progression of ovarian cancer. PARP inhibitors target to block the actions of enzyme poly ADP ribose polymerase (PARP) to repair damaged DNA, which will lead to cell death and potentially slow down or stop tumor growth. PARP inhibitor olaparib is approved as first-line maintenance therapy for patients with deleterious BRCA mutations after response to first-line chemotherapy. Only around 10-15% patients with ovarian cancer had BRCA mutations, leaving the rest of patients in urgent need of new first-line treatment.

As of the Latest Practicable Date, according to Frost & Sullivan, there was no approved or commercialized immunotherapy or anti-CA125 monoclonal antibody treatment for ovarian cancer globally, and there were three anti-CA125 antibody candidates under clinical development, as shown in the table below:

Source: Frost & Sullivan Report

Oregovomab is being developed as an immunotherapy for ovarian cancer. Using murine mAb, Oregovomab has a novel immunotherapeutic mechanism of action which, in combination with immumodulating effects of the standard of care chemotherapy, has generated promising evidence. It has demonstrated to prolong life and cause a beneficial immune response which substantially improves standard of care chemotherapy. It does not increase toxicity while having an acceptable and manageable safety profile. The cumulative amount of antibody used is also lower compared to current therapy, with treatment effect achieved with only four infusions. Oregovomab has the potential to be a first-line treatment option for ovarian cancer.

Please refer to the section headed "Industry Overview—Innovative Drug Market—Ovarian Cancer" for more industry related details.

Mechanism of Action

Oregovomab is a murine monoclonal antibody IgG1 specific for tumor-associated antigen CA125. CA125 is a surface mucin-like glycoprotein antigen that is expressed on more than 95% of all nonmucinous stage III/IV epithelial ovarian carcinomas and occurs at elevated levels in the serum of patients with ovarian cancer. Increased CA125 serum levels have also been observed patients with a variety of malignancies (carcinomas of the pancreas, lung, colon, and other gastrointestinal tumors).

Oregovomab has a unique mechanism of action based on immunological stimulation following its binding to CA125. The non-human antibody, murine mAb, in combination with chemotherapy,

upon binding to tumor antigen CA125 in patient, will trigger initial human anti-mouse (HAMA) response, which through antigen presentation will stimulate antigen CA125 specific T cells. Current evidence supports that this binding *in vivo* renders the target antigen CA125 more immunogenic or "neoantigen-like" through altered and enhanced recognition, antigen processing and presentation to specific T cells. This induces antigen-antibody uptake and processing using the immunoglobulin Fc binding via the mannose receptor, FcR1, and CCR5, a binding pattern in the human unique to murine

The study included a cohort in which we demonstrated that adding Oregovomab to SOC resulted in increased patient numbers with amplified CA125-specific CD8+ T lymphocytes/ml peripheral blood counts, which might explain the improved therapeutic effect of combined treatment of chemotherapy plus Oregovomab over chemotherapy alone. The diagram below illustrates the Kaplan-Meier curve of OS by treatment group.

The clinical result of phase II shows that subjects treated with chemoimmunotherapy had a clinically significant improvement in PFS, with a median PFS of 41.8 months, compared to subjects treated with chemotherapy alone, with a median PFS of 12.2 months, p=0.0027, The diagram below illustrates the Kaplan-Meier curve of PFS by treatment group.

Source: Brewer et al., 2020 Front-line chemo-immunotherapy with carboplatin-paclitaxel using Oregovomab indirect immunization in advanced ovarian cancer: A randomized phase II study

Safety Data

Safety analysis carried out in 95 patients showed no significant difference on the incidents of adverse events, related adverse events and serious adverse events between the two groups, as indicated in the table below:

	Patients treated with chemoimmunotherapy (N=46)	Patients treated with chemotherapy (N=49)
At least 1 Treatment Emergent Adverse Event (TEAE)	38 (82.6%)	40 (81.6%)
At least 1 related TEAE	8 (17.4%)	9 (18.4%)
At least 1 TEAE with grade 3	10 (21.7%)	8 (16.3%)
At least 1 related TEAE with grade 3	0 (0.0%)	0 (0.0%)
At least 1 serious TEAE	26 (56.2%)	28 (57.1%)
At least 1 related serious TEAE	2 (4.4%)	4 (8.2%)
At least 1 TEAE leading to study withdrawal	3 (6.5%)	1 (2.0%)
At least 1 TEAE leading to death	1 (2.2%)	1 (2.0%)

Source: Brewer et al., 2020 Front-line chemo-immunotherapy with carboplatin-paclitaxel using Oregovomab indirect immunization in advanced ovarian cancer: A randomized phase II study

Clinical Development Plan

Based on the clinical data of global phase II study, a global phase III pivotal trial will start in 2020. This is a phase 3 double-blind, placebo-controlled, multi-center study to compare the safety and efficacy of Oregovomab versus placebo, administered in combination with specific cycles of a standard six-cycle chemotherapy regimen (paclitaxel—carboplatin), for the treatment of subjects with newly diagnosed advanced ovarian cancer who have undergone optimal debulking surgery. The study is expected to enroll over 500 patients with newly diagnosed, advanced ovarian cancer globally. We plan to join the phase III trial under MRCT by initiating clinical trial in China.

OncoQuest is conducting three other trials evaluating the efficacy of Oregovomab in patients with recurrent ovarian cancer, including a phase II clinical trial that tests the combination of Oregovomab and an investigational stage immune booster Hiltonol, a phase Ib/IIa clinical trial that tests the combination of Oregovomab with a PD-1 checkpoint inhibitor nivolumab, and a phase II clinical trial that tests the combination treatment of Oregovomab with a PARP inhibitor niraparib.

mAb-AR20.5

mAb-AR20.5 is a first-in-class immunotherapeutic drug that is being developed by OncoQuest and OncoVent for pancreatic cancer. mAb-AR20.5 is an activated murine monoclonal antibody IgG1 binding with high affinity to the MUC1 antigen. OncoVent acquired the exclusive rights to develop and commercialize mAb-AR20.5 in Greater China in September 2016.

Market opportunity and competition

According to Frost & Sullivan, the incidence of pancreatic cancer in China grew from 91.9 thousand in 2014 to 104.9 thousand in 2018, representing a CAGR of 3.4%, which is expected to increase to 143.6 thousand by 2028 at a CAGR of 3.2%, and to 174.5 thousand by 2035 at a CAGR of 2.8%.

The conventional therapeutic options for pancreatic cancer include surgery, radiotherapy, chemotherapy and interventional therapy. Most of the patients taking certain first-line drugs, such as

gemcitabine, have been found to develop drug resistance. The options of targeted therapy are also limited. Certain targeted therapies have been applied in combination with gemcitabine, nevertheless none of which has shown clinically significant improvement in efficacy. Recently, PARP inhibitor olaparib has been approved in the U.S. as a first-line maintenance treatment of germline BRCA-mutated metastatic pancreatic cancer. However, treatment using olaparib increased the PFS of the patients with BRCA mutation by 3.6 months, and no survival benefit was found in patients treated with olaparib. There has been limited success in the use of immunotherapy in treating pancreatic cancer. Single-agent anti-CTLA-4 ipilimumab was evaluated in a phase II study in patients with advanced pancreatic cancer in 27 patients and showed a delayed response in one patient only, indicating that single-agent ipilimumab was not an effective therapy in advanced pancreatic cancer. Moreover, in a phase I trial of anti-PD-L1 therapy, no patients with pancreatic cancer showed a clinical response. This creates huge unmet medical need for an immunotherapy with novel mechanism of action.

Studies have shown that MUC1 overexpression is associated with tumor progression, invasion and metastasis of pancreatic cancer, and its expression is closely related to the drug resistance. mAb-AR20.5 stimulates or re-activates tumor antigen MUC1-specific T cells, is expected to become a promising treatment method for pancreatic cancer.

As of the Latest Practicable Date, according to Frost & Sullivan, there was no approved or commercialized immunotherapy or anti-MUC1 antibody treatment for pancreatic cancer globally. As of the Latest Practicable Date, there were three anti-MUCI antibody candidates under clinical development, as shown in the table below:

Source: Frost & Sullivan Report

Please refer to the section headed "Industry Overview—Innovative Drug Market—Pancreatic Cancer" for more industry related details.

Mechanism of Action

mAb-AR20.5 is an activated murine monoclonal antibody IgG1 binding with high affinity to the MUC1 antigen intended for treatment of pancreatic cancer and MUC1 expressing tumors. The MUC1 is aberrantly glycosylated and overexpressed in a variety of epithelial cancers, and plays a crucial role in progression of the disease. The extracellular domain of MUC1 can serve as a ligand for stromal and endothelial cell adhesion receptors, and the cytoplasmic domain engages in several interactions that can result in increased migration and invasion, as well as survival. mAb-AR20.5 binds with high affinity to MUC1, which shed off from tumor cell when patients receive radiotherapy or chemotherapy, recognizing the tandem repeat peptide sequence DTRPAP of MUC1 extracelluar domain.

The mechanism of action of mAb-AR20.5 includes the generation of MUC1-specific immune responses through complex formation of the murine antibody with MUC1 in circulation and/or on MUC1-expressing tumor cells. Dendritic cells that acquire antigenic substances through receptor-mediated endocytosis (FcR, C-type lectins, complement receptors) as compared with macropinocytosis show facilitated uptake and T-cell activation. A "neoantgen –like" immune complex form, taken up by such receptors, have been shown to induce CD4+ and CD8+ T-cell responses. Current evidence shows a stronger CD4+ and CD8+ T-cell induction with dendritic cells pulsed *ex vivo* with MUC1-antibody complexes compared with dendritic cells pulsed with MUC1 alone. Engagement of the activating Fc receptors (CD16, CD64) also induced dendritic cell maturation. The results suggest that effective immunotherapy may be generated in immune complex form. Intravenously administered low-dose antibodies mAb-AR20.5 can target circulating antigen MUC1 and form immune complex *in vivo* that are taken up by antigen-presenting cells and thereby promote a more effective presentation of the antigen to the immune system.

Summary of Clinical Trial Data

Overview

A phase I clinical trial was completed in 2004 to evaluate the safety and immunology of mAb-AR20.5 in patients with metastatic cancer at 1, 2 and 4-mg doses. The clinical results demonstrated the bioactivity of mAb-AR20.5 along with a favorable safety profile.

Trial Design

The phase I clinical trial enrolled 17 patients with MUC1-positive cancers, who received intravenous infusions of the antibody over 30 min on weeks 1, 3, 5, 9, 13 and 17 of treatment. Patients received either a 1-, 2- or 4-mg dose of mAb-AR20.5. The principal objectives of this study were to: (i) characterize the toxicities of mAb-AR20.5 administered as a 30-min intravenous infusion on weeks 1, 3, 5, 9, 13 and 17 in patients with advanced solid malignancies at 1-, 2- and 4-mg doses; (ii) determine the most immunogenic dose with acceptable toxicity and recommend a safe starting dose on this schedule for phase II studies; (iii) characterize the humoral and cellular immunological responses induced by mAb-AR20.5; and (iv) seek preliminary evidence of antitumor activity.

Efficacy Data

Overall, five of 15 evaluable patients developed human anti-mouse antibodies (HAMA), five developed anti-idiotypic antibodies and seven developed anti-MUC1 antibodies. Immune responses were most prominent in the 2-mg dose cohort for all parameters tested, and treatment-emergent MUC1-specific T-cell responses were detected in five of 10 evaluable patients treated with mAb-AR20.5. 2-mg dose cohort and 4-mg dose cohort generate MUC1 specific T cell response. There were no objective antitumour responses.

Safety Data

Clinical results show that mAb-AR20.5 was well tolerated at all of the dose levels tested did not induce hypersensitivity reactions, with minimal toxicity being observed during this study. None of the patients discontinued the study due to adverse events, and there was no dose-limiting toxicity. Five patients were reported as having infusion-related adverse events. The majority of reported events were classified as NCI CTC grade 1 or 2. Most adverse events appeared to be transient, non-clinically significant and resolved without medical intervention.

Summary of PreClinical Data

A preclinical study was completed in 2016, which investigated the anti-tumor effect of mAb-AR20.5 in combination with anti-PD-L1 and Poly (I:C) in murine models of pancreatic adenocarcinoma using human MUC1 expressing transgenic (hMUC1.Tg) mice, which are immunologically tolerant to MUC1. The therapeutic combination of mAb-AR20.5+anti-PD-L1+Poly (I:C) induced rejection or significant inhibition of tumor growth for two different MUC1 expressing pancreatic tumor cell lines, which was accompanied by persistent MUC1 specific memory immune response, which could be adoptively transferred to other mice and shown to protect against subsequent tumor challenge.

Together, these data support the hypothesis that targeting checkpoint induced immunosuppression (anti-PD-L1) together with the use of toll-like receptor 3 agonist as an adjuvant (poly (I:C)) enhances the capacity of mAb-AR20.5 to induce specific cell mediated immune responses to MUC1, which in turn provide long lasting anti-tumor response against pancreatic tumors. The study provides a proof of principle that an effective and long-lasting anti-tumor cellular immunity can be achieved in pancreatic tumor-bearing hosts against their own antigen (MUC1), which can be further potentiated using a vaccine adjuvant and an immune checkpoint inhibitor. The results support the rapid translation of this strategy into clinical trials for pancreatic cancer patients.

Clinical Development Plan

OncoVent is in the process of preparing for phase Ib/II clinical trial to assess the safety and efficacy of using combined treatment of mAb-AR20.5 and chemotherapy (FOLIRINOX) for pancreatic cancer.

AR – 301 (Salvecin)

AR-301 is a first-in-class fully human monoclonal IgG1 antibody (mAb), being developed for the treatment of patients with severe ventilator-associated pneumonia (VAP) or hospital-acquired pneumonia (HAP) caused by *Staphylococcus aureus* (*S. aureus*). AR-301's mode of action is independent of the antibiotic resistance profile of *S. aureus* and it is active against infections caused by both methicillin-resistant staphylococcus aureus (MRSA) and methicillin-sensitive staphylococcus aureus (MSSA). AR-301 is being developed by Aridis in which we hold a 49.8% equity interest. Shenzhen Arimab, a joint venture company formed by Aridis and us, in which hold 51% equity interest, acquired the exclusive development and commercial rights of AR-301 in Greater China in February 2018. We are entitled to additional economic interest in Shenzhen Arimab through our investee company which holds the remaining 49.00% of its equity interest. AR-301 has been granted Fast Track Designation by the FDA and Orphan Drug Designation by the EMA.

Market opportunity and competition

There is significant market potential for the treatment of VAP and HAP caused by *S. aureus* in China. According to Frost & Sullivan, the incidence of VAP and HAP caused by *S. aureus* in China increased from 326.3 thousand in 2014 to 411.1 thousand in 2018, representing a CAGR of 5.9%, which is expected to reach 571.8 thousand by 2028 at a CAGR of 3.4%, and 657.7 thousand by 2035 at a CAGR of 2.0%.

Anti-infection therapy of VAP and HAP includes initial empiric antibiotic therapy with monotherapy or combined antibiotic therapy, that evolves into pathogen-specific antibiotic therapy.

MRSA is one of the most common drug-resistant pathogens in VAP and HAP. Glycopeptides and linezolid are two antibiotics commonly used for MRSA-specific infections, and development of further drug resistance is a major concern.

Anti-infective mAb is a new class of anti-infective drugs that has the potential to become the standard of care treatment for VAP and HAP due to its superior safety profile, a remarkably long plasma half-life period, and a low possibility of drug resistance. Anti-infective mAbs are typically used as an adjunctive treatment, and applied together with antibiotics, for VAP and HAP.

According to Frost & Sullivan, as of the Latest Practicable Date, there was no approved or commercialized mAb drug and three mAb drug candidates at clinical stage that are indicated to treat HAP or VAP caused by *S. aureus*. There was only one drug candidate with similar mechanism of action as AR-301, which neutralizes the pathogenic effects brought about by *S. aureus* toxins, as shown in the table below:

Source: Frost & Sullivan Report

Please refer to the sub-section headed "Industry Overview—Innovative Drug Market—VAP and HAP Caused by Staphylococcus Aureus" for more details.

Mechanism of Action

AR-301 specifically targets *S. aureus* alpha-toxin, an important virulence factor that is secreted by both MRSA and MSSA. AR-301 binds to alphatoxin with high affinity and prevents its assembly into an active complex, which prevents alphatoxin-mediated breakdown of cell membranes, or cell lysis of erythrocytes, human lung cells and immune cells such as lymphocytes. This prevention of killing of host cells, in turn, may protect the patient from further progression of pneumonia disease and systemic spread of infections caused by *S. aureus*. During infection and active proliferation, *S. aureus* is metabolically more virulent, geared toward higher toxin production than during a more sessile colonization stage. In contrast to other programs targeting *S. aureus* colonization, AR-301 targets the active, disease enhancing infection stage. We believe that this mechanism of action complements the bacterial killing properties of multiple conventional antibiotics, essentially neutralizing the bacterial toxins left behind following antibiotic-mediated killing. Additional indications for AR-301 may include other *S. aureus* infections, particularly surgical site infections, blood stream infections (bacteremia and/or endocarditis), septic arthritis and osteomyelitis, skin and soft tissue infections and non-healing wounds such as diabetic ulcers.

Source: prospectus of Aridis dated August 13, 2018

Summary of Clinical Trial Data

Overview

A double-blind, placebo-controlled, active comparator, ascending dose phase I/II clinical trial of AR-301 was completed in September 2016 to assess the safety, tolerability, pharmacokinetics, pharmacodynamics and explore efficacy of a single intravenous administration of AR-301 plus SOC antibiotics in patients with severe VAP caused by *S. aureus*. The phase I/II clinical results showed that patients treated with AR-301 spent less time on mechanical ventilation and there was a trend toward higher and faster eradication rates of *S. aureus* compared with the placebo group treated with SOC antibiotics alone.

Trial Design

The phase I/II clinical trial included 13 sites located across Belgium, France, Spain, the United Kingdom, and the U.S. and was designed primarily to address the safety and pharmacokinetics of AR-301. 48 patients were enrolled in the study. Six patients enrolled in the first cohort (1 mg/kg AR-301 plus SOC), eight in the second cohort (3 mg/kg AR-301 plus SOC), ten in the third cohort (10 mg/kg AR-301 plus SOC) and eight in the fourth cohort (20 mg/kg AR-301 plus SOC). An additional 16 patients received placebo plus SOC as a blind control.

Efficacy Data

Multiple efficacy endpoints of clinical improvement were evaluated, including time to extubation, ventilation time and microbiological outcomes. In exploratory analysis of the VAP subgroup of 25 patients, numeric clinical improvement of antibody treated patients over placebo were observed in time to extubation. The clinical results suggest that the addition of AR-301 to SOC treatment may increase the rate of microbiological eradication, and may reduce time to eradication, time on mechanical ventilation and overall duration of hospital stay.

Time intubated to day 28 showed a decrease in the length of time patients who were treated with AR-301 plus SOC remained intubated as compared to those receiving placebo and SOC. When the subset of 25 patients with VAP was assessed, ventilation time was reduced numerically for patients in all four active dose groups receiving AR-301 plus SOC compared to those receiving placebo plus SOC. The lack of dose response could be attributed to high variability associated with a small sample

size, and/or to the high level of circulating AR-301 mAb as compared to alphatoxin load in infected patients, as even at the lowest dose administered (i.e. one mg/kg), it is estimated that there is more than ten-fold mAbs than the predicted alphatoxin load.

investigators. None of the SAEs were deemed related to AR-301 treatment. Immunogenicity was observed in one subject, with no related adverse event. No significant difference in mortality was observed between groups. There were six deaths in the trial, none of which were deemed related to AR-301. The pharmacokinetic, or PK, profile of AR-301 is consistent with that of a human IgG1mAb, with a plasma half-life of 23 to 31 days, and supports a single-dose administration for the pneumonia indication, as illustrated in the diagram below.

Source: Francois et al., 2018 Safety and tolerability of a single administration of AR-301, a human monoclonal antibody, in ICU patients with severe pneumonia caused by Staphylococcus aureus: first-in-human trial

Clinical Development Plan

A global phase III randomized, double-blind, placebo-controlled clinical trial is currently ongoing, which compares the treatment with active comparator AR-301 (20 mg/kg) plus SOC to treatment with placebo plus SOC. The trial started in May 2019 and targets to enroll approximately 240 patients in over 15 countries. We received the NMPA approval for the phase III clinical trial in China as part of the global MRCT of AR-301 in July 2019. We have engaged an international CRO, for the trial and we plan to initiate patient enrollment by the end of 2020.

AR—101 (Aerumab)

AR-101 is a first-in class human IgM monoclonal antibody targeting lipoplysaccharide (LPS) on the surface of P. aeruginosa serotype O11, being developed by Aridis for treatment of patients with severe VAP or HAP caused by *Pseudomonas aeruginosa* (*P. aeruginosa*). Shenzhen Arimab acquired the exclusive rights to develop and commercialize AR-101 in Greater China in February 2018. It has been granted an Orphan Drug Designation from the FDA and EMA.

Market opportunity and competition

There is significant market potential for the treatment of HAP and VAP caused by *P. aeruginosa* in China. According to Frost & Sullivan, the incidence of HAP and VAP caused by *P. aeruginosa* in China grew from 446.3 thousand in 2014 to 558.2 thousand in 2018, representing a CAGR of 5.8%, which is expected to increase to 823.2 thousand by 2028 at a CAGR of 4.0%, and to 948.3 thousand by 2035 at a CAGR of 2.0%.

P. aeruginosa is a common pathogenic bacteria of HAP and VAP, which can be treated by specific antibiotics such as cephalosporin, carbapenem, lactamase inhibitors, aminoglycosides and

polymyxin. However, anti-microbial resistance in major pathogens of HAP and VAP, such as *P. aeruginosa*, may ultimately result in treatment failure. Anti-infective mAb is a new class of anti-infective drugs that may become the standard of care treatment for HAP and VAP caused by *P. aeruginosa* due to its superior safety profile and a lower possibility of drug resistance. Anti-infective mAbs are typically used as an adjunctive treatment, and applied together with antibiotics, for VAP and HAP.

According to Frost & Sullivan, as of the Latest Practicable Date, there was no approved or commercialized mAb drug and one mAb drug candidate for treating HAP or VAP caused by *S. aureus*. at clinical stage. There was no drug candidate with similar mechanism of action as 1A1, which is effective against multidrug resistant LPS serotype O11 *S. aureus* clinical isolates.

Source: Aridis Prospectus dated August 13, 2018

Summary of Preclinical Data

AR-101 reacts with a wide range of *P. aeruginosa* serotype O11 clinical isolates from different hospitals, indicating broad application against infections with this serotype. AR-101 is also capable of stimulating phagocytic immune cells to ingest *P. aeruginosa* bacterial cells in a dose dependent manner, thereby killing the pathogen. Passive immunization with murine mAb recognizing O-polysaccharides in LPS of *P. aeruginosa* conferred protection against lethal challenge with live pseudomonas bacteria in several animal models of pneumonia infections. In preclinical studies, AR-101 was found to demonstrate attenuating protection against pulmonary infections caused by *P. aeruginosa* serotype O11 and exhibited a complementary effect with meropenem, a broadspectrum antibiotic.

Additionally, the following observations were found in preclinical studies of AR-101. AR-101 protected mice in a dose-dependent manner from *P. aeruginosa* infection after a burn-wound challenge. Doses of five mg/mouse (corresponding to about 0.2 mg/kg body weight) conferred 70% to 100% protection from systemic *P. aeruginosa* challenge. Administration of decreasing doses resulted in lower survival rates and administration of AR-101 led to rapid clearance of *P. aeruginosa* from the lung in mice and was associated with milder lung pathology six and 24 hours after infection. In addition, AR-101-treated animals had a significantly lower systemic *P. aeruginosa* bacterial load compared to control animals that received saline. To mimic the adjunctive use of AR-101 in humans, AR-101 was administered in combination with meropenem (used clinically to treat pseudomonal infections) in a modified lung challenge model. When meropenem and AR-101 were administered in combination, significant reductions in lung weight (a surrogate marker for injection-induced inflammation), bacterial load and lung inflammation were observed in infected mice compared to each agent given alone.

Summary of Clinical Trial Data

Overview

Two clinical studies of AR-101 were completed, including a phase I safety and tolerability trial of single ascending doses of AR-101 in healthy adults and an open-label phase IIa safety and pharmacokinetics trial of up to three single doses of AR-101 in pneumonia patients. These studies suggested AR-101 to be generally well tolerated in both healthy adults and HAP and VAP patients.

Also, a contemporaneous control cohort suggested that AR-101 therapy may improve survival, cure rate of the index pneumonia, and time to cure pneumonia.

Trial Design

Phase I study was a randomised, double-blind, placebo-controlled study in healthy volunteers to assess the safety and pharmacokinetic characteristics of AR-101. The study enrolled 32 volunteers in four antibody treatment cohorts at doses of 0.1, 0.4, 1.2 and 4.0 mg/kg as well as placebo cohort.

The open-label phase IIa study was the first study performed in the target indication of patients with severe bacterial pneumonia caused by *P. aeruginosa* serotype O11. Patients treated with AR-101 (n=17), including 13 patients receiving the full treatment (three doses of 1.2 mg/kg), were compared to 14 patients who did not receive the antibody. Overall, the 17 patients receiving AR-101 were more ill.

Phase I Clinical Data

No SAEs were observed, and no subject was discontinued due to an AE. Reported AEs were mild or moderate in intensity, and all resolved without sequelae, and the incidence of AEs did not increase with the dose. There was no activation of an immune response against AR-101. Pharmacokinetic characteristics that were observed were consistent with the characteristics of a human IgM, with a serum half-life between 70 and 95 hours.

Phase IIa Clinical Data

Adjunctive therapy AR-101 resulted in an improved clinical outcome in the group receiving the full three-course AR-101 treatment, with a resolution rate of 85% (11/13) versus 64% (9/14) (p=0.048). The data showed a statistically significantly shorter time to clinical resolution in this group of patients (8.0 versus 18.5 days in those who did not receive the antibody; p=0.004), and more disease-free days (22 versus 12.5 days in those who did not receive the antibody (p=0.028)). Adjunctive therapy AR-101 may improve clinical outcome in a shorter time if patients receive the full treatment (three doses). The mortality rates were not statistically significant between groups.

These preliminary results suggest that AR-101 targeting LPS may be a complementary strategy for the treatment of *P. aeruginosa* pneumonia.

	All patients (n=31)	Not treated with AR-101 (n=14)	AR-101 "intent-to-treat", 1 dose (n=17)	AR-101 "per-protocol", three doses (n=13)	p-Values: not treated vs. 1 dose, not treated vs. three doses
Time (days) to clinical resolution of pneumonia, median (IQR)	12.0 (8.0-30)	18.5 (8.0-30)	10.0 (7.0-23)	8.0 (7.0-12)	NS, 0.004
Clinical resolution of pneumonia,					

Clinical Development Plan

Aridis plans to announce the clinical development plan of AR-101 in the second half of 2020.

RVX—208 (Apabetalone)

RVX-208 is an investigational first in class oral BET inhibitor that preferentially targets bromodomain 2 (BD2) of BET proteins, indicated for treating type 2 diabetes patients with coronary heart disease (CHD) and patients with chronic kidney disease (CKD). We obtained the exclusive development and commercial rights in Greater China from Resverlogix in July 2015, in which we held 38.50% equity interest as of the Latest Practicable Date.

Market opportunity and competition

There is significant market potential for the treatment of type 2 diabetes with CHD and CKD in China. According to Frost & Sullivan, the diagnosed patients of type 2 diabetes with CHD in China grew from 5.1 million in 2014 to 6.1 million in 2018, representing a CAGR of 4.6%, and is expected to increase to 10.8 million by 2028 at a CAGR of 5.9%, and to 12.5 million by 2035 at a CAGR of 2.1%. The diagnosed diabetic patients of CKD in China increased from 10.6 million in 2014 to 12.7 million in 2018, representing a CAGR of 4.6%, which is expected to reach 23.4 million by 2028 at a CAGR of 6.3%, and 28.3 million by 2035 at a CAGR of 2.8%.

Although treatment of cardiovascular disease (CVD) includes many therapeutic agents, for example lipid lowering drugs such as statins, heart rate lowering agents such as beta blockers and blood pressure lowering drugs such as ACE inhibitors, there still remains a large residual risk of MACE in patients that receive these treatments. Glucose-lowering agent is currently the major treatment option for preventing major adverse cardiac events in patients with type 2 diabetes mellitus and recent acute coronary syndrome, primarily including metformin, GLP-1 receptor agonist, SGLT2 inhibitors, thiazolidinedione and alpha-glucosidase inhibitors. Metformin decreases blood glucose level

to the sub-sections headed "Industry Overview—Innovative Drug Market—Type 2 Diabetes with CHD" and "Industry Overview—Innovative Drug Market—Chronic Kidney Disease" for more details.

Mechanism of Action

RVX-208 is the first BET inhibitor in clinical trials for high risk vascular disease. Bromodomains ("BRDs") are a family of evolutionary conserved protein-interaction modules that play key functions in chromatin organisation and regulation of gene transcription. One recognised family of bromodomain-containing proteins is the BET family. RVX-208's "Epigenetic Mechanism of Action" illustrates that it functions as an inhibitor of the BET proteins. RVX-208 is the first oral agent in the BET inhibitor class that preferentially targets bromodomain 2 ("BD2") of BET proteins. In binding to this bromodomain, RVX-208 affects the expression of multiple genes with roles in a variety of cellular processes.

The human body is made up of nearly two hundred different cell types that have cell-specific functions resulting from the selective production of the proteins encoded by human DNA and, more specifically, human genes. Aberrant levels of proteins can contribute to disease progression and disease states. Epigenetics describes the mechanisms by which gene activity is regulated, thereby affecting levels of transcription into messenger RNA ("mRNA") which is then translated into protein. Epigenetics is the study of modifications to chromatin (DNA associated with proteins) that, without affecting the DNA sequence, result in regulation of gene transcription, the first step in producing the proteins that each gene encodes. Such modifications determine whether a gene is "on" or "off" or whether its activity is high or low in a particular cell type, in different disease states or in response to a physiological stimulus. Chromatin modifications are added by enzymes called "writers" and removed by enzymes called "erasers". Other proteins, called "readers", recognize a specific pattern of modifications. In contrast to "writers" and "erasers" that add or remove post-translational modifications, "readers" detect the presence or absence of these modifications and serve as a scaffold for the transcriptional machinery directly responsible for gene expression. BET proteins are "readers", proteins that recognize a specific pattern of modifications and bind to the chromatin at these sites. The BET proteins then serve as a scaffold, recruiting the necessary transcriptional machinery to the chromatin to drive gene expression and ultimately protein production.

Source: https://www.resverlogix.com/science-and-programs/epigenetics

Post ACS diabetes patients have a high incidence rate of congestive heart failure (CHF) possibly because lack of collateral vessels and a stunned myocardium. In BETonMACE, 77 patients had CHF hospitalization as a first event. When CHF was added to the primary endpoint posthoc as the forth MACE, a nominally significant reduction of 22% was seen ($p = 0.03$), as illustrated in the figure below.

Kaplan-Meier Estimates of Time to First Occurrence of the cardiovascular death, non-fatal myocardial infraction, stroke or first hospitalization for congestive heart failure

Source: RVX-208 summary report

Also, RVX-208 improved CVD outcomes in the subgroup of patients with renal impairment, with baseline estimated glomerular filtration (eGFR) below 60mL/min. Especially, there is a 50% hazard reduction in narrowly defined MACE, among patients treated with RVX-208 plus SOC, compared with patients who receive placebo, ($p = 0.03$).

Safety Data

RVX-208 was generally well tolerated with an overall incidence of AEs and SAEs similar to that of the placebo group.

Clinical Development Plan

The FDA granted Breakthrough Therapy Designation in February 2020 for RVX-208 in combination with top standard of care, including high-intensity statins, for the secondary prevention of major adverse cardiac events in patients with type 2 diabetes mellitus and recent acute coronary syndrome. According to the FDA, Breakthrough Therapy Designation is intended to expedite the development and review of new drugs to address unmet medical need in the treatment of serious or life-threatening conditions. The criteria for Breakthrough Therapy Designation require preliminary clinical evidence that demonstrates the drug may have substantial improvement on at least one clinically significant endpoint over available therapy.

H1710

H1710 is a heparin-like compound that inhibits heparanase activity. The drug candidate is currently at preclinical stage. We are preparing for the IND filing for H1710 in both China and the

U.S., and we aim to submit the IND application as a biologic drug candidate for oncology with the NMPA and the FDA by the end of 2020.

Market Opportunity and Competition

Heparanase is a heparin sulfate specific endo-ß-D glucuronidase. Expression of heparanase is observed in almost all types of cancer examined, including various carcinomas, sarcomas and hematological malignancies and tightly correlates with increased tumor size, angiogenesis, metastasis and poor prognosis.

SST0001 (roneparstat) is one heparanase inhibitor currently under clinical study. Roneparstat is a modified heparin composed of 100% N-acetylated and 25% glycol split. Compared to unmodified heparin, roneparstat is able to inhibit the heparanase enzymatic activity with a decreased ability to release extracellula

ligand to interact with an unknown receptor to activate various downstream signal pathways and in turn support tumor growth, invasiveness and chemoresistance, as illustrated in the diagram below.

In addition, numerous mouse model and clinical association studies have consistently demonstrated that enhanced expression of heparanase is observed in almost all types of cancer examined, including various carcinomas, sarcomas and hematological malignanciesm, and tightly correlates with increased tumor size, angiogenesis, metastasis and poor prognosis.

H1710 is a potent inhibitor of heparanase. It has suitable chain length to bind the two separate heparin-binding domains (HBDs) of heparanase. Its unique flexible chain can dive into the catalytic pocket and keep it from being degraded. In this way, H1710 decreases the pocket's accessibility and degrading ability to the natural substrate HS. The diagram below illustrates the postulated inhibitory mechanisms of H1710 on heparanase.

The unique structure and character of H1710 enable it to efficiently inhibit the activity of heparanase, reduce heparanase expression both *in vitro* in tumor cells and *in vivo* in tumors using pancreatic, lung and breast cancer models, and further demonstrate additive and/or synergistic effect with several cancer drugs including docetaxel, cisplatin and gemcitabine both *in vitro* and *in vivo*.

Summary of PreClinical Data

In the in vitro screening experiment, the inhibitory IC50 value of H1710 on HPA activity was at the nM level, and it was one of the compounds with08 76a2e3 best inhibitory activity currently found. A series of tests in vitro, including cell scratching, migration and cell growth, have also confirmed H1710 is effective in inhibiting tumor metastasis and growth.

In a preclinical trial, we established a metastasis model by inoculating breast cancer08 76.8(cells)-32

inhibiting tumor metastasis. We found 2eat application of H1710 alone or application of H1710

We also tested H1710's effect in inhibiting tumor growth by inoculating human tumor cells into the left back of immunodeficient mice to establish a human carcinoma xenograft model. We found that H1710 has a good effect on various models such as pancreatic cancer and lung cancer. The results show that the application of H1710 alone or in combination with gemcitabine can significantly inhibit the growth of subcutaneous tumors. Some of the H1710-treated mice even show tumor shrinkage or disappearance. The diagram below is a subcutaneous tumor model of pancreatic cancer Mia PaCa-2.

Pipeline Drugs of Our Portfolio Companies

We have strategically invested in a number of biotech companies with first-in-class drug candidates in therapeutic areas that address the significant unmet clinical demands.

HighTide's HTD1801

As of the Latest Practicable Date, we held 47.02% equity interest in HighTide. HighTide's leading drug candidate, HTD1801, is a first-in-class oral small molecule drug candidate. The phase II clinical trial for the usage of HTD1801 in treating PSC is currently ongoing and the phase II clinical trial for the treatment of NASH was completed in March 2020. The FDA has granted HTD1801 Fast Track Designation in both diseases.

NASH

There is significant market potential for the treatment of NASH in China. According to Frost & Sullivan, the prevalence of NASH in China grew from 32.8 million in 2014 to 36.2 million in 2018, representing a CAGR of 2.5%, which is expected to increase to 43.1 million by 2023 at a CAGR of 3.6%, and to 55.5 million by 2030 at a CAGR of 3.7%.

Currently, the most effective method to control NASH is changes in lifestyle, primarily through diet control and regular exercise. There is no evidence-based approved drug or surgical therapy for the treatment of NASH, suggesting significant unmet medical needs. All the drugs applied are used to treat the complications of NASH, prevent damages to the liver, and control the progression, however, there is no evidence that verifies their effects on treating NASH. Bariatric surgery aims to relieve symptoms and lower the risk of causing cardiovascular diseases, but no evidence has suggested its efficacy in

treating NASH. Liver transplantation is also not a promising therapeutic option due to the lack of liver source and the high probability of recurrence. Numerous obstacles make drug development for NASH treatment a challenge. The complexity of the pathogenesis of the disease, which involves multiple pathways, requires targeting of more than one pathway or a combination-based therapy. The complex interactions among numerous metabolic pathways, the immune system and the gut prevent the development of a one drug-based therapy that can provide a cure for NASH.

As of the Latest Practicable Date, there was no approved or commercialized targeted therapy drug for NASH globally. The following table shows the current status of small-molecule targeted therapy drug candidates for NASH treatment at clinical stages worldwide:

Source: Frost & Sullivan Report

Please refer to the sub-section headed "Industry Overview—Innovative Drug market—Non-Alcoholic Steatohepatitis" for more details.

PSC

According to Frost & Sullivan, the prevalence of PSC in China increased from 109.4 thousand in 2014 to 115.1 thousand in 2018, representing a CAGR of 1.3%, which is expected to reach 126.1 thousand by 2023 at a CAGR of 1.8%, and 144.9 thousand by 2030 at a CAGR of 2.0%. There are two main therapeutic options for PSC, including drug therapies, which involves ursodeoxycholic acid ("UDCA") or corticosteroids combined with immunosuppressants, and surgical therapies, such as liver transplantation. Neither of the two conventional drug therapies is proven with superior efficacy in treating classic PSC. While liver transplantation is generally believed to be the most recommended therapy for PSC, it is not commonly available due to the lack of liver source.

As of the Latest Practicable Date, there was no approved or commercialized targeted therapy drug for PSC globally. The following table shows the current status of small-molecule targeted therapy drug candidates for PSC treatment at clinical stages worldwide:

Source: Frost & Sullivan Report

Kymab's drug candidates

As of the Latest Practicable Date, we held 8.60% equity interest in Kymab. Based on public information, Kymab has a broad pipeline of therapeutic antibody programmes, with the following four leading drug candidates for immune-oncology therapy with significant growth potential:

— KY1005, a Phase IIa OX40L targeting therapy for Atopic Dermatitis

— KY1044, a Phase I/II first-in-class ICOS targeting immune-oncology therapy for solid tumours

— KY1043, a first-in-class PD-L1 targeted immunocytokine therapy for solid tumours

— KY1051, a CXCR4 targeting immuno-oncology therapy for solid tumours

KY1005

Atopic dermatitis is an inflammatory, pruritus, chronic or chronically relapsing skin disease. Atopic dermatitis is one of the most common non-skin diseases that affects up to 20% of children and 2%-8% of adults in most countries. Atopic dermatitis is often the first step in the development of other atopic diseases. Topical treatment and systemic therapy are the two major treatment options for atopic dermatitis. Topical treatment primarily includes topical glucocorticosteroid and topical calcineurin inhibitor, which are applied directly on inflammatory skin as needed. Systemic therapy includes antihistamine, immunosuppressant, glucocorticosteroid and monoclonal antibody.

Currently, the primary treatment for patients with moderate-to-severe atopic dermatitis is immunosuppressant, which is a broad-spectrum treatment. There is a huge unmet medical need for effective, well-tolerated and narrow-spectrum therapeutics, such as mAbs. Specifically, KY1005 is an mAb that targets OX40L.

According to Frost & Sullivan, as of the Latest Practicable Date, there was one commercialized mAb drug that treats atopic dermatitis, as set forth in the table below:

Source: Frost & Sullivan analysis

According to Frost & Sullivan, as of the Latest Practicable Date, there were a few mAb drug candidates that treat atopic dermatitis, none of which has similar mechanism of action as KY1005, as set forth in the table below:

Source: Frost & Sullivan Report

KY1044, KY1043 and KY1051 are either at pre-clinical development or at early-phase clinical development, the specific indications of which have not been determined. Therefore, we are not able to identify the competitors for each of such drug candidates.

OUR CDMO BUSINESS

Overview

We operate our CDMO business through two platforms, Cytovance and SPL. The two platforms give our customers access to a truly unique assemblage of CMC services for supporting the vast spectrum of recombinant and naturally derived large molecule pharmaceutical products and critical non-viral vectors and intermediates for gene therapy. Both platforms offer services including R&D services, manufacturing services, quality assurance and program arrangement across the drug development lifecycle from late discovery lead selection to clinical CGMP-compliant manufacture and commercial supply. In addition to dealing with fee-for-service and commercial supply contracts, our CDMO platform also enables us to rapidly develop our own diverse innovative drug pipeline.

Our CDMO business is overseen by Dr. Yan Wang, president of SPL. Dr. Wang holds a Ph.D. degree in chemistry and has more than 20 years of experience in the pharmaceutical industry. Other

key management members in our CDMO business include Cytovance's chief executive officer, Dr. Jesse D. McCool, and SPL's director of specialty product business, Mark Romich. Dr. McCool

The tables below set forth our ten largest customers and projects for the years indicated. The revenue contribution to our CDMO services from our ten largest customers increased from 70.5% in 2017 to 74.9% in 2018 and further to 81.6% in 2019, primarily because Cytovance's microbial fermentation capacity increased as a result of the launching of the new facility in August 2018, which enabled us to expand our services to the customers. In particular, the percentage of revenue contribution from customer b increased from 10.8% in 2017 to 30.4% in 2018, primarily attributable to the increase in its estimated clinical demand of the product, and continued to increase to 37.5% in 2019, as a result of the increased estimated clinical demand and our enhanced production capacity. The percentage of revenue contribution from certain customers fluctuated during the Track Record Period, which was primarily associated with the fluctuation of their demand, as the development and commercialization of their product candidates progressed.

Ten Largest Customers for the year ended December 31, 2017	Company Background[1]	Scale of Operation[1]	Years of Collaboration[2]	Service Provided	Revenue	Percentage Contribution to Total Revenue from CDMO Services
					RMB' 000	
1. Customer a	A clinical-stage biotechnology company that develops protein therapies established since 2009	• Product candidates primarily at early-phase development • Revenue of over US$50 million in 2019	Since 2015	Late-phase (phase III) clinical development	45,267	14.0%
2. Customer b	A biotechnology company that develops immuno-oncology treatments established since 2010	• Customer group had over 20 approved drugs • Customer group had revenue of over US$20 billion in 2019	Since 2013	Late-phase (phase III) clinical development	34,975	10.8%
3. Customer c	A clinical-stage biotechnology company that focuses on the development of oncology treatments established since 2006	Product candidates primarily at early-phase development	Since 2017	Early-phase (phase I & II) clinical development	27,531	8.5%
4. Customer d	A clinical-stage biopharmaceutical company that focuses on monoclonal antibody immunotherapies established since 2010	Product candidates primarily at early-phase development	Since 2016	Late-phase (phase III) clinical development	25,297	7.8%
5. Customer e	A manufacturer of formulations established since 1977	• Customer group had over 130 approved products, 100 validated APIs and sales to the U.S. and other global markets • Customer group had over revenue of over INR100 billion	Since 2015	Early-phase (phase I & II) clinical development	19,739	6.1%
6. Customer f	A global pharmaceutical company that develops, manufactures and markets various biopharmaceutical products established since 1933	• Over 10 approved drugs, over 50 drug candidates, and sales to the U.S. and other global markets • Revenue of over US$25 billion in 2019	Since 2016	Early-phase (phase I & II) clinical development	19,450	6.0%
7. Customer g	A company that engages in the development of various drugs and substances established since 2001	Product candidates primarily at early-phase development	Since 2015	Pre-clinical development	17,685	5.5%

Ten Largest Customers for the year ended December 31, 2017	Company Background(1)	Scale of Operation(1)	Years of Collaboration(2)	Service Provided	Revenue	Percentage Contribution to Total Revenue from CDMO Services
					RMB' 000	
8. Customer h	A clinical-stage biotechnology company that focuses on overcoming immunogenicity issues established since 2007	Product candidates primarily at early-phase development	Since 2014	Late-phase (phase III) clinical development	15,389	4.7%
9. Customer i	A clinical-stage biopharmaceutical company that develops innovative therapeutics for thrombotic cardiovascular diseases	A clinical-stage biopharmaceutical company	Since 2013	Pre-clinical development	12,17	3.7%
10. Customer j	A pharmaceutical company that develops, manufactures and markets branded and generic prescription pharmaceuticals established since 2001	• Over 40 approved drugs and over 100 drug candidates • Net revenue of over US$200 million in 2019	Since 2016	Process development	11,036	3.4%
Total	—			—	228,540	70.5%

Note:
(1) Company background and scale of operation are based on public information.
(2) Years of collaboration refers to the period since we first entered into agreement with the customer.

Ten Largest Customers for the year ended December 31, 2018	Company Background(1)	Scale of Operation(1)	Years of Collaboration(2)	Service Provided	Revenue	Percentage Contribution to Total Revenue from CDMO Services
					RMB' 000	
1. Customer b	A biotech company that develops immuno-oncology treatments established since 2010	• Customer group had over 20 approved drugs • Customer group had revenue of over US$20 billion in 2019	Since 2013	Late-phase (phase III) clinical development	166,618	30.4%
2. Customer a	A clinical-stage biotechnology company that develops protein therapies established since 2009	• Product candidates primarily at early-phase development • Revenue of over US$50 million in 2019	Since 2015	Late-phase (phase III) clinical development	54,079	9.9%
3. Customer d	A clinical-stage biopharmaceutical company that focuses on monoclonal antibody immunotherapies established since 2010	Product candidates primarily at early-phase development	Since 2016	Late-phase (phase III) clinical development	38,027	6.9%
4. Customer k	A biotechnology company that focuses on the development of antibody therapeutics established since 2014	Product candidates primarily at early-phase development	Since 2017	Early-phase (phase I & II) clinical development	31,502	5.7%

Ten Largest Customers for the year ended December 31, 2018	Company Background[1)]	Scale of Operation[1)]	Years of Collaboration[(2)]	Service Provided	Revenue	Percentage Contribution to Total Revenue from CDMO Services
					RMB' 000	
5. Customer l. . . .	A clinical-stage biotechnology company that develops vaccines treating immune mediated diseases established since 2014	Product candidates primarily at early-phase development	Since 2017	Early-phase (phase I & II) clinical development	25,771	4.7%
6. Customer j. . . .	A pharmaceutical company that develops, manufactures and markets branded and generic prescription pharmaceuticals established since 2001	• Over 40 approved drugs and over 100 drug candidates • Net revenue of over US$200 million in 2019	Since 2016	Process development	24,044	4.4%
7.						

Ten Largest Customers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Years of Relationship[2]	Service Provided	Revenue	Percentage Contribution to Total Revenue from CDMO Services
					RMB' 000	
1. Customer b	A biotech company that develops immuno-oncology treatments established since 2010	• Customer group had over 20 approved drugs • Customer group had revenue of over US$20 billion in 2019	Since 2013	Late-phase (phase III) clinical development	294,916	37.5%
2. Customer j	A pharmaceutical company that develops, manufactures and markets branded and generic prescription pharmaceuticals established since 2001	• Over 40 approved drugs and over 100 drug candidates • Net revenue of over US$200 million in 2019	Since 2016	Process development and manufacturing	88,300	11.2%

Ten Largest Customers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Years of Relationship[2]	Service Provided	Revenue	Percentage Contribution to Total Revenue from CDMO Services
					RMB' 000	
10. Customer c	A clinical-stage biotechnology company that focuses on the development of oncology treatments established since 2006	Product candidates primarily at early-phase development	Since 2017	Early-phase (phase I & II) clinical development	14,090	1.8%
Total	—			—	641,833	81.6%

Note:
(1) Company background and scale of operation are based on public information.
(2) Years of collaboration refers to the period since we first entered into agreement with the customer.

As of the Latest Practicable Date, we had a backlog of US$56.3 million, which represents the total amount of contracted fees for services that we have contracted to perform but have not performed yet. Out of such backlog, approximately US$41.4 million and US$14.9 million are expected to be generated in 2020 and 2021 onwards, respectively, based on the assumption that the relevant contracts will be performed in accordance with their respective terms and expected timetables. As of the Latest Practicable Date, we had 49 on-going projects. The following table sets forth the status of and the backlog from our on-going projects as of the Latest Practicable Date:

Biologics development stage	Number of on-going projects	Backlog (US$ in million)
Pre-IND		
Drug discovery	2	0.1
Preclinical development	15	13.6
Subtotal	17	13.7
Clinical trial		
Early-phase (phase I & II) clinical development	18	7.1
Late-phase (phase III) clinical development	7	16.0
Subtotal	25	23.1
Commercial manufacturing	7	19.6
Total	49	56.3

Benefiting from the global growth in the biopharmaceutical sector, our CDMO business experienced rapid growth during the Track Record Period. Revenue from our CDMO business increased from RMB324.3 million in 2017 to RMB548.5 million in 2018, and increased to RMB786.4 million in 2019. Our CDMO business has contributed to our rapid growth and diversified our revenue sources.

The table below sets forth a breakdown of the revenue from our CDMO business during the Track Record Period, based on the work we performed for our customers. Service fee primarily refers to the payment we collect after completing each work order for product development, and manufacturing fee primarily refers to the payment we receive from the manufacturing and supply of products usually when our customers' products reach commercial scale.

	For the year ended December 31,		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Service fee	324,308	530,030	648,782
Manufacturing fee	—	18,439	137,619
Total	324,308	548,469	786,401

Our CDMO Services

R&D Services

We offer comprehensive development services from late discovery to stage 1 of process validation.

For customers with recombinant products at preclinical stage, Cytovance provides development activities including cell line development for mammalian derived proteins, strain development for microbial derived proteins, process development, analytical method development and qualification and pilot process demonstration. The material from the pilot runs may be used by clients for GLP tox studies. The R&D pilot plant features a 200 L single-use bioreactor and a 30 L single-use fermenter. In addition, Cytovance offers bioanalytical testing services for supporting animal and clinical PK/PD studies.

For customers who have advanced drug candidate beyond clinical phase I, both Cytovance and SPL provide development activities including method pre-validation and process characterization. These types of CMC activities are typically referred to as late clinical phase development and our procedures are designed to comply with the FDA guidance for industry on process validation (2011).

In addition to fee-for-service R&D, we are committed to the continual improvements of technologies by organizing industry and academic connections, collaborations and research projects. Such collaborations have helped us to rapidly acquire institutional knowledge, develop new or enhanced services, make publications and obtain intellectual properties. Some of the collaborations have led directly to new client acquisition.

R&D Services for Large Molecule Recombinant Products

With respect to R&D services for large molecule recombinant products, one of our core competencies is the generation of cell substrates for microbial and mammalian cell line derived recombinants.

For the generation of microbially produced recombinant proteins, we leverage a proprietary protein expression technology, the Keystone Expression System®. Keystone Expression System® is a microbial strain development toolbox that is used to derive stable, well-characterized cell substrates for intended use in the preparation of biotechnological/biological products. The toolbox was developed by scientists at Cytovance and made accessible to customers in 2014 as a value-add component of a CMC

service known as strain development. The generation and characterization of the cell substrate are critical CMC activities required prior to establishing the manufacturing process and producing materials in compliance with CGMPs. Our extensive expertise in molecular biology, microbiology, process development, CGMP-compliant manufacturing practices and knowledge of patents help to ensure that the customer is supplied with a productive, robust and scalable cell substrate that is free and clear of intellectual property infringement issues. The parental *E. coli* strains BL21 and K-12 and common derivatives of those form the basis of the Keystone Expression System®. These strains have been used extensively in the industry for IND filings and commercial production around the world. Cytovance is actively pursuing continuous improvements to the Keystone Expression System® and working to integrate enhanced features into its strain development offering.

For the generation of mammalian produced proteins, we leverage an off-the-shelf, widely-adopted, recombinant protein expression technology, Freedom CHO-S® from Thermo Fisher Scientific. Scientists at Cytovance have been using the Freedom CHO-S® system to derive well-characterized CHO cell substrates for intended use in the preparation of biotechnological/biological products. On top of the experience with Freedom CHO-S®, our cell line experts have decades of experience working with a huge array of mammalian cell lines.

Once a stable cell substrate has been created, Cytovance will advance a customer's program through key process development milestones such as cell culture process development, microbial fermentation process development, primary recovery development, purification and formulation development, bench scale process demonstration, pilot scale process demonstration and analytical method qualification. Depending on the protein and expression system used, standard processes can be leveraged to save time and cost in CMC development.

R&D Services for Naturally Derived Products

SPL works closely with its customers to transfer their existing process technology at bench scale to SPL's laboratory. Once transfer is completed, SPL will perform a demonstration batch at bench scale to demonstrate the process and establish the platform for further process development and scale-up. SPL has experience in a wide range of process technologies relating to the extraction and purification of high-value biopharmaceuticals from natural materials.

Analytical Testing Capabilities

Strong analytical testing capabilities, including mass spectrometry, support all of our CMC activities. Such capabilities enable us to develop and qualify analytical test methods that support the process development and quality control for product release. Our core analytical competences of the analytical development team include method development, method transfer, method optimization and robustness testing, pre-qualification, quality control method transfer, pre-formulation development, and product characterization including mass spectrometry. Our experienced scientists will create a product specific testing strategy to measure process performance and confirm product safety and other criteria. In addition to developing product specific methods, our analytical scientists have extensive experience in the transfer and optimization of methods developed at any stage and preparing standard operating procedures, which can be used in a quality control laboratory. We leverage on numerous platform

CGMP-compliant Manufacturing Services

Manufacturing Sciences

Once we complete the demonstration batches to establish process robustness limits, the process is then transferred to CGMP-compliant manufacturing through our manufacturing sciences team. Our manufacturing sciences team is responsible for the following:

— completing facility fit evaluation

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pDNA manufacture

The gene therapy market has been growing rapidly and demand for high-quality pDNA is very high. Cytovance launched the pDNA manufacturing service in October 2019. Cytovance's strong focus on microbial fermentation is highly synergistic with pDNA bioprocessing. The key features of Cytovance's platform include:

- Industry-leading robust upstream process: HyperGRO™ process, developed by a third party Nature Technology Corporation (Lincoln, NE) is an inducible fed-batch fermentation process consisting of a cell bank and fermentation process that reduce plasmid-mediated metabolic burden, enabling high yield production of optimized plasmids, as well as successful production of previously known unstable or toxic vectors. Due to the controlled addition of nutrients, much higher cell densities can be achieved with a fed-batch process, as opposed to a batch process, and specific growth rates can be reduced, which generally results in increased plasmid copy number.
- S.U.F. equipment: Thermo Scientific HyPerforma S.U.F. system is a first-in-class single-use technology, which allows Cytovance to more rapidly move from one customer process to the next. Cytovance has installed 30 L and 300 L scale S.U.F. system for pDNA manufacture.
- Single-use lysis equipment: Thermo Scientific™ iPUMPULSE™ Single-Use Mixer (S.U.M.) system is a low-shear mixing system used for the lysis step in the pDNA process. It was designed with proven engineering mixer principles and can be used for upstream and downstream mixing applications. The linear-scale design delivers uniform, superior mixing in every model, from 30 L to 5000 L and mixes to empty. The mixer provides consistent scalability. Cytovance has installed 30 L, 500 L, 1500 L SUM system for scalable pDNA production.
- Efficient chromatography technology: BIA Separations' HiP2 platform, Convective Interaction Media (CIM®) monolith chromatography supports, is designed for the purification of large molecules such as pDNA. Monoliths enable high productivity of pDNA downstream processes due to high dynamic binding capacity, fast operating flow rates and high resolution due to convection-based mass transfer.

Natural product extractions

SPL provides services in the extraction of large molecule products from natural sources, including through processing both animal-derived and plant-derived materials, at scales ranging from laboratory to CGMP development suites to metric ton, full-scale commercial production. SPL operates a flexible multi-product manufacturing facility in Waunakee, Wisconsin, the U.S. in support of its CDMO business. Our team has extensive expertise and experience in sourcing natural materials, establishing complete traceability, extracting high-value products from naturally derived materials, purification, viral inactivation and characterization of complex mixture of large glycoprotein molecules.

Purification

Our teams in Cytovance and SPL have extensive experience with an array of purification capabilities to meet our customers' CGMP production needs. Our purification suites are segregated and customized with equipment to specifically meet the requirements of each client process. Single-use

options are available throughout all purification steps with cutting-edge technologies. Our purification personnel are experts with multiple chromatography techniques, tangential flow filtration and bulk drug substance filling.

Process validation

We also offer process validation services in accordance with FDA Industry Guidance (2011) on Process Validation. To ensure that critical parameters are identified and tested, an extensive process characterization (“stage 1” of the 2011 FDA Guidance) is performed. A given process is operated within established parameters in the process performance qualification (“stage 2” of the 2011 FDA Guidance).

Quality Assurance

All of our manufacturing and support operations in Cytovance and SPL are built on the framework of a quality management system, including quality control testing, quality assurance, stability testing and regulatory support.

Our CDMO quality management systems are driven by three organizational functions including validations, quality control, and quality assurance. Quality assurance is further organized into four functional departments, including incoming materials, quality assurance operations, quality systems and regulatory affairs. The department of incoming materials is responsible for the incoming material sampling, inspection and testing, non-conforming material oversight and supplier management. The department of quality assurance operations is responsible for customer project oversight, deviation management, investigation review and approvals, batch record review and lot disposition. The department of quality systems is responsible for document control, training coordination, CAPA and audit management, and metrics and trending. The department of regulatory affairs is responsible for regulatory reporting, pharmacovigilance, complaint and change management and policy-level compliance oversight.

Quality control testing

Quality control testing is to ensure that theeas4r The5el

Regulatory support

Every stage of the manufacturing process has regulatory implications. Initially, we advise on meetings with regulatory authorities. Production processes and manufacturing strategies are specifically designed for optimal regulatory outcomes. We are a critical partner for CMC section preparation, assisting clients throughout the production process to target regulatory success. We believe we are poised to successfully complete regulatory inspections such as a PAI and general CGMP audits. We host numerous customer quality audits each year in addition to our internal auditing program.

Program Management

Both Cytovance and SPL provide professional CMC program management services for their customers, including project planning, resource management, sample shipment coordination, batch scheduling and project team communications. Customers are assigned a dedicated program manager who plays a central communications role while leading the coordination of project milestones, project resources and the working project plan. The program manager is responsible for escalation processes and other business processes enabling the most efficient timeline achievable.

Marketing of Our CDMO Services

We directly market our services to pharmaceutical and biotechnology companies by actively participating in trade conferences and trade shows. During these conferences, we set up booth to introduce our integrated CDMO platform and our technical staffs will also give presentations that highlight the advantages of our end-to-end CMC services. We have also established active online presence through our corporate websites. We provide extensive information about our integrated services and our technology platforms, our competitive and technical advantages, training and education resources as well as announcements of our most recent project development on our corporate websites. After we have established contact with our target customers, we market our services through regular meetings with their representatives and senior management, where we present how we can expedite the customers' product development process. In light of our broad customer base, customer referrals and word-of-mouth marketing have also significantly contributed to new customer acquisition.

As of the Latest Practicable Date, we have a team of experienced business development specialists, consisting of 14 people, who are dedicated to understanding the demands of existing and potential customers and work closely with our technical experts to prepare quotes and to secure customer orders. Three of the members of our sales and marketing team have attained a master's or higher degree in biologics-related disciplines as of the Latest Practicable Date.

Our CDMO Fee Model

We enter into long-term service agreements with our major customers. Services for each project under a long-term service agreement are provided pursuant to separate and distinct work orders. A work order typically comprises a number of tasks, each in turn including several steps.

According to our contractual arrangements with our customers, we typically bill our customers after we complete a task. A task is deemed to be completed after all the steps within such task are completed. Our contracts with customers and work orders include specifications about the services to

be rendered at each step and the deliverables that we should send to the customer upon completion of such step. Our project team also interacts with each customer's project-management team through daily emails, bi-weekly reports and regular conference calls to give the customer timely updates of the progress of its projects. We are typically required to deliver a technical laboratory report, product/ samples and/or other deliverables and transfer the relevant data and rights to the customer after all the services have been rendered for a step. A particular step is deemed to be completed upon the customer's acceptance of the deliverables in relation to such step, which indicates that the customer is satisfied with the services provided by us at such step and would like us to proceed.

SALES AND MARKETING

We implement differentiated and localized sales and marketing strategies which are suitable for our various pharmaceutical products in different markets. We use a combination of academic marketing by our in-house sales and marketing team and collaboration with a network of independent distributors and third-party promotors to generate market demands for our products. We have not engaged in any sales and marketing activity for innovative drug candidates as they are currently at development stage. We directly market our CDMO services to pharmaceutical and biotechnology companies by actively participating in trade conferences, trade shows and scientific conferences. For the marketing of our CDMO services, please refer to "—Our CDMO Business—Marketing of Our CDMO Services."

Our Sales of Enoxaparin Sodium Injection

We use a combination of academic marketing by our in-house sales and marketing team and collaboration with a network of independent distributors and third-party promotors to generate market demands for our products. Specifically, our marketing for enoxaparin sodium injection can be categorized into three models, depending on our marketing efforts, including in-house marketing model, co-marketing model and outsourced marketing model. The table below sets forth the percentage of each marketing model's revenue contribution to our total revenue generated from the sales of enoxaparin sodium injection in the years indicated:

	For the year ended December 31,		
	2017	2018	2019
	%	%	%
In-house marketing model	70.7	73.2	74.1
Co-marketing model	25.8	19.8	19.1
Outsourced marketing model	3.5	7.0	6.8
Total	100.0	100.0	100.0

In-House Marketing Model

The in-house marketing model is currently applied only in certain EU countries and the UK. Under our in-house marketing model, all market demands are generated directly by our sales and marketing team. Our sales and marketing team directly market our products and develop relationships with physicians, hospitals and pharmacies, participate in the bidding process to create sales to hospitals and further through the prescription of physicians promote sales of our products to pharmacies. We sell our products either through distributors or directly to hospitals in these countries.

In 2017, 2018 and 2019, out of our total revenue from the sales of enoxaparin sodium injection under the in-house marketing model, direct sales accounted for 0.0%, 11.3% and 18.5%, respectively.

Our sales to distributors not through logistics providers accounted for 98.2%, 81.3% and 46.8%, respectively, of such total revenue in the same years, and our sales through logistics providers in the UK, Germany and Spain, either to distributors or to hospitals, amounted to 1.8%, 7.5% and 34.7% of such total revenue in the respective years.

Sales through Distributors

In Germany, UK, Spain and Italy, during the Track Record Period, we primarily sold our enoxaparin sodium injection under the brand name Inhixa to distributors. Our products are sold to distributors at a fixed price set by relevant regulatory authorities based on retail price. We do not enter into any sales agreement with our distributors. In Germany, UK and Spain, distributors place purchase orders to our appointed logistics providers on an as-needed basis, depending on the orders they receive from customers. We generally enter into a services agreement with each logistics provider, under which, such logistics provider is responsible for providing integrated logistics services, including storage, secondary packaging and final shipment. The logistic providers are responsible for accepting and processing orders from distributors, issuing sales invoices to the distributors, collecting payment from the distributors on our behalf and settling payment with us within 30 days upon payment by the distributors to them. We are responsible for delivering our products to the logistics providers, and pay service fee in consideration of the services they provided. The ownership of the products will not be transferred to the logistics provider at any time. In Italy, distributors directly place orders and settle payment with us. We typically grant credit terms of one to two months to the distributors in Italy.

We also sell enoxaparin sodium injection under our brand name Neoparin to SciencePharma in Poland. As SciencePharma owns the marketing authorization of Neoparin, we are not able to directly sell Neoparin in Poland. SciencePharma is our exclusive distributor of the product in Poland. We have not prohibited SciencePharma from appointing sub-distributors of Neoparin and we have not limited

Direct Sales

During the Track Record Period, we sold enoxaparin sodium injection under the brand name Inhixa directly to hospitals and pharmacies in certain countries in the EU, such as Italy. We deliver our products to hospitals pursuant to the purchase orders we receive at the price set during the bidding process.

Co-Marketing Model

Under co-marketing model, besides our in-house academic marketing, we also rely on third-party promotors and distributors to market our products, especially enoxaparin sodium injection, by leveraging their local connection and marketing network. Each of our distributors and third-party promotors has its own sales force that focuses on marketing in its designated territory, which expands our marketing coverage and deepens our marketing penetration while allowing us to maintain operational flexibility and optimize our resource allocation.

EU

In certain EU countries such as Croatia, we enter into consignment arrangements with our distributors, where we issue invoice to our distributor upon its sales to the customers. The distributor assists us to market and sell our products in its designated region. Pursuant to the agreement, we are responsible for delivering our products to the distributor, while the legal ownership of the products is only transferred to the distributor when the product is withdrawn from the consignment stock and delivered to its customers. We provide typically three months of credit terms for the distributors.

China

We collaborate with our third-party promotors for the marketing of our enoxaparin sodium injection in China. For our sales in China, we generally enter into a standard agreement with a third-party promotor in each province with a term of one year. We work with our third-party promotors to design marketing strategies in respective regions, participate in academic conferences and engage in patient education to increase the awareness of our brand and product. Pursuant to our agreement, each third-party promotor is also responsible for introducing and promoting our product to target hospitals and physicians in the designated province, as well as assisting with the bidding process of our product through submitting bidding materials and communicating with local authorities. Each third-party promotor is assigned with a quarterly and annual marketing plan in each target hospital within its designated province, the failure to comply with which may lead to termination of the agreement at our discretion. Our third-party promotor will generally appoint a CSO in their covered region, with whom we enter into a standard one-year CSO agreement. Each CSO is required to assist with the marketing and promotion of our product by organizing or attending various events and leveraging their connection with local hospitals. Each of our CSOs is prohibited from marketing or selling our products outside its designated province, and is generally not allowed to promote other products that directly compete with ours.

We rely on an extensive network of distributors to distribute our enoxaparin sodium injection under the brand name Prolongin in China. Generally, there are multiple distributors in each province, each covering the hospitals that it has access to. The Distributor is responsible for processing orders and delivering our products to the designated hospitals. For each sale, we will enter into a sales agreement with the distributor that specifies the product, purchase amount and price. Pursuant to our

agreement, each distributor will pay us the fixed price set in the agreement when placing the order. We typically do not provide any credit term for the distributors. We believe that our existing distribution model is consistent with customary industry practice and serves to ensure efficient coverage of our sales network while controlling our cost of distribution and account receivables.

Outsourced Marketing Model

For our sales of enoxaparin sodium injection in certain countries in the EU and other overseas regions, we rely on our local distributors' marketing efforts and resources for the promotion of our product in respective regions.

EU

We rely on exclusive distribution arrangement to market and sell our enoxaparin sodium injection in certain countries, such as France, Austria and the Republic of Cyprus. Our distribution agreement with each distributor generally has a term of three to five years, subject to renewal at the end of each term. Each distributor is responsible for using its best efforts to promote and sell our products in the designated region. Pursuant to the agreement, the distributor is obligated to purchase a minimum amount of products at the prices set in the agreement applicable to respective purchase amount. We are responsible for delivering our products to the distributor under the agreement, and the legal ownership of products is transferred to the distributor upon delivery. The distributor is responsible for delivering products to its customers within the designated region. The credit terms we grant to the distributors vary depending on market conditions, and is typically less than two months.

U.S.

We have entered into a supply agreement of enoxaparin sodium injection with a multinational pharmaceutical company as its major supplier of enoxaparin sodium injection in the U.S. As of the Latest Practicable Date, we have not supplied our enoxaparin sodium injection to this customer pursuant to the supply agreement.

Other markets

We sell enoxaparin sodium injection through distributors in other markets. In certain countries, such as Peru and Sri Lanka, we sell enoxaparin sodium injection under our brand name Prolongin, or under the brand name Inhixa, in countries such as United Arab Emirates. In other countries such as Brazil, Colombia and Vietnam, we supply enoxaparin sodium injection to our customers for them to sell under their own brand names. We generally enter into a supply agreement with our major distributors for a term of five years, under which, we manufacture and deliver enoxaparin sodium injection as requested. Our distributors are responsible for registering the enoxaparin sodium injection and applying for marketing approval in the designated regions, and we will assist them in obtaining the marketing approval by providing materials and product samples as requested by the regulatory authority. Our distributors will purchase our products at a set price pursuant to the agreement and are committed to purchase a minimum amount. We generally grant credit terms of one month to two months to our distributors.

Our Sales of Heparin Sodium Injection

We have established and maintained a cooperative relationship with a world-leading pharmaceutical distributor ("heparin partner") for the promotion and distribution of heparin sodium

in the U.S. We have granted our heparin partner with exclusive rights to use our ANDAs to market, sell and distribute heparin sodium injection in the U.S. that are manufactured, packaged and labeled by authorized manufacturers. We have also granted our heparin partner with exclusive rights to use our label in connection with its marketing, sale and distribution of the heparin sodium products. Pursuant to the agreement with our heparin partner, we are responsible for supplying heparin sodium API for the manufacturing and production of heparin sodium injection. In addition to the payments for purchasing heparin sodium APIs, our heparin partner agrees to pay a licensing fee to access and use our certain intellectual properties, ANDAs, ANDSs and applicable product specifications in connection with the sourcing, manufacturing, packaging and labeling of the heparin sodium injection.

Moreover, we sold heparin sodium injection to distributors in China through Hepatunn in 2017 and 2018, before we disposed our equity interests in Hepatunn in June 2018. We applied marketing and distribution model similar to our sales of enoxaparin sodium injection, through collaborating with third-party promotors and CSOs for marketing and appointing distributors for delivery to hospitals.

Our Sales of API Products

Heparin Sodium API

We primarily sell heparin sodium API directly to pharmaceutical companies for their production of heparin sodium injection or LMWH products. During the Track Record Period, our major customers included Techdow before it became our wholly-owned subsidiary in 2018, with whom we conducted the transactions on an arm's length basis, and international suppliers of heparin products, with whom we have established and maintained a long-term business relationship. Our customers are global leading manufacturers of heparin products or the leading manufacturers in their respective regional markets.

We also sell to distributors in certain regions, who are designated as the exclusive distributors in their covered regions to further sell our heparin sodium API to pharmaceutical companies for their production of heparin products.

We generally enter into a supply agreement with our major purchasers of heparin sodium API for a term of three to five years subject to renewal. Under the agreement, we are responsible for delivering the products pursuant to each order, and our direct customers and distributors are generally required to make payment within 30 to 60 days at the price set in the supply agreements. Our products are generally sold according to a schedule in each supply agreement that sets a price for different periods during the term of the agreement, based on our estimates of the market conditions that may affect the cost of sales or our estimates of the effect on our costs of sales of certain events that have occurred. For example, the price of our raw materials may fluctuate as a result of the outbreak of swine fever or certain crisis such as Baxter Incident. The price may also vary with discounts applicable to respective purchase amount. The price schedule of our products are generally subject to renewal each year or upon certain unexpected market changes, subject to adjustment in each order based on parties' negotiation.

Enoxaparin Sodium API

We primarily sell enoxaparin sodium API directly to manufacturers of enoxaparin products. The regions where we sell our enoxaparin sodium API generally do not overlap with regions where we sell our enoxaparin sodium injection. For the major markets, we generally enter into supply agreements with regional leading manufacturers of enoxaparin products.

We also sell our enoxaparin sodium API through distributors which have extensive and long-term connections with local manufacturers of enoxaparin products in their covered regions.

We generally enter into a supply agreement with our major purchasers of enoxaparin sodium API for a term of two to five years subject to renewal. The purchase orders generally set credit terms of 30 to 60 days with our major direct customers or distributors. Our products are sold at a price subject to parties' negotiation for each order based on changes in the raw materials market or certain unexpected market changes.

Our Sales and Marketing Team

We have an experienced and specialized in-house sales and marketing team for our pharmaceutical products with international exposure. As of the Latest Practicable Date, our sales and marketing team for our pharmaceutical products consisted of 92 staff in total, with 52 people in the EU and the UK and 40 people in China. Our overseas sales and marketing team is led by Wen Shi, vice president of business development, who has vast experience in the pharmaceutical industry and served as a senior brand manager within Division SCBU Europe of Pfizer from 2011 to 2015. Our sales and marketing team in China is led by Guanhua Cao, who has approximately 15 years of practice in the field and used to work as an internist at Renji Hospital Affiliated to the Shanghai Second Medical University.

Our Sales and Marketing Team for Enoxaparin Sodium Injection

Our Regional Sales and Marketing Team

We have a dedicated sales and marketing team for enoxaparin sodium injection, divided into three sub-teams by market, including China, the EU and other regions, each led by a director, who reports on a regular basis to our management. We generally select directors who have accumulated extensive sales experience in the pharmaceutical industry and have held key positions in leading pharmaceutical companies. As of the Latest Practicable Date, our sales and marketing team for enoxaparin sodium injection consisted of 86 people in total, including 52 people in the EU and UK and 34 people in China, among whom four people had over 20 years of experience in pharmaceutical sales. To penetrate into local markets in the EU, we have formed a sales and marketing team in each major market, each led by a regional manager. We do not maintain a local office for the sales of enoxaparin sodium injection in each province in China or in other overseas markets. We divide the China market into seven major regions, including East China, North China, Central China, South China, Northeast China, Northwest China and Southwest China, each with a designated sales and marketing team. Our respective sales and marketing teams for the U.S. market and other regions are based in China and are primarily responsible for coordinating with our major clients for the sales and distribution of our products in relevant markets.

We organize trainings for our newly joined sales and marketing personnel before they start the field work. Our training generally includes background introduction of enoxaparin sodium injection, heparin industrial chain, conditions of markets where we sell our products, and an in-depth analysis of our competing products and competing companies and comparison against our products' sales status, which enables our employees to appropriately present the application of enoxaparin sodium injection and the features of our products to physicians. We also arrange trainings to brief our team the latest changes in the markets, development of our competing products and the marketing progress of our products in relevant markets.

Our penetration into local market and broad market exposure allow our sales and market team for enoxaparin sodium injection to design marketing strategies and engage in promotion activities in each region, based on respective market conditions, such as competitive landscape and regulatory environment. Specifically, each team is responsible for establishing and maintaining relationships with hospitals and other health institutions and increasing the awareness and recognition of our products among physicians in the covered region, through academic marketing activities and other promotional efforts. They also collect feedback on our products for further improvement. Besides, our sales team also coordinates with third-party promoters and distributors in the promotion and distribution of our products. Our management closely oversees the sales activities and results in the major markets and determine the sales and pricing policies in each market.

Academic Marketing

Our sales and marketing efforts for enoxaparin sodium injection are characterized by a strong emphasis on academic promotion, in order to promote and strengthen the awareness and recognition of our products and our brand among medical professionals. We have adopted different academic marketing strategies for our enoxaparin sodium injection products targeting different markets.

In the EU, although enoxaparin has been recognized as the "gold standard" anticoagulant and antithrombotic drug for various indications according to the EMA, since prescription of biosimilar enoxaparin sodium injection is based on brands in most EU countries, we need to proactively conduct academic marketing to enhance the awareness of our brand names among physicians. To enter into each new market, we generally promote our brand-name products through introducing the advantages in quality, supply and price to physicians during our marketing activities in hospitals and academic conferences. We present Inhixa as the first EMA-approved enoxaparin biosimilar drug to demonstrate its outstanding quality and safety profile. SciencePharma has also published the comparative clinical trial results of Neoparin to prove the bioequivalence of Neoparin and the reference drug and the non-inferiority of the safety of Neoparin versus the reference drug in the prophylaxis of VTE in patients submitted to high VTE risk surgery. We also demonstrate our capacity to fulfill the orders from hospitals and pharmacies by presenting our state-of-the-art manufacturing facilities and integrated supply chain. We have organized and participated in academic conferences, seminars and symposia to promote our brand names. For example, we invited physicians from Italy during a symposium in China in 2018 to discuss treatment using enoxaparin sodium injection in China and introduce our manufacturing capabilities. In addition, we have distributed brochures and set up exhibitions at the conference that introduce our brand-name products, for example we introduced Inhixa at the I REUNIÓN MULTIDISCIPLINAR in Madrid in 2018, to increase the awareness of our products among physicians.

In China, different from the EU, the prescription of enoxaparin as an anticoagulant and antithrombotic drug has not been widely recognized and applied by physicians and therefore the penetration rate of enoxaparin in China is still relatively low. Considering that the per capita use of enoxaparin in China was 0.04 dose, compared to the per capita use of 0.95 dose in the EU in 2019, our academic promotion in China aims to raise physician's awareness of enoxaparin sodium injection as the "gold standard" anticoagulant and antithrombotic drug, which we believe will enable us to capture the significant growth potential in China. We explain to physicians from a pharmacology perspective, the safety and efficacy of enoxaparin sodium injection in treating various indications, as well as its advantages over other anticoagulant and antithrombotic drugs including other LWMH products. Even though enoxaparin sodium injection is prescribed as a generic drug in China, rather than based on

brand names, academic marketing of our product's advantageous features is helpful to differentiate Prolongin from its competing products and generate hospitals' procurement demand. Other than introducing the advantages of our product, we also introduce to physicians that our manufacturing process and facilities have passed the GMP inspection of the NMPA, the EMA and the FDA. To increase the awareness of enoxaparin sodium injection's application as a "gold standard" anticoagulant and antithrombotic drug and to generate demand of our product among physicians in China, we regularly participate in various academic conferences, seminars and symposia, as well as smaller events tailored for specific cities and hospital departments that introduce the application of enoxaparin sodium injection in various indications, such as cardiovascular annual meetings, cerebrovascular annual meetings, orthopedics academic conferences in different provinces in China, including the Xi'an orthopedics academic conference, Guizhou cardiovascular annual meeting, Zunyi cardiovascular annual meeting, Shandong cerebrovascular annual meeting, Xi'an thrombus forum, Guizhou venous thrombosis and pulmonary embolism prevention and treatment association symposium in 2019. We invite leading experts in relevant therapeutic areas to speak on the latest developments and share their experience in the academic conferences, such as the latest application of enoxaparin sodium injection, their experience in using enoxaparin sodium injection as the anticoagulant in practice and its effect in treating different indications. In addition, during the academic conferences, the leading experts will introduce the advantages of our product, such as the high quality of Prolongin through presenting the sameness analysis results against the reference drug. We also set up exhibitions at large-scale academic conferences to present our products' innovative and advantageous features.

We conduct academic marketing activities to establish and maintain relationships with key opinion leaders ("KOLs"), as well as department heads and senior physicians in our target hospitals. We provide these experts with detailed information on our products and help them make independent comparisons among competing products in the market. We depend on KOLs to introduce and recommend our products to physicians and hospitals. We have maintained regular contact with various KOLs, who are generally medical experts with substantial national or regional influence, especially in the anticoagulant filed, and some hold leadership positions in national medical associations. Our sales and marketing team is responsible for establishing relationships with KOLs and introduce them the features of our products. We maintain lists of national and regional KOLs. We select KOLs primarily based on the therapeutic areas they specialize in, their professional qualifications and their reputation in the medical community. We also consider whether they have participated in clinical studies or published academic articles related to our products. Prescription of our products is not a criterion for our selection of KOLs. We provide KOLs with assistance in organizing high profile domestic and international academic conferences and seminars and conducting clinical studies. We maintain regular communication with the KOLs regarding the application of our products, and we also invite them to visit our facilities, where we present our integrated quality control management throughout the production process. We believe that KOLs' independent reviews and studies of our products, which may be published in academic journals or shared in conferences and seminars, help increase the recognition of our products among the wider medical community. We do not pay KOLs for their promotion of our products, however, we may reimburse them for expenses incurred by their attendance of academic conferences, such as related travel expenses.

We target to establish relationships with department heads and senior physicians in the therapeutic areas targeted by our products. We generally provide them with assistance in organizing and attending regional academic conferences and conducting clinical studies in our targeted therapeutic areas. We sponsor the education of physicians by encouraging them to attend academic conferences pertaining to their specialization to learn about the latest medical advances and develop their

professional skills. For conferences sponsored by us, we may reimburse these physicians for registration fees and traveling expenses through the academic associations that organize these conferences. We also organize communication among the physicians to discuss the latest development in relevant therapeutic fields.

Our Sales and Marketing Team for API Products

We have a dedicated sales and marketing team for each API product. We generally have long-term supply arrangement with our existing major customers, and potential purchasers tend to approach us directly in reliance on the high quality of our API products, and therefore, we tend to keep a lean and efficient sales and marketing team for our API products.

The team process purchase orders, arrange for delivery and engage in constant communication with our customers to assist with the sales of our products. Moreover, they are responsible for the marketing and promotion of our API products in conferences and exhibitions such as the Convention on Pharmaceutical Ingredients (CPhI). When we enter into a new market, our team will conduct research and connect with the leading regional manufacturers of heparin products and LMWH products to create sales and penetrate into the local market.

Our Distributors

We sell a significant portion of our enoxaparin sodium injection to distributors, and we also sell some of our API products to distributors for their sales to pharmaceutical manufacturers. All of our CDMO services are directly offered to our customers. We believe that our sales arrangement is in line with market practice. In 2017, 2018 and 2019, our direct sales (including CDMO and other services) accounted for 82.2%, 75.5% and 69.3%, respectively, of our total revenue, our sales to distributors not through logistics providers accounted for 17.7%, 23.4% and 23.8%, respectively, of our total revenue, and a small portion of our sales were through logistics providers in the UK, Germany and Spain, either to distributors or to hospitals, which amounted to 0.1%, 1.1% and 6.9% of our total revenue in the respective years. For our sales of enoxaparin sodium injections through logistics providers, the logistics providers will assist us in transactions with customers in the respective regions, including distributors and hospitals. We will settle payments directly with logistics providers, and accordingly, our accounting system will record payment received from each logistics provider, rather than a breakdown of revenue from the sale to each customer. As a result, the revenue generated from our sales through logistics providers include both sales to distributors and sales to hospitals.

The following table sets forth a breakdown of revenue generated from our sales of both finished dose pharmaceutical products and API products to distributors not through logistics providers by region for the years indicated. Revenue from our sales of enoxaparin sodium injections to distributors through logistics providers is not included in the breakdown below.

	For the year ended December 31,					
	2017		2018		2019	
	RMB'000	%	RMB'000	%	RMB'000	%
Europe	253,766	50.6	749,738	66.7	661,567	60.3
China	180,704	36.0	313,317	27.9	306,381	27.9
U.S.	7,006	1.4	12,204	1.1	36,928	3.4
Other countries/regions	60,112	12.0	48,696	4.3	92,931	8.4
Total	501,588	100.0	1,123,955	100.0	1,097,267	100.0

	For the year ended December 31,					
	2017		2018		2019	
	RMB'000	%	RMB'000	%	RMB'000	%
	314,2 4	2.	42,323	4.	44, 4	
	0,032	14.0	3, 05	5.		
	3 4,32		0 ,02	0.	44, 4	
	11, ,2 2	23.4	205, 1	1 .3	324,	2.
			12,05	1.1	2, ,40	2.5
	11, ,2 2	23.4	21, 2,	1. .4	352,2 4	32.1
Total	**501,588**	**100.0**	**1,123,955**	**100.0**	**1,097,267**	**100.0**

31, 201, , 201 201, 40,

	For the year ended December 31,		
	2017	2018	2019
	122	40	
	303	401	22
	1	140	11
	2 5	2 1	111
	40		

	As of December 31,		
	2017	2018	2019
	13	25	310
	254	3 2	450
	15	1	1
Total	**407**	**668**	**779**

201 201 201 201 201 201 140 201 201 11 201, 15

Management of Distributors

201

PRICING

Pricing of Enoxaparin Sodium Injection

13

2015,

1, 2015,

2015,

201

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&

201

Pricing of API products

Five Largest Customers for the year ended December 31, 2017	Company Background[1]	Scale of Operation[1]	Our Products	Sales Amount	Percentage of Revenue
				RMB'000	
				214,54	. %
				1	5. %
		120			
		– $50 201			
				114, 31	4.1%
		10			
				4,5	3.0%
		20			
Total				**1,707,753**	**60.4%**

(1)

Five Largest Customers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Our Products	Sales Amount	Percentage of Revenue
				RMB'000	
		– 100 150 – 35 201		1, 04, 52	3, . %
				4, 1,4 1	. %
		– 120 – $50 201		22 ,402	4, %
				204, , 5	4.3%
		– – 120 – $20 201		1 , 1	3.5%
Total				**2,873,808**	**59.9%**

(1)

Five Largest Customers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Our Products	Sales Amount	Percentage of Revenue
				RMB'000	
[illegible]	[illegible]	– [illegible] 100,[illegible] 150 – [illegible] 35,[illegible] 201[illegible]	[illegible]	1,03 , 0	22.5%
[illegible]	[illegible]	[illegible]	[illegible]	3 ,, 23	.4%
[illegible]	[illegible]	– [illegible] – [illegible] 120,[illegible] – [illegible] $20,[illegible] 201[illegible]	[illegible]	2, 4, 1	.4%
[illegible]	[illegible]	[illegible] 20,[illegible]	[illegible]	25, ,43,	5. %
[illegible]	[illegible]	– [illegible] 120,[illegible] – [illegible] $50,[illegible] 201[illegible]	[illegible]	242, 40	5.3%
Total [illegible]				**2,218,324**	**48.2%**

(1) [illegible]

5%

[REDACTED] ([REDACTED])

RESEARCH AND DEVELOPMENT

32

10

2,1

33

R&D Center

200

- &

- &
- &
-

Collaboration with Third Parties

&

-301,

-301

-301

&

&

R&D in CDMO Business

&

&

&

20

14

23

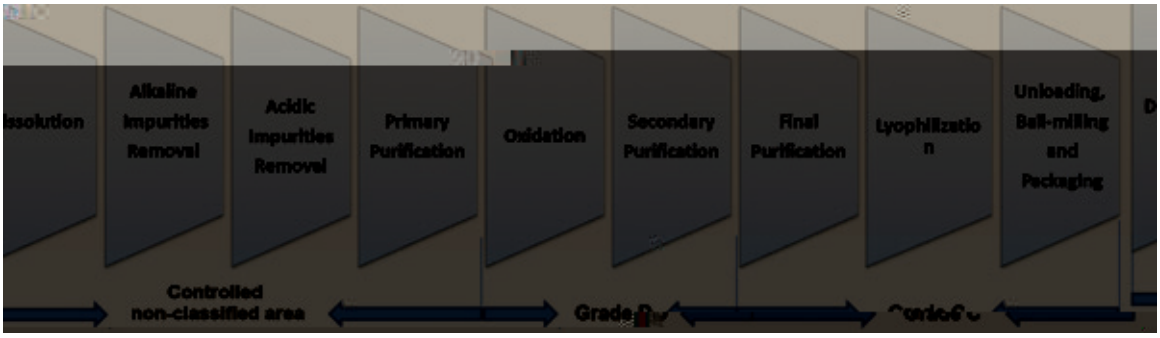
24

201 201 20.5. 20.5

MANUFACTURING

Manufacture of Our Products

Manufacturing Process



	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

(1)
(2) 201 201
201 201
(3) 201 201
201.
(4) 201 201
201 201
201
(5) 201 201

Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

(3) [illegible]

RAW MATERIALS AND SUPPLIERS

Our Suppliers

[illegible]

[illegible]

[REDACTED] ([illegible] **[REDACTED]**)[illegible]

Five Largest Suppliers for the year ended December 31, 2017	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	[illegible]	[illegible]	[illegible]	1 5,301	. %
[illegible]	[illegible]	[illegible]	[illegible]	152,5 1	. %

Five Largest Suppliers for the year ended December 31, 2017	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
				115, 0	.0%
		– 150 – $15, 201		0,355	4.%
		– 0, – 150, – $1 0, 201		,5	4.5%
Total				**630,403**	**32.7%**

(1)

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

(1) [illegible]

Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	▶ [illegible]	– ▶ [illegible] 150,[illegible]	[illegible]	1 ,155	. %
		– [illegible] $1,[illegible] 201[illegible]			
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,5 1	3. %
[illegible]	▶ [illegible]	– ▶ [illegible] 40,[illegible]	[illegible]	2,533	3.4%
		– ▶ [illegible]			
		– [illegible] $20,[illegible] 201[illegible]			
Total				**612,446**	**22.4%**

(1) [illegible]

Raw Materials and Packaging Materials

INVENTORY

24-

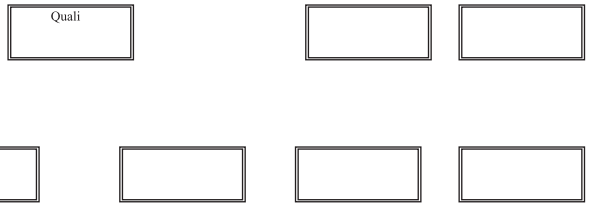
201 201 201

3 40. 4 .0

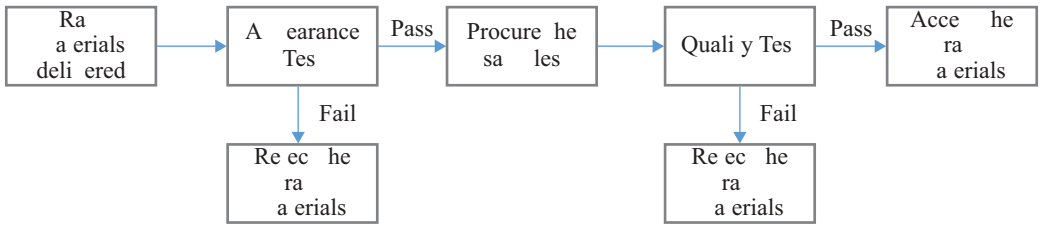
QUALITY CONTROL

232

5 132 35



Quality Control of Raw Materials



Quality Control of Manufacturing

Quality Control of Inventory

Quality Control of Transportation

After-Sale Quality Control

INVESTMENT IN FUNDS

20%

.52%

.00%

[REDACTED].

INTELLECTUAL PROPERTY

44
33
12

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
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	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

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	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
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	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

After-Sale Quality Control

INVESTMENT IN FUNDS

20%

.52%

.00%

[REDACTED].

INTELLECTUAL PROPERTY

44
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12

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
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	4, 2	, 15	,330
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	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
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SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
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	4, 2	, 15	,330
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	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
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SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
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(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

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	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
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	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

After-Sale Quality Control

INVESTMENT IN FUNDS

20%

.52%

.00%

[REDACTED].

INTELLECTUAL PROPERTY

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	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
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Techdow Nanshan			
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	4, 2	, 15	,330
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	2 ,0 0, 14	, ,122, 4	113, , ,211
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AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
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AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
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	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
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	0,000,000	0,000,000	1 0,000,000
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	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
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AP ( )			
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(1)(4)	35.1%	.4%	1.2%
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	2,0 , 44	2,11 ,51	1, 0,1 4
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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
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Total				**622,950**	**22.5%**

	For the year ended December 31,		
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	10,000,000	10,000,000	10,000,000
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Collaboration with Our OEM Partner

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Collaboration with Our OEM Partner

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	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

(3) [illegible]

RAW MATERIALS AND SUPPLIERS

Our Suppliers

[illegible]

[illegible]

[REDACTED] ([illegible] **[REDACTED]**)[illegible]

Five Largest Suppliers for the year ended December 31, 2017	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	[illegible]	[illegible]	[illegible]	1 5,301	. %
[illegible]	[illegible]	[illegible]	[illegible]	152,5 1	. %

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

(1) [illegible]

Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	▶ [illegible]	– ▶ [illegible] 150,[illegible]	[illegible]	1 ,155	. %
		– [illegible] $1,[illegible] 201[illegible]			
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,5 1	3. %
[illegible]	▶ [illegible]	– ▶ [illegible] 40,[illegible]	[illegible]	2,533	3.4%
		– ▶ [illegible]			
		– [illegible] $20,[illegible] 201[illegible]			
Total				**612,446**	**22.4%**

(1) [illegible]

(1) [illegible]

Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	▶ [illegible]	– ▶ [illegible] 150,[illegible]	[illegible]	1 ,155	. %
		– [illegible] $1,[illegible] 201[illegible]			
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,5 1	3. %
[illegible]	▶ [illegible]	– ▶ [illegible] 40,[illegible]	[illegible]	2,533	3.4%
		– ▶ [illegible]			
		– [illegible] $20,[illegible] 201[illegible]			
Total				**612,446**	**22.4%**

(1) [illegible]

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
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	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

(1) [illegible]

Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	▶ [illegible]	– ▶ [illegible] 150,[illegible]	[illegible]	1 ,155	. %
		– [illegible] $1,[illegible] 201[illegible]			
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,5 1	3. %
[illegible]	▶ [illegible]	– ▶ [illegible] 40,[illegible]	[illegible]	2,533	3.4%
		– ▶ [illegible]			
		– [illegible] $20,[illegible] 201[illegible]			
Total				**612,446**	**22.4%**

(1) [illegible]

(1) [illegible]

Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	▶ [illegible]	– ▶ [illegible] 150,[illegible]	[illegible]	1 ,155	. %
		– [illegible] $1,[illegible] 201[illegible]			
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,5 1	3. %
[illegible]	▶ [illegible]	– ▶ [illegible] 40,[illegible]	[illegible]	2,533	3.4%
		– ▶ [illegible]			
		– [illegible] $20,[illegible] 201[illegible]			
Total				**612,446**	**22.4%**

(1) [illegible]

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
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AP ( )			
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	2,0 , 44	2,11 ,51	1, 0,1 4
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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
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Techdow Nanshan			
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	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
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AP ( )			
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	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
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(1)(3)	50.0%	4.3%	.1%
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	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

(1) [illegible]

Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	▶ [illegible]	– ▶ [illegible] 150,[illegible]	[illegible]	1 ,155	. %
		– [illegible] $1,[illegible] 201[illegible]			
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,5 1	3. %
[illegible]	▶ [illegible]	– ▶ [illegible] 40,[illegible]	[illegible]	2,533	3.4%
		– ▶ [illegible]			
		– [illegible] $20,[illegible] 201[illegible]			
Total				**612,446**	**22.4%**

(1) [illegible]

(1) [illegible]

Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	▶ [illegible]	– ▶ [illegible] 150,[illegible]	[illegible]	1 ,155	. %
		– [illegible] $1,[illegible] 201[illegible]			
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,5 1	3. %
[illegible]	▶ [illegible]	– ▶ [illegible] 40,[illegible]	[illegible]	2,533	3.4%
		– ▶ [illegible]			
		– [illegible] $20,[illegible] 201[illegible]			
Total				**612,446**	**22.4%**

(1) [illegible]

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

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	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

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	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
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	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
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AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

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Collaboration with Our OEM Partner

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	For the year ended December 31,		
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	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

(1) [illegible]

Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
[illegible]	▶ [illegible]	– ▶ [illegible] 150,[illegible]	[illegible]	1 ,155	. %
		– [illegible] $1,[illegible] 201[illegible]			
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	103,5 1	3. %
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Five Largest Suppliers for the year ended December 31, 2019	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
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[illegible]	▶ [illegible]	[illegible]	[illegible]	103,, 23	3. %
[illegible]	▶ [illegible]	[illegible]	[illegible]	12 ,444	4. %
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		– [illegible] $20,[illegible] 201[illegible]			
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	2017	2018	2019
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Collaboration with Our OEM Partner

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	For the year ended December 31,		
	2017	2018	2019
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Collaboration with Our OEM Partner

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				RMB'000	
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	►			5, 23	3.5%
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Total				**622,950**	**22.5%**

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	0,000,000	0,000,000	1 0,000,000
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Collaboration with Our OEM Partner

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	For the year ended December 31,		
	2017	2018	2019
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	10,000,000	10,000,000	10,000,000
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Collaboration with Our OEM Partner

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	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

(1)
(2) 201 201
201 201
(3) 201 201
201.
(4) 201 201
201 201
201
(5) 201 201

Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

(1)
(2) 201 201
201 201
(3) 201 201
201.
(4) 201 201
201 201
201
(5) 201 201

Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

(1)
(2) 201 201
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Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

(1)
(2) 201 201
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(3) 201 201
201.
(4) 201 201
201 201
201
(5) 201 201

Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

	For the year ended December 31,		
	2017	2018	2019
Hepalink Nanshan			
AP ( )			
	10,000,000	10,000,000	10,000,000
	5,501, 14	, , , 5	5,04 ,204
(1)(2)	55.0%	. %	50.5%
Techdow Nanshan			
AP ( )			
	,350	,350	,350
	4, 2	, 15	,330
(1)(3)	50.0%	4.3%	.1%
(-f)			
	0,000,000	0,000,000	1 0,000,000
	2 ,0 0, 14	, ,122, 4	113, , ,211
(1)(4)	35.1%	.4%	1.2%
SPL			
AP ( )			
	3,000,000	3,000,000	3,000,000
	2,0 , 44	2,11 ,51	1, 0,1 4
(1)(5)	.3%	0. %	2.3%

(1)
(2) 201 201
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(5) 201 201

Collaboration with Our OEM Partner

1 .1%, 2.4% 3.3% 201 , 201 201 ,

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
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	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

Five Largest Suppliers for the year ended December 31, 2018	Company Background[1]	Scale of Operation[1]	Purchases	Purchase Amount	Percentage of Total Purchases
				RMB'000	
	►	– ► 150 – $1, 201		25,	.3%
	►	– 0, – ► 150, – $1 0 201		10 ,241	3. %
	►			5, 23	3.5%
	►	– ► 30 – ► 1 0 – $ 201		3,	3.0%
	►			,142	2. %
Total				**622,950**	**22.5%**

[REDACTED], **[REDACTED]** (.) $**[REDACTED]**, **[REDACTED]** (..) $**[REDACTED]**, **[REDACTED]** **[REDACTED]**

[REDACTED] **[REDACTED]** $**[REDACTED]** **[REDACTED]** $**[REDACTED]** **[REDACTED]**. **[REDACTED]** **[REDACTED]**.

[REDACTED]. **[REDACTED]**

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[REDACTED]

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STRUCTURE OF THE [REDACTED]

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Directors' responsibility for the Historical Financial Information

2.1

Reporting accountants' responsibility

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Reporting accountants' responsibility—continued

2.1

Opinion

31

201 , 201 201

2.1

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

-3

Dividends

12

&

24 2020

I HISTORICAL FINANCIAL INFORMATION

Preparation of the Historical Financial Information

31 201 201 201 &

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December 2017	2018	2019
		RMB'000	RMB'000	RMB'000
REVENUE	5	2, 2 ,225	4, , 0	4, 12,105
		(1, , ,442)	(2, 2 ,2 5)	(2, 3, 1)
Gross profit		51, 3	1, ,3,532	1, ,2,1
		20 , 01	30 ,150	33, , 5
		(1 2,201)	(3 1, 10)	(411,31)
		(435, 2)	(4 , , 35)	(521,03)
		(10, 4)	(12,454)	(3)
		(2, 0)	(3)	(5)
		(1 3,2)	(22 ,20)	(2 5,1)
		(, 10)	(305,003)	1 ,1,
		15 ,0 5	, 5,20	1,315,2 0
/( )	11	3, 0	(14 ,244)	(2 1,3 2)
PROFIT FOR THE YEAR		240, 2	1 , 3	1,043,
		23 , 04	40,1 4	1,05 , 00
		1,	(23,231)	(15, 02)
	13			
		0.1	0.51	0. 5
		0.1	0.51	0. 5

I HISTORICAL FINANCIAL INFORMATION—continued

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	240, 2	1 , 3	1,043,
	(, 2,3 4)	, 3,202	5, ,335
			4,
	(, 2,3 4)	, 3,202	5, , 13
	(1 0,501)	(1 0, 52)	(51,5)
	(, 3)	5,3 0	(22,3 5)
	(1 0,43,)	(1 5,4, 2)	(, 3, 3)
	(2 2, 21)	(112,2, 0)	(1 ,150)
	(21, 2)	504, 3	1,02, , 4
	(21,314)	52 , , 11	1,043, 3
	(15)	(24,01)	(1 ,215)

I HISTORICAL FINANCIAL INFORMATION—continued

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2017	2018	2019
		RMB'000	RMB'000	RMB'000
	14	2,0 0,2 1	2,554,23	2, ,232
	15	2 2,543	2 1, 0	23, ,2
	1	2,205, 05	2,31 , 3	2,354, 0
	1	0 ,450	1 , 5	55 ,3
	1	41,	5 2,4 0	1,34 , 2
	20	550,3 3	0 , 5	2, ,3
	21	1, 3	31,3	1,22 ,1 1
	2	4 0, 0	12, ,510	
	34	21, 1	110, 31	11, , 4
	23	143,4	14 ,32	1 ,0 2
		5,3	,23 , 4	,351,
	24	1,353,5 2	1, 4 ,55	2,3 3,1
	25	03,202	1,0 4,4	1,2 2,125
	2	11,3	1, ,3 4	31,1
	2	52,415	4, , 01	2 ,5 0
	4	50,2 5	44,4	315, 2
	21	2 3,1 5	2 ,2 3	
	22	43,150	, ,1 4	24,
	2	,141	3, 3,	1,5
	2	2,3 , 40	4 4,2	12, ,510
	2	30,4 0	1,52 ,100	1,0 ,53,
		,213,4	5, 0, ,404	5, , 0
	2	1 2,4, 4	205,2 3	22 , 1
	30	340,024	4 3, 3	52 , 3,
	31	12 ,3	254, 43	200,2
	32	3,25 , 32	2,4 3,4 2	3, 3 ,340
		24,134	1,	3,424
	4	2,122	1,1 0, 01	4,151
	3	2 ,	30, 0	31, 0
		3, 4 , 52	4, 0,5	4, , 5 1
		2,2 , 1,	1 , 25	1,003,40
		10,2 2,004	,153,	10,355,3
	32	1, 24,333	2,44 ,442	2,354, 53
	33	42,345	31,254	20, 1
	34	130,44,	202,503	302,004
	35	4, 54	, , 0,	10 ,003
		,0 4	, 42	, 3
	3	12, ,0 2	10 , 1	,253
		2,20 ,235	2, , ,3	2, 3,512
		,053,	,2, ,333	, 4, 1, 4
	3,	1,24, ,202	1,24, ,202	1,24, ,202
	3	,5 4, 2	4, 52,410	,101,15
		, 32,1 4	,0 , 12	, 34 ,3 0
		221, 05	1, , 21	123,514
		,053,	,2, ,333	, 4, 1, 4

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I HISTORICAL FINANCIAL INFORMATION—continued

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—continued

		Attributable to owners of the parent												
	Note	Share capital	Share premium*	Merger reserve*	Exchange fluctuation reserve*	Share option reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Defined benefit contribution reserve*	Other reserve*	Statutory surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
		RMB'000 (Note 37)	RMB'000	RMB'000 (Note 38)	RMB'000 (Note 38)	RMB'000 (Note 38)	RMB'000 (Note 38)	RMB'000 (Note 38)	RMB'000	RMB'000 (Note 38)	RMB'000	RMB'000	RMB'000	RMB'000
31 201														
1 201		1,24 ,202	4,21	245,35	2 ,55	33, 3	15 , 21	(1 , 51)	11,500	4 0,2 5	1,41 ,35	, , 32,1 4	221, 05	,053,
											40,1 4	40,1 4	(23,231)	1 , 3
							(1 0, 52)					(1 0, 52)		(1 0, 52)
					3,							3,	(,)	3,202
								5,3 0				5,3 0		5,3 0
/( )														
					3,		(1 0, 52)	5,3 0			40,1 4	52 , 11	(24,01)	504, 3
									45,124			45,124	5,3 2	130,4
									11, 13			11, 13		11, 13
									240			240	204	444
	41			(2,2 3,41)								(2,2 3,41)	(10 ,5 4)	(2,400,000)
													152	152
							(14, 5)				14, 5			
										2, 2 2	(2, 2 2)			
											(5 ,124)	(5 ,124)		(5 ,124)
									31,100			31,100		31,100
31 201		1,24 ,202	4,21	(2,04 ,05)	103,54	33, 3	(4 , 2)	(14,3 1)		51, 5	1, 0,140	,0 , 12	1, , 21	,2 ,333

I HISTORICAL FINANCIAL INFORMATION—continued

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—continued

		Attributable to owners of the parent												
	Note	Share capital	Share premium*	Merger reserve*	Exchange fluctuation reserve*	Share option reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Defined benefit contribution reserve*	Other reserve*	Statutory surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
		RMB'000 (Note 37)	RMB'000	RMB'000 (Note 38)	RMB'000 (Note 38)	RMB'000 (Note 38)	RMB'000 (Note 38)	RMB'000 (Note 38)	RMB'000	RMB'000 (Note 38)	RMB'000	RMB'000	RMB'000	RMB'000
31 201														
1 201		1,24 ,202	4,21	(2,04 ,05)	103,54	33, 3	(4 , 2)	(14,3 1)		51 ,5	1, 0,140 1,05 ,00	,0 , 12 1,05 ,00	1 , ,21 (15, 02)	,2 ,333 1,043,
									4			4		4
							(51,5)					(51,5)		(51,5)
					5 , ,4							5 , ,4	(413)	5 ,335
								(22,3 5)				(22,3 5)		(22,3 5)
/( )														
					5 , ,4		(51,5)	(22,3 5)	4		1,05 ,00	1,043, 3	(1 ,215)	1,02 ,4
									,4			,4	,20	14,
									11,0			11,0		11,0
									1, 2			1, 2	14 (45,34)	320 (45,34)
							20, 2				(20, 2)			
	4								252,3	14, 2	(14, 2)	252,3		252,3
									5 ,3		(124, 20)	(124, 20) 5 ,3		(124, 20) 5 ,3
31 201		1,24 ,202	4,21	(2,04 ,05)	1 1,2 5	33, 3	(, 32)	(3 , 3)	42 , 0	532,22	2,	, ,34 ,3 0	123,514	, ,4, 1, 4

* 201 , 201 201 ,5 4, 2,000, 4, 52,410,000 ,101,15 ,000 31

I HISTORICAL FINANCIAL INFORMATION—continued

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2017 RMB'000	2018 RMB'000	2019 RMB'000
		15,,0 5	,5,20,	1,315,2 0
		(13,,,40)	(,,45)	(45,,3)
		1 3,2	22,,20,	2,5,1,
		,,,10	305,003	(1 ,1,,)
		(, 1)	(3 , 23)	(43)
			(3,,4)	(1 ,541)
		(2 ,3 3)	(13,,1,)	(4,,,4)
		3,,2	(30,4, 0)	3,242
		(4 ,,5,)	(,1, 1)	(1,,,2)
			(2 ,,)	
				(5,3, 5)
		3 3	(2,304)	(2,0)
		13,,55,	15,, 32	1, ,1 4
		3,,2, 1	41,251	3,,4 2
		45,55,	51,,,	52,100
		10, 4	12,454	,3,
	43		(25 ,5 4)	(5,, 0,)
		4,,5 4	(, 0,545)	(32,0, 2)
		4, 5,40	1,041, 03	, 2,,3,
		(4,334)	(2, 2,, ,)	(,1 , 0,)
		(1,,,02)	(3 , 1)	(1, 3,1, 5)
		(11,3 ,)	(5,,, 5)	(13, 02)
		(2 , 53)	11,,, 24	(1, 2,433)
		(,,4 ,)	5, 1,	(1 , 05)
		0,,, 0	42, 00	23,3
		14, ,451	5,52,	101, 52
		2,124	2,5,	(550)
		, ,5 ,	, 5,124	(54,5, 5)
		(10,, 03)	(22,03,)	(10,43)
		11,204	2, 53	31,3,
		(4,)	2,304	(5,,, 31)
		(3, , 02)	,, 15	(11 ,, 5)
		34, 10	, 1,, 52	, 4,520
		(51, 2)	(10, , ,)	(1 , ,143)
		(3, 3,4, 4)	, 2,,	(1, 3,3)

I HISTORICAL FINANCIAL INFORMATION—continued

CONSOLIDATED STATEMENTS OF CASH FLOWS—continued

	Notes	Year ended 31 December		
		2017	2018	2019
		RMB'000	RMB'000	RMB'000
		23	3 , 4	43
				1 ,541
				21,
		24,3	, 5	1 ,43
		1, 3 ,515	, , 1	1, 41, 2
			31,01	1 ,053
		(2 ,154)	(3,534)	(30, 3)
		(21,524)	(4 ,)	(35 , 0)
		(1 ,2)	(3 ,212)	(2,4)
		(43 ,120)	(53,550)	(5,12)
		(2,00 ,25)	(13, 1)	(1, ,231)
		(15, 4)	(31, 3)	
				(3,440)
		(43,2)		
		1,400	1,0 1	23
		(, 50)		
	42		2 ,1 2	(5,)
		22,4 2	2,2 , 40	4 4,2
		3 ,0	111,452	, 03
		(25 ,1)	1, 35,	1, 03

I HISTORICAL FINANCIAL INFORMATION—continued

CONSOLIDATED STATEMENTS OF CASH FLOWS—continued

	Notes	Year ended 31 December		
		2017	2018	2019
		RMB'000	RMB'000	RMB'000
		3,400,[illegible]03	3,[illegible]1[illegible],[illegible]55	5,[illegible],3,[illegible]
		(2,3[illegible]5,[illegible]2[illegible])	(4,205,1[illegible])	(4,[illegible],[illegible])
		(1[illegible]0,[illegible]20)	(224,[illegible]2[illegible])	(24,[illegible]0,[illegible]2)
		1,[illegible]	[illegible], 1	14,544
		(311,[illegible]00)	(5[illegible],124)	(124,[illegible]20)
			(1,224,000)	(1,1[illegible],000)
		(3[illegible],1,[illegible]2)	(3[illegible],3,[illegible]0)	(3[illegible],41[illegible])
		503,302	(1,[illegible]32,4,[illegible]5)	(2[illegible],54[illegible])
		(14,[illegible],3[illegible])	[illegible],[illegible],201	(4[illegible]0,234)
		2,3,[illegible]	[illegible],30,4,[illegible]0	1,52[illegible],100
		(4,53,[illegible])	1[illegible],42[illegible]	10,[illegible],1
		[illegible],30,4,[illegible]0	1,52[illegible],100	1,0[illegible],53,[illegible]
	2	52[illegible],4,[illegible]0	1,22[illegible],000	1,0[illegible],53,[illegible]
	2	201,000	300,100	
	2	[illegible],30,4,[illegible]0	1,52[illegible],100	1,0[illegible],53,[illegible]

I HISTORICAL FINANCIAL INFORMATION—continued

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2017	2018	2019
		RMB'000	RMB'000	RMB'000
	14	、05,030	1,135, 4	1,22 , 0
	15	114, 1	111,013	121,00
	1、	,	2	,5、
		555, 1、	3、5,	25,2,
	1	2, 20,1 1	3,1 5,0	3,20 , 5
	20	2 1,5 3	,423	31, 3
	21	24 ,150	303, 4	4、3,2
	2	4 0, 0	12、510	
	34		5、,122	3、,5 1
	23	3、, ,	,145	、 ,00
		5,0 2,25	5,3 0,35	5, 13,1 2
	24	42 ,	3 3,3	、1,2 0
	25	1、4, 40	12 , 41	2,0、
	2、	523,1 5	31 , 4	4、4,2 、
		1,20、 , 55	2,2 1,000	2, ,0 4
	21	253,005	204,004	30,053
	22	43,150	, ,1、4	24,、
	2	2,3 , 40	4 3,2	12、,510
	2	3 、,3	1,033, 3	1, 、
		5,3 , 40	4, ,20	4, , 35
	2	,51	13, 、2	13,5 3
	30	114, 13	20、,3 5	1、0, 5
	31		, 0	
	32	1,3 1,04	1,032,400	2,402,2 3
		11,3	52,401	4,3 1
		120,2 5	1,50 , 33	12、, 2
	3	1,401	2,0	4,403
		1, 15,35	2, 24,44、	2、23,20、
		3, 53,4 1	2,044, 5	2,1 , 2
		, 15, 3、	,435,115	, , 0
	32	2, 、	1,53 ,	1, 4,04
	33	10,254	4, 4	3, 、5
	34	10, 42		
	3	20,14	1 , 1	31, 11
		1,033, 2	1,5 4,1、0	1, , , 32
		, 1, 0	5, 、0, 45	,1 0,25
	3、	1,24、,202	1,24、,202	1,24、,202
	3	,534, 0	4, 23, 43	4, 33,05
		, 1, 0	5, 、0, 45	,1 0,25

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

1. CORPORATE INFORMATION—continued

Name	Notes	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
[illegible]	( )	25 [illegible] 2013	10,000 [illegible]	100%		[illegible]

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

1. CORPORATE INFORMATION—continued

Name	Notes	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
	( )	11 201	20,000		54%	&
深圳市瑞迪生物醫藥有限公司	( )	2 201	14,11 , 4	51%		&
	(.)	10 201	100		51%	&
深圳市多普樂實業發展有限公司	( )	2000	230,000,000	100%		&
深圳市天道醫藥有限公司	( )	2 2004	150,000,000		100%	&
( )	( )	22 2013	233, 0,000		100%	
	( )	12 2014	100,000		100%	
宇科（上海）醫藥科技有限公司 ( )	( )	5 2012	2 ,1 2,000		100%	
	( )	12 201	50,000		100%	
	( )	201	4 0		100%	
	( )	22 201	4 0		100%	
	( )	201	1,000		100%	
	( )	23 201	3,000		100%	
	( )	13 201	25,000		100%	
	( )	4 201	10,000		100%	
	( )	5 201	5,000		100%	
	( )	23 201	20,000		100%	

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

1. CORPORATE INFORMATION—continued

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Name	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
成都市海通藥業有限公司 , *	2010	40,000,000	5%		&
	2 201	50,000	55%		&
( )	201	1		55%	&
	1 201	100		55%	&
深圳君聖泰生物技術有限公司 , *	15 2011	42,000,000		55%	&
上海君聖泰生物技術有限公司 , *	14 2014	5,000,000		55%	&
	11 2015	1,000		55%	&
深圳君聖康生物技術有限公司 , .*	21 2015	5,000,000		55%	&

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

1. CORPORATE INFORMATION—continued

Name	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
3	2 2011	100		100%	&
	11 2011	200,000	100%		&

* [illegible]

2.1 BASIS OF PREPARATION

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Basis of consolidation

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.1 BASIS OF PREPARATION—continued

Basis of consolidation—continued

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2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS—continued

1 ... 1 ... 2020
2 ... 1 ... 2021
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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20% ...

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] ..... 2.3、5%-4、5%
[illegible] ..... 1、%-、.5%
[illegible] ..... 1、%-、.5%
[illegible] ..... 1、%-、.5%
[illegible] ..... 2.32 %-33.3%

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES—continued

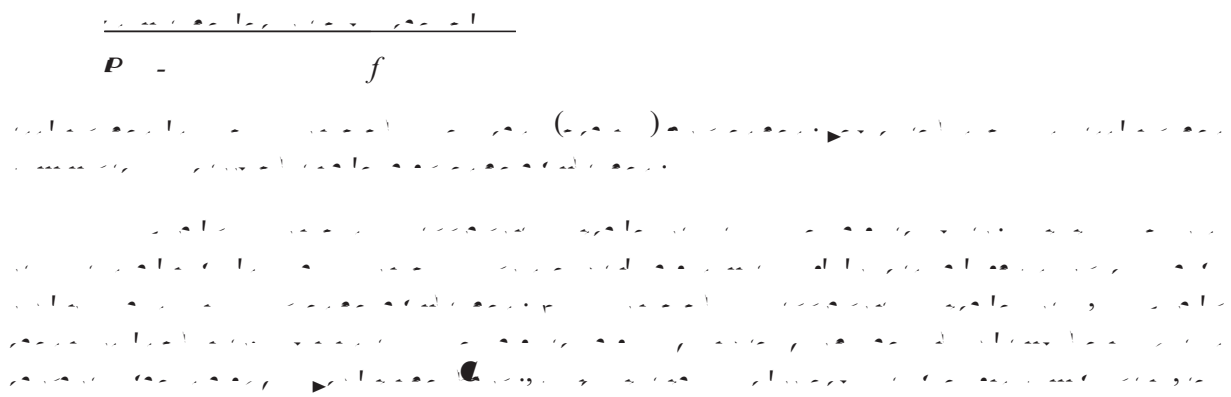
[illegible]

[illegible]

[illegible]

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES—continued



II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES—continued

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31 201 , 201 201 1,012,5 3,000, 1,435, 30,000 1, 2 ,2 ,000, 20 21

2.3

31 201 , 201 201 12, 44,000, 15,3 ,000 11,0 1,000,

4. OPERATING SEGMENT INFORMATION

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

4. OPERATING SEGMENT INFORMATION—continued

For the year ended 31 December 2017

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:					
	3 1,1	1, 4 ,12	324,30	2, ,5 1	2, 2 ,225
	211,	3 2, 52		102,431	4
	5 2, 3	2,22 , 1	324,30	3, ,022	3,525,1 4
					(4)
					2, 2 ,225
Segment results:	250,245	3,2 3	43,530	(40,25)	3 , 10
					(5,02)
					20 , 01
					(1 2,201)
					(435, 2)
					(10, 4)
					(2, 0)
					(1 3,2)
					(, 10)
Group's profit before tax					15 ,0 5

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

4. OPERATING SEGMENT INFORMATION—continued

For the year ended 31 December 2018

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:					
	1,045, 43	2,, 52,3	54 ,4	453,30	4,, , 0,
	3 ,3	1,352,0 3		2 3, 1	2,032,323
	1,442,012	4,104,4,	54 ,4	, 3, ,1, 0	, 32,130
					(2,032,323)
					4,, , 0,
Segment results:	5, ,4,	1,230, 50	, 5,051	1, 3,	2,05 ,3
					(1 2, 34)
					30 ,150
					(3, 1,, 10)
					(4 , ,, 35)
					(12,454)
					(3)
					(22 ,20,)
					(305,003)
Group's profit before tax					, 5,20,

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

4. OPERATING SEGMENT INFORMATION—continued

For the year ended 31 December 2019

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:					
	1,230, 40	2,2 3,	,401	320, 5	4, 12,105
	1, 24,	1,040,44	5, 05	240,534	3,111,352
	3,055, 0	3,314,435	2,00	5 1,40	23,45
					(3,111,352)
					4, 12,105
Segment results:	5 ,230	,10	241,4	5,	1, , , 20
					(105, 31)
					33, 5
					(411,31)
					(521,03)
					(, 3,)
					(5)
					(2, 5,1)
					1 ,1,
Group's profit before tax					1,315,2 0

( ) f

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	, 51	34, 0	1 ,04
	403,055	04, 15	1,01 ,402
	1, 3 , 3	2, 3, , 0,	2, 3, , 43
	352,443	442,5	401, 30
	42 ,13	5, , ,	533,0 4
	2, 2 ,225	4, , , 0,	4, 12,105

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

4. OPERATING SEGMENT INFORMATION—continued

( )

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	2,24 ,, 0	2,5 4,544	3,52 ,, 3
	3,54 , 2	3, ,14	3, 5,24
	1 2,21	1 , 2	1 4, 2

31 201 1,12 ,,000
10%

31 201 1, 04, 52,000
10%

31 201 1,03 , 0 ,000
10%

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

5. REVENUE

(.)

For the year ended 31 December 2017

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Type of goods or services					
	3 1,1 、	1, 4 ,12		21、,124	2,444,450
			324,30		324,30
				5 ,4 、	5 ,4 、
	3 1,1 、	1, 4 ,12	324,30	2、,5 1	2, 2 ,225
Geographical markets					
	141	,510			, 51
		0,505	250、35	、1, 15	403,055
	22、,24	1,3、3, 1		3 ,00	1, 3 , 3
	150,1、	33,4		1 ,、	352,443
	3, 31	351, 34	、3,5、3		42 ,13
	3 1,1 、	1, 4 ,12	324,30	2、,5 1	2, 2 ,225
Timing of revenue recognition					
	3 1,1 、	1, 4 ,12		21、,124	2,444,450
				23,45	23,45
			324,30	3 ,00	3 0,31
	3 1,1 、	1, 4 ,12	324,30	2、,5 1	2, 2 ,225

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

5. REVENUE—continued

(a)

For the year ended 31 December 2018

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Type of goods or services					
	1,045, 43	2,, 52,3		3 5,403	4,1 3,432
			54 ,4		54 ,4
				, 0	, 0
	1,045, 43	2,, 52,3	54 ,4	453,30	4,, , 0,
Geographical markets					
	2,1 ,	32,, 22			34, 0
		24,1 0	512,5	2 , 2	04,, 15
	, 54, 0	2,153, 40		2 ,40,	2, 3, , 0,
	2 , , 0	23,2, ,		14 ,442	442,5
	1 , 1	51 ,55,	35, , 3	,531	5, , ,
	1,045, 43	2,, 52,3	54 ,4	453,30	4,, , 0,
Timing of revenue recognition					
	1,045, 43	2,, 52,3		3 5,403	4,1 3,432
			1 ,43	3 ,4	5 , 3
			530,030	2 ,40,	55 ,43,
	1,045, 43	2,, 52,3	54 ,4	453,30	4,, , 0,

For the year ended 31 December 2019

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Type of goods or services					
	1,230, 40	2,2, 3,		2 , 53	3, , 2,3 ,
			, 401		, 401
				33,33,	33,33,
	1,230, 40	2,2, 3,	, 401	320, , 5	4, 12,105
Geographical markets					
	1,, 51	1 ,2 5			1 ,04
		114,0	, 1, , 25	1 , 50	1,01 ,402
	, ,205	1, 34,12	1, 2	34,54,	2, 3, , 43
	231, 3,	, 120		, 4,0, 3	401, 30
	2 ,24,	413,3,	, 14	24,, 4,	533,0 4
	1,230, 40	2,2, 3,	, 401	320, , 5	4, 12,105

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

5. REVENUE—continued

(...)

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Timing of revenue recognition					
.....	1,230, 40	2,2 3,		2 ,53	3, 2,2
.....			13, 1	5,411	143,030
.....			4 2	2, 2	0
.....	1,230, 40	2,2 3,	,401	320, 5	4, 12,105

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
.....	,503	12, 30	,1
.....	,414	11 ,30	21 ,24
.....			30,44
	104, 1	131,03	255, 4

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30 1 0

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

5. REVENUE—continued

(...)

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	1 ,5	40,, 01	1, ,5,

6. OTHER INCOME AND GAINS

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Other income			
	13,,, 40	,,45	45, ,3
*	2,2	2,242	2,10
**	40,1 0	31,5 1	32,3, 4
	, 1	3 , 23	43
		3, ,4	1 ,541
	1 1,00	143,,	,,33,
Other gains			
	(4 ,5 4)	, 0,545	32,0, 2
	2 ,3 3	13, 1,	4,, ,4
(, 21)	4 ,, 5,	,1 1	1 ,, 2
(, 22)	(3,, 2)	30,4 0	(3,242)
(, 42)		2 ,,	
(, 42)			5, 3, 5
	(3 3)	2,304	2,0
	,2 ,	10,141	, ,1, 5
	2 , , 2	1 4,354	, 3 ,43
	20 ,, 01	30 ,150	33,, , 5

* ... 33.

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

6. OTHER INCOME AND GAINS—continued

33.

7. PROFIT BEFORE TAX

/( )

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	1, 3,221	2,43 ,552	2,3 1,2 2
	2 3,221	4 , 23	54 , 54
	13 ,55	15 , 32	1 ,1 4
	3 ,2 1	41,251	3 ,4 2
	45,55	51,	52,100
*	3,541	1 , 53	14 , 14
	3,4 5	2, 43	3,440
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
( ):			
	45 , 0	01, 53	50, 03
	2,444	11 , 5	14 , 3
	1,0	1,0	1, 3
	(13, , 40)	(,45)	(45, 3)
	1 3,2	22 ,20	2 5,1
	(1)	(3 , 23)	(43)
		(3, 4)	(1 ,541)
/( ),	4 ,5 4	(0,545)	(32,0 2)
	(2 ,3 3)	(13, 1)	(4, , 4)
/( ),	3, 2	(30,4 0)	3,242
	(4 , 5)	(,1 1)	(1 , 2)
		(2 ,)	
			(5 3, 5)
/( ),			
	3 3	(2,304)	(2,0)
	10, 4	12,454	3
	3 , 20	40, 43	4 ,025

*

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

8. FINANCE COSTS

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	11 ,23	1 5,	1 2,431
	33, 1	33, 21	3, 25
	,24	, ,1 3	5, 4
	2 ,02	24, 0	13,35
	(4,5 0)	(2,2 4)	
	1 3,2	22 ,20,	2, 5,1

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	300	300	300
	,4 1	,442	, ,10
*		2,011	
	211	231	20
	, 2	11, 4	, , 12

*

( )

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
(( ))	100	100	100
	50	100	100
	33	100	100
(( ))			
(( ))	1,		
(( ))	50		
(( ))	50		
	300	300	300

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

9. DIRECTORS' AND SUPERVISORS' REMUNERATION—continued

( )

Year ended 31 December 2017	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
	1,5		3	1, 02
	1,05		3	1,0 3

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

9. DIRECTORS' AND SUPERVISORS' REMUNERATION—continued

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

10. FIVE HIGHEST PAID EMPLOYEES—continued

11. INCOME TAX

( ) 25%

2015 201 15%

2014 201 15%

15%-3 % 31 201 22 201 201 21% 15%-3 % 1 201 1% .5%

1 %

22% 22% 21.4% 31 201 201 201

21 201 ( ) ( ) 201 ( ) 2 201 $2 .25%, $2 1 .5%. 1 .5%.

1 %

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

11. INCOME TAX—continued

	Year ended 31 December					
	2017		2018		2019	
	RMB'000	%	RMB'000	%	RMB'000	%
	15,,0 5		,5,20,		1,315,2 0	
	25,,13	1 %	1,3,45	23%	32,,433	25%
	(3 ,1,4)	(24%)	(2,11,)	(%)	(120,40,)	(,%)
	(,,2,)	(5,%)			2 , 32	2%
	(1,220)	(1%)	(1,5,1)	0%	133	0%
			(,,224)	(1%)	(1,)	0%
	,45	1%	335	0%	1, 23	0%
	(4, 1)	(3%)	(3,53)	0%	(,2)	0%
	2 ,1,3	1 %	54,151	,%	50,, 0	4%
	(4, ,)	(3%)	(, ,)	(1%)	(12,,5)	(1%)
			2,24,	0%	(3,12,)	0%
	(3, 0,)	(53%)	14 ,244	1,%	2,1,3 2	21%

12. DIVIDENDS

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	311, 00	5 ,124	124,, 20

23 201, ' 201
311, 00,000 ( )
201,
' 201
2.5 ( ) 10

1 201 , ' 201,
5 ,124,000 ( )
201
' 201,
0.45 ( ) 10

21 201, ' 201
124,, 20,1,0 ( )
201,
' 201
1 ( ) 10

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'00
	23 ,04	40,1 4	1,05 ,00

	Year ended 31 December		
	2017	2018	2019
	1,24 ,201, 04	1,24 ,201, 04	1,24 ,201, 04

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings	Machine equipment	Motor vehicles	Other equipment	Land	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2017								
1 [illegible] 201								
C [illegible]	51,212	,3 ,1 0	41, 00	55,1 0	30,154	4, 33	3 , 5	2,110,125
[illegible]	(13 ,454)	(22 , 4)	(24,152)	(2 ,)		(01)		(41 ,022)
[illegible]	,12, 5	50 ,332	1, , 4	2 ,523	30,154	3, 32	3 , 5	1, 1,103
1 [illegible] 201 [illegible]	,12, 5	50 ,332	1, , 4	2 ,523	30,154	3, 32	3 , 5	1, 1,103
[illegible]	5,051	33, 15	12	1, 4	3,24	2,0	521,43	5 ,5
[illegible]	(4 5)	(3 1)	(42)	(1 0)	(1 1)			(1, 5)
[illegible]	(35,550)	(,0, 0)	(4,24)	(11,05)		(33)		(13 ,55,)
[illegible]	5 , 12	5 ,324	,003	, 5			(12, , 34)	
[illegible]	(,13)	(10, 5)	(1,135)	(35)	(1, 55)		(15,552)	(3 , 4)
31 [illegible] 201 [illegible]	,31,350	500,0 2	1, , 40	25,5 1	31,3 ,	5,1 5	, ,00	2,0 0,2 1
31 [illegible] 201								
C [illegible]	03, 53	04, , 5	40,424	5, , , 3	31,3 ,	, 1	, ,00	2, 14,100
[illegible]	(1, 2,503)	(304, ,)	(20, 4)	(34,412)		(1,534)		(533, 0)
[illegible]	,31,350	500,0 2	1, , 40	25,5 1	31,3 ,	5,1 5	, ,00	2,0 0,2 1

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT—continued

	Buildings	Machine equipment	Motor vehicles	Other equipment	Land	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2018								
1 201								
C	03, 53	04, 5	40,424	5 , 3	31,3	1	,00	2, 14,100
	(1 2,503)	(304,)	(20, 4)	(34,412)		(1,534)		(533, 0)
	31,350	500,0 2	1 , 40	25,5 1	31,3	5,1 5	,00	2,0 0,2 1
1 201	31,350	500,0 2	1 , 40	25,5 1	31,3	5,1 5	,00	2,0 0,2 1
	3	1, 03	1	5		,203	5 , 41	0 , 44
		(331)	(20)	(114)				(4 5)
	(31)	(,143)	(3)	(1 4)		(2,355)		(12,04)
	(4 ,2 3)	(3,4 2)	(4,3 2)	(12,1 5)		(1,340)		(15 , 32)
	4 1, 1	134,23	5, 2	10,2 3			(32,010)	
	,53	10, 1	1	4	1,5	1	13, 0	34,14
31 201								
	1,1 3,4 4	544,23	22, 43	24, 5	32, 4	10, 11	45,243	2,554,23
31 201								
C	1,3 3, 03	40,353	4 ,110	0, 12	32, 4	12,033	45,243	3,243,300
	(220,23)	(3 ,11)	(25,2)	(4 ,11)		(1,322)		(,0 1)
	1,1 3,4 4	544,23	22, 43	24, 5	32, 4	10, 11	45,243	2,554,23

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT—continued

	Buildings	Machine equipment	Motor vehicles	Other equipment	Land	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2019								
1 201								
C	1,3 3, 03	40,353	4 ,110	0, 12	32, 4	12,033	45,243	3,243,300
	(220,23)	(3 ,11)	(25,2)	(4 ,11)		(1,322)		(,0 1)
	1,1 3,4 4	544,23	22, 43	24, 5	32, 4	10, 11	45,243	2,554,23
1 201								
	1,1 3,4 4	544,23	22, 43	24, 5	32, 4	10, 11	45,243	2,554,23
	1 ,41	,34		3,052			2 ,35	323,240
		(2)	(4)	(10)				(3)
		(2,0 2)		(2)		(1, ,)		(4,345)
	(5 ,1)	(125,4 1)	(4,010)	(, 51)		(43)		(1 ,1 4)
	, , 41	244, 41	3 1	2,323			(323,)	
	2,	5,340	302	1,	543	(3)	2, , 2	12,000
31 201								
	1,211,1 1	2,413	1 ,512	23,10	33,4	,13	20,3 5	2, ,232
31 201								
C	1,4 1,310	1,1 ,1 0	4 , 00	5,551	33,4	,213	20,3 5	3,5 , 0
	(2 0,11)	(51 , 4)	(2 ,1)	(52,445)		(1,0 ,)		(,5)
	1,211,1 1	2,413	1 ,512	23,10	33,4	,13	20,3 5	2, ,232

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT—continued

Company

	Buildings	Machine equipment	Motor vehicles	Other equipment	Leasehold improvements

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT—continued

	Buildings	Machine equipment	Motor vehicles	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2018							
1 201							
C	,323	20 , 0	10, 1	23,4	114, 2	435, 53	53
	(21, 1,)	(101,4 0)	(,4, 4)	(1 ,0 5)	(22,)		(1 2, 23)
	4,40	105,220	1,144	,402	1, 05	435, 53	05,030
1 201	4,40	105,220	1,144	,402	1, 05	435, 53	05,030
					,1	4 0,0	4 ,244
		(20)		( )			(212)
	(11,55,)	(1 , 5)	(231)	(2,)	(,14,)		(3 ,41)
	454,32	2, 15		2		(45, , 23)	
31 201	50, ,1, 5	1,034	13	4,3 2	3, 3	43 ,1	1,135, 4
31 201							
C	540, 50	20 ,023	10, 1	24,0 5	122, 15	43 ,1	1,345,1
	(33,4, 5)	(11,)	(, 05)	(1 , 03)	(2 ,)		(20 ,551)
	50, ,1, 5	1,034	13	4,3 2	3, 3	43 ,1	1,135, 4

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

14. PROPERTY, PLANT AND EQUIPMENT—continued

	Buildings	Machine equipment	Motor vehicles	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2019							
1 201							
.....	540, 50	20 ,023	10, 1	24,0 5	122, 15	43 ,1	1,345,1
.....	(33,4, 5)	(11,)	(,05)	(1 ,03)	(2 ,)		(20 ,551)
.....	50, ,1, 5	1,034	13	4,3 2	3, 3	43 ,1	1,135, 4
1 201	50, ,1, 5	1,034	13	4,3 2	3, 3	43 ,1	1,135, 4
.....		1,225		1 2		13 ,521	13, 3
.....		(10)		(32)			(42)
.....	(20, 5,)	(1 ,510)	(205)	(1,143)	(,13,)		(4 , 52)
.....	21,44	1 ,, 3,		2		(3 ,44)	
31 201	50, , 4	0,4,	0	3, 5	, ,	53 ,2	1,22 , 0
31 201							
.....	5 2,0	22 , 3	10, 1	24,3, 4	122, 15	53 ,2	1,4 4, 4
.....	(54,132)	(13 ,41,)	(, 10)	(20,)	(34, 1)		(255, 4)
.....	50, , 4	0,4,	0	3, 5	, ,	53 ,2	1,22 , 0

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. RIGHT-OF-USE ASSETS

Group

	Properties	Equipment	Motor vehicles	Land use rights	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2017					
► 1 [illegible] 201					
C [illegible]	10 ,1	32,4	2	1 3, 0	305,
► [illegible]		(,5,)		(25,4)	(33,0 5)
[illegible]	10 ,1	25,1	2	13 ,4,2	2,2, 23
► 1 [illegible] 201, [illegible]					
[illegible]	10 ,1	25,1	2	13 ,4,2	2,2, 23
► [illegible]	5 ,4	2,213	3,3 2		4,353
[illegible]	(22,0 1)	(, 5,)	(31)	(4, 54)	(3, ,2 1)
[illegible]	(,025)	(1,205)			(, ,142)
► 31 [illegible] 201, [illegible]					
[illegible]	13 ,3,	1 ,220	3,42,	133,51	2 2,543
► 31 [illegible] 201,					
C [illegible]	1 0, 45	32, 5	3, 53	1 3, 0	3 1,543
► [illegible]	(21,4)	(1 , 5)	(32)	(30,442)	(,000)
[illegible]	13 ,3,	1 ,220	3,42,	133,51	2 2,543

	Properties	Equipment	Motor vehicles	Land use rights	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2018					
► 1 [illegible] 201					
C [illegible]	1 0, 45	32, 5	3, 53	1 3, 0	3 1,543
► [illegible]	(21,4)	(1 , 5)	(32)	(30,442)	(,000)
[illegible]	13 ,3,	1 ,220	3,42,	133,51	2 2,543
► 1 [illegible] 201 [illegible]					
[illegible]	13 ,3,	1 ,220	3,42,	133,51	2 2,543
► [illegible]	2,0,		3,1		5,2
[illegible]	(2 , 33)	(,3 0)	(1,2, 4)	(4, 54)	(41,251)
[illegible]	4, , 4	51,	5,		5,34
► 31 [illegible] 201 [illegible]					
[illegible]	11 ,5 ,	,34,	5,3	12 ,5 4	2 1, 0
► 31 [illegible] 201					
C [illegible]	1 ,30	34, 4	, ,015	1 3, 0	3, 4, 2,
► [illegible]	(4, , 0)	(2 ,2)	(1, 1,)	(35,3)	(113,021)
[illegible]	11 ,5 ,	,34,	5,3	12 ,5 4	2 1, 0

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. RIGHT-OF-USE ASSETS—continued

	Properties	Equipment	Motor vehicles	Land use rights	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2019					
1 [illegible] 201					
C [illegible]	1 ,30	34, 4	,015	1 3, 0	3 4, 2
[illegible]	(4 ,0)	(2 ,2)	(1, 1)	(35,3)	(113,021)
[illegible]	11 ,5	,34	5,3	12 ,5 4	2 1, 0
1 [illegible] 201 [illegible]					
[illegible]	11 ,5	,34	5,3	12 ,5 4	2 1, 0
[illegible]	,1	2, 2	2,301		14,451
[illegible]	(2 , 03)	(4,311)	(2,3 4)	(4, 54)	(3 ,4 2)
[illegible]	(2)				(2)
[illegible]	1,313	121	(4)		1,3 5
31 [illegible] 201 [illegible]					
[illegible]	101,2 3	,13	5,25	123, 10	23, ,2
31 [illegible] 201					
C [illegible]	1 5, 44	3 ,234	,2	1 3, 0	3 ,11
[illegible]	(4,351)	(31,0 5)	(4,022)	(40,350)	(14 , 1)
[illegible]	101,2 3	,13	5,25	123, 10	23, ,2

Company

	Properties	Land use rights	Total
	RMB'000	RMB'000	RMB'000
31 December 2017			
1 [illegible] 201			
C [illegible]	23,4	114,1 1	13, 0
[illegible]		(1 ,5)	(1 ,5)
[illegible]	23,4	, , 22	121,121
1 [illegible] 201 [illegible]	23,4	, , 22	121,121
[illegible]	(2,3)	(3, 43)	(,130)
31 [illegible] 201 [illegible]	21,112	, 3, ,	114, 1
31 [illegible] 201			
C [illegible]	23,4	114,1 1	13, 0
[illegible]	(2,3)	(20,312)	(22,)
[illegible]	21,112	, 3, ,	114, 1

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. RIGHT-OF-USE ASSETS—continued

	Properties	Land use rights	Total
	RMB'000	RMB'000	RMB'000
31 December 2018			
1 [illegible] 201			
C [illegible]	23,4	114,1 1	13, 0
[illegible]	(2,3)	(20,312)	(22,)
[illegible]	21,112	3,	114, 1
1 [illegible] 201 [illegible]	21,112	3,	114, 1
[illegible]	2,1 0		2,1 0
[illegible]	(2,40)	(3, 42)	(,14)
31 [illegible] 201 [illegible]	20,	0,13,	111,013
31 [illegible] 201			
C [illegible]	25,	114,1 1	13, 0
[illegible]	(4, 3)	(24,054)	(2 , 4)
[illegible]	20,	0,13,	111,013

	Properties	Land use rights	Total
	RMB'000	RMB'000	RMB'000
31 December 2019			
1 [illegible] 201			
C [illegible]	25,	114,1 1	13, 0
[illegible]	(4, 3)	(24,054)	(2 , 4)
[illegible]	20,	0,13,	111,013
1 [illegible] 201 [illegible]	20,	0,13,	111,013
[illegible]	1 ,311		1 ,311
[illegible]	(3,5 3)	(3, 43)	(,31)
31 [illegible] 201 [illegible]	34, 14	,3 4	121,00
31 [illegible] 201			
C [illegible]	42, 0	114,1 1	15, ,1 1
[illegible]	(,3)	(2, ,)	(3 ,1 3)
[illegible]	34, 14	,3 4	121,00

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. GOODWILL

	RMB'000
At 1 January 2017:	
[illegible]	2,341,[illegible]5
[illegible]	
[illegible]	2,341,[illegible]5
[illegible] 1[illegible] 201[illegible]	2,341,[illegible]5
[illegible]	
[illegible]	(135,[illegible]0)
[illegible] 31[illegible] 201[illegible]	2,205,,05
At 31 December 2017:	
[illegible]	2,205,,05
[illegible]	
[illegible]	2,205,,05
[illegible] 1[illegible] 201[illegible]	2,205,,05
[illegible]	
[illegible]	111,05
[illegible] 31[illegible] 201	2,31 ,, 3
At 31 December 2018:	
[illegible]	2,31 ,, 3
[illegible]	
[illegible]	2,31 ,, 3
[illegible] 1[illegible] 201[illegible]	2,31 ,, 3
[illegible]	
[illegible]	3 ,145
[illegible] 31[illegible] 201[illegible]	2,354,[illegible]0
At 31 December 2019:	
[illegible]	2,354,[illegible]0
[illegible]	
[illegible]	2,354,[illegible]0

[illegible]

[illegible] 2014,[illegible] [illegible] [illegible] [illegible] [illegible] 1,2[illegible], 21,000.

[illegible] 5[illegible] 2015,[illegible] [illegible] [illegible] [illegible] [illegible] [illegible] 14,[illegible]40,000.

[illegible] ([illegible] [illegible]) [illegible] [illegible] [illegible] [illegible] [illegible]

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. GOODWILL—continued

31

201 , 201 201

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	3 , 3 [1]	2, 5, [1]	3,2 , 14[2]
	2,3 3,22	2,451, 4	2, 23,443

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	1,503,1 3[1]	1, 42,021[1]	1, 1, 2 [1]
	1,4 2,5 4	1,5 5, 1	1, 02,

1.
2.

	As at 31 December		
	2017	2018	2019
	- 5%	-5%-31%	%-32%
	33%-44%	22%-2 %	1 %-31%
	21.5%	1 %	1 . %
	3%	3%	3%

	As at 31 December		
	2017	2018	2019
*	%-44%	%-3 %	%-2 %
*	%-2 %	20%-2 %	25%-2 %
	13 %	15.1%	15.4%
	3%	3%	3%

* 201

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. GOODWILL—continued

31 201,

31

201, 201 201.

3.0%.

B B A

( )

P

	As at 31 December		
	2017	2018	2019
	/.	/.	/.
	.5	.0 - .	.5 - .0
	5.0%	5.0%	5.0%

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. GOODWILL—continued

	As at 31 December		
	2017	2018	2019
	2.0 -3.0	2.3 -3.0	2.3 -2.5
	.0	11.0	11.0 -12.0
	15.0%	10.0%	10.0%

31 201 , 201 201 .

1,41 , 10,000, 434,212,000 55,3 1,000 31 201 , 201 201 ,

31 201 , 201 201 .

	Change required for carrying value to equal recoverable amount		
	As at 31 December		
	2017	2018	2019
	(54.0%)	(10.4%)	(11.0%)
	(2 .1%)	(.1%)	(.3%)
	5 . %	. %	. %

30, 1 ,000 5 ,305,000 2 ,05 ,000 31 201 , 201 201 ,

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. GOODWILL—continued

31 201 , 201 201 .

	Change required for carrying value to equal recoverable amount		
	As at 31 December		
	2017	2018	2019
	(0. %)	(2.0%)	(. %)
	(0. %)	(1.3%)	(. .1%)
	0.3%	0. %	5.4% 3 . 03(5- 1 0

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

17. OTHER INTANGIBLE ASSETS

Group

	Software	Trademarks	Patent	Proprietary technology	Brands	Customer relationships	Development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2017								
C 1 201	,2 3	,434	55	12,52	121,5	411,051	10,4	5,2 0,
		20	51				(1)	
	5,4 1			5, 2			3,14	104, 0
	(2, 53)	(1,2 3)	(11)	(3, 25)	(, 0)	(2 ,0)		(45,55)
	(33)			5,03	(, 5)	(22, 0)		(24,)
31 201	10, 5	,1 1	1,5 0	10 , 23	10 ,1	35 ,04	12, 44	0 ,450
31 201								
C	1 , 0	13, 24	2,0	11 ,5 3	124, 23	422,024	12, 44	0 , 0
	(5, 4)	(,433)	(4)	(, 0)	(1 , 2)	(2,)		(103,230)
	10, 5	,1 1	1,5 0	10 , 23	10 ,1	35 ,04	12, 44	0 ,450

	Software	Trademarks	Patent	Proprietary technology	Brands	Customer relationships	Development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2018								
C 1 201	10, 5	,1 1	1,5 0	10 , 23	10 ,1	35 ,04	12, 44	0 ,450
			5				(5)	
	04		4	41,04			2, 3	44, 3
	(1)							(1)
	(13)	(5,121)	(30)	(2)			( )	(5,1 2)
	(2,220)	(15)	(1 2)	(11, 33)	(,43)	(2 ,531)		(51,)
	10		1	30	5,045	1 ,05		22, 1
31 201	,5 2	444	1,451	13 ,445	102, 03	34 ,5 5	15,3	1 , 5
31 201								
C	1,	2	2,0	15 , 0	131,10	443,2 3	15,3	,4 3
	(,235)	(41)	(1)	(1 ,535)	(2 ,305)	(5,)		(152, 0)
	,5 2	444	1,451	13 ,445	102, 03	34 ,5 5	15,3	1 , 5

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

17. OTHER INTANGIBLE ASSETS—continued

Company

	Software	Patent	Development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2017				
[illegible] 1[illegible] 201[illegible]				
[illegible]	[illegible], 4	34	[illegible]4	[illegible],55
[illegible]	2,52[illegible]		2	2,52[illegible]
[illegible]	(1,24)	(51)		(1,2[illegible])
[illegible] 31[illegible] 201[illegible]	[illegible],12[illegible]	5 3	[illegible]	[illegible],
[illegible] 31[illegible] 201[illegible]				
[illegible]	13,013	[illegible]1	[illegible]	13, 0
[illegible]	(3, 4)	(20)		(4,0 2)
[illegible]	[illegible],12[illegible]	5 3	[illegible]	[illegible],
31 December 2018				
[illegible] 1[illegible] 201 [illegible]				
[illegible]	[illegible],12[illegible]	5 3	[illegible]	[illegible],
[illegible]		5	(5)	
[illegible]	3 4		210	5,4
[illegible]	(1[illegible])			(1[illegible])
[illegible]	(1,354)	(50)		(1,404)
[illegible] 31[illegible] 201 [illegible]	[illegible], 3	53	2 1	[illegible], 2
[illegible] 31[illegible] 201				
[illegible]	13,1 1	[illegible]	2 1	14,25
[illegible]	(5,21)	(25)		(5,4[illegible])
[illegible]	[illegible], 3	53	2 1	[illegible], 2

	Software	Patent	Development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2019				
[illegible] 1[illegible] 201[illegible]				
[illegible]	[illegible], 3	53	2 1	[illegible], 2
[illegible]	[illegible]40		2 1	1,201
[illegible]	(1,354)	(51)		(1,405)
[illegible] 31[illegible] 201[illegible]	[illegible],54[illegible]	4[illegible]	542	[illegible],5[illegible]
[illegible] 31[illegible] 201[illegible]				
[illegible]	14,120	[illegible]	542	15,45
[illegible]	([illegible],5[illegible]1)	(30[illegible])		([illegible], 0)
[illegible]	[illegible],54[illegible]	4[illegible]	542	[illegible],5[illegible]

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

18. INVESTMENTS IN ASSOCIATES

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
/( )			

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

18. INVESTMENTS IN ASSOCIATES—continued

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	(1,525)	(1,340)	(2,01)
			35
	14,123	330,1	303,42

31 201, 201 201

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	,52	1,243,43	53,20
	4,45	232,302	443,344

31 201

	As at 31 December 2019
	RMB'000
	4,23
	02,

19. INTERESTS IN SUBSIDIARIES

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	1,11,3	2,233,535	2,14,52
*	0,25	1,534	1,035,4
	2,20,11	3,15,0	3,20,5

*

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

20. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income			
[illegible]			
[illegible]	2 1,5 3	3,,5 0	
[illegible]	,1, ,	, 2	2,,2, 1
	353,45,	104,422	2,,2, 1
[illegible]			
[illegible]	1, ,02,	205,	20,,2
[illegible]		2,, 0	3 ,40
[illegible]		5,	1,,00
	1, ,04	504,3 3	00,12
	550,3 3	0 ,, 5	2,,3,

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income			
[illegible]			
[illegible]	2 1,5 3	3,,5 0	
[illegible]			
[illegible]		31, 3	31, 3
	2 1,5 3	,423	31, 3

[illegible]

(,) [illegible] 4 ,14, ,053 [illegible] (,) [illegible] 2013. [illegible] 31 , , 201.

(,) [illegible] 5,3 5, 54 [illegible] (,) [illegible] 11,000,000 , 201. [illegible] (, ,). [illegible] 1, , ,000, , , 2,000 , 2,,2, 1,000 , 31 , , 201, , 201 , 201, , .

(,) [illegible] 31,123,5 0 [illegible] (,) [illegible] 30,000,000 [illegible] 31 , , 2014 , 2015. [illegible] 1, ,02, ,000, , 205, , ,000, , , 20,,2 ,000 , 31 , , 201, , 201 , 201, , .

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

20. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME—continued

( ) 14,42 , ( ) 5,000,000 201 , 14, 10 3 , 20,000 12,4 5,000 31 201 201, 2, 0 ,000 3 , 40,000 31 201 201, .

45

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Current			
2 3,1 5	2 ,2 3	, ,	
Non-current			
( )	241,	25 ,42,	312,532
( )	104, 3	, ,44	51,04
( )	11 , 13	1 1,10	3, , 1
( )	1 0, 0	221, 3	21 ,5 4
( )	0,400	104,500	13 ,000
( )	33, 15	3 ,500	41,400
(,)( )	24,554	32, 5	42,403
(,)	12,0	4, 30	, ,
	4 2	4	41, 2
	15, 5	31,3	1,22 ,1, 1
	14 ,204		
	1, 3	31,3	1,22 ,1, 1
	1,255,04	1,1 , , 0	1,31 ,04,

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Current			
	253,005	204,004	30,053
Non-current			
( )	104, 3	, ,44	51,04
( )	11 , 13	1 1,10	3, , 1
(,) ( )	24,554	32, 5	42,403
	24 ,150	303, 4	4, 3,2
	4 , ,155	50, , 52	503,321

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS—continued

(1)

2.00%

5. 0%

31 201, 201 201.

(2)

( ) ,4 ,3 5 3 ,500,000 201.

3,500,000 201.

241, ,000, 25 ,42 ,000

312,532,000 31 201, 201 201,

( ) 2014.

104, 3,000, 44,000 51,04 ,000 31 201,

201 201,

( ) 0,000,000 201. 0,000,

5, ,4 ,000 100, 54,000 31 201, 201

201,

11 , 13,000, 1 1,10 ,000,

3, , 1 ,000 31 201, 201 201,

( ) 201.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS—continued

1 0, 0,000, 221, 3,000 21 ,5 4,000 31 201, 201 201,

( )

., . ( ), 14%, 35,000,000 201 0. 2%, 10,000,000 201 . 0,400,000, 104,500,000 13 ,000,000 31 201, 201 201,

(.)

., . ( ), 1,1 0,000 2, 4,000 201 . 33, 15,000, 3 ,500,000 41,400,000 31 201, 201 201,

( )

( ). (.) ( ) 20,000,000, 2015. 24,554,000, 32, 5,000, 42,403,000 31 201, 201 201,

( )

1,500,000 2015. 12,0 ,000, 4, 30,000 , ,000 31 201, 201 201,

(3)

( ) ( ), 201

22. DERIVATIVE FINANCIAL INSTRUMENTS

Group and Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Current			
	43,150	,,1, 4	24,,

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

22. DERIVATIVE FINANCIAL INSTRUMENTS—continued

23. OTHER NON-CURRENT ASSETS

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	0,534	3 , 0	15,132
	0,405	,,5	,,5,
	2,52	,, 1	
*			,4,1 3
	143,4	14 ,32,	1 ,0, 2

* 15 201 1, 201 3 .5%

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	3,,,	,145	2,51,
			,4,1 3
	3,,,	,145	, ,00

24. INVENTORIES

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	40 ,034	55, ,11	,40, 41
	2, , 2,	2, , ,5	4 5, 0
	50,, 2,	, ,5	1,15 ,51,
	1,353,5, 2	1, 4 ,55,	2,3 3,1

,4, 3,000, 100,004,000 12 , 1,000 31 201, 201 201,

45

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

24. INVENTORIES—continued

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	12 ,4 1	130,521	23 ,240
	1 ,1 1	13 ,1 3	30 ,123
	114,234	4, 55	235, 2
	42 ,	3 3,3	1,2 0

55 ,000, 4,000
241,000 31 201, 201 201,

25. TRADE AND BILLS RECEIVABLES

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	10, 3	1,10 ,3 1	1,2 1,020
	11,0	1,2 0	22, 2
	(1 , 33)	(2 ,1 2)	(21, 21)
	03,202	1,0 4,4	1,2 2,125

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
0	42,1	1,01 , 0	1,221,105
0 1 0	13, 5	33, 2	13,3 3
1 0 1	24, 4	11,125	3 ,523
1 2	1 ,4	14, 45	3, 2
2	2,	4,	4,1 2
	03,202	1,0 4,4	1,2 2,125

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

25. TRADE AND BILLS RECEIVABLES—continued

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
►	15,044	1 , 33	2 ,1 2
	5,5、1	10,110	(2,3 、)
	(20)	(2,、02)	(2,5 1)

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

25. TRADE AND BILLS RECEIVABLES—continued

	As at 31 December 2018		
	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
[illegible]	,530	0.50	4,34
[illegible] 3 [illegible]	154, 3	0. 1	1,412
[illegible] 3 [illegible]	34,2 5	0. 1	313
[illegible] 12 [illegible]	11,22	0. 1	102
[illegible] 1 2 [illegible]	21,345	30.45	,500
[illegible] 2 [illegible]	1 ,1 5	4.25	13,4
	1,10 ,3 1		2 ,1 2

	As at 31 December 2019		
	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
[illegible]	,001	0.50	4, 4
[illegible] 3 [illegible]	235, 1	0. 2	1, 4
[illegible] 3 [illegible]	13,4 0	0. 2	
[illegible] 12 [illegible]	3 , 0	0. 2	2
[illegible] 1 2 [illegible]	5,5 3	2 . 3	1, 01
[illegible] 2 [illegible]	1 ,3 0	.02	13,1
	1,2 1,020		21, 21

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]	1 , 1	134,2	,541
[illegible]	11,0 3	1,2 0	15,
[illegible]	(3, 42)	(5, 2,)	(452)
	1, 4, 40	12 , 41	2,0

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]	1,22	3, 42	5, 2,
[illegible]	2, 13	3, , 2	(5,3 5)
[illegible]		(1,)	
	3, 42	5, 2,	452

[illegible]

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

26. CONTRACT ASSETS

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	11,3	1, ,3 4	31,1

27. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	252, 35	20 , 2	431,2
*	5 ,23	5, ,, 25	2,3 0
	202, 4	, 02	12,152
►	43,334	4 ,5 2	42, 32
►	, 1, 0	3, 45	0,330
	203	45	534
	13,35	20, 45	33,2, 4
**	(,110)	(10,0 5)	(13,1)
	52,415	4, , 01	2, ,5 0

*

** ► 31 201, 201 201, 12-

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	23 ,230	1, 5,43	400,4
*	3, ,1 2	35,333	15,11,
	202, 4	, 02	12,152
►	2 ,45,	24, 1	3, ,23
►	1, ,053	12,121	, 4
		4,223	, 24
			534
	(2,55)	(3,,)	(4, 3)
	523,1 5	31 , 4	4, 4,2 ,

*

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

28. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]	535, 11	1,22 , 3	1,13 ,105
[illegible]	3,0 1,54	1, 0	12, ,510
	3,5 , ,1 0	2,121, 4	1,2 5, 15
[illegible]	,141	3, 3	1,5
[illegible]	4 0, 0	12, ,510	
[illegible]	2,3 , 40	4 4,2	12, ,510
[illegible]	, 30,4, 0	1,52 ,100	1,0, ,53,

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]			
[illegible]	3,33 ,2, 4	1, , 0,00,	0 ,351
[illegible]	203,024	421,530	2, 0,4
[illegible]	53,242	24,2, 4	53,0 1
[illegible]	0	2, 40	1 2
[illegible]	3, 0	3,2 5	33,515
	3,5 , ,1 0	2,121, 4	1,2 5, 15

[illegible]

[illegible]

[illegible]

[illegible]

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

28. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS—continued

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	1 ,,3	,33, ,3	1, ,,
	3,0 0,54	,0, 0	12,,510
	3,22,,3	1, 24,5 2	,,3
	4,0,0	12,,510	
	2,3 ,, 40	4 3,2	12,,510
	3 ,,3	1,033,,,3	1, ,,

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	3,22,,21,	1,550,54	40,13
	,1	,3,45	14,,12,
	30		,5
			2,04
	3,22,,3	1, 24,5 2	,,3

29. TRADE AND BILLS PAYABLES

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	3,344		
	15,,130	205,2,3	22 , 1
	1 2,4,4	205,2,3	22 , 1

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
1,	1 1,5 2	203,	22 ,5,
1, 2,	225	,,	1, 1,
2, 3,	2	1, 4	2 2
3,	25	33	203
	1 2,4,4	205,2,3	22 , 1

30 ,0

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

29. TRADE AND BILLS PAYABLES—continued

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	,51	13, 、2	13,5 3

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
1、	,51	13,4 5	13,5 3
1、 2、		20、	
	,51	13, 、2	13,5 3

30 、0

30. OTHER PAYABLES AND ACCRUALS

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	33,014	43, 4	、4,4 0
	,154	105,13	15、,01、
	41,3、5	132,251	、、、
	2、,25、	14,、1、	
	15, 、、	1、, 2	
	125,、、3	15、,2、2	152,420
	,552	20, 13	24, 22
	340,024	**493,683**	**528,737**

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	、,4 、	4,、 5	3,
	1 ,0、2	、、、 1	25,3 2
	23,	124, 30	、,02、
	、,0 0	10, 、2	
	5、、2、	5 , 20	54,445
	45、	2、	2 5
	114,713	**207,365**	**170,765**

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

31. CONTRACT LIABILITIES

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	12,,30	,1,,	3, 42
	11 ,	215,344	1 , 2
		30,322	
	12 ,3	254, 43	200,2

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
		, 0	

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

32. INTEREST-BEARING BANK AND OTHER BORROWINGS

Group

31 December 2017

	As at 31 December 2017		
	Effective interest rate per annum	Maturity	RMB'000
Current			
[illegible] (i)	2.1 %-5. %	201	, ,
[illegible]	2.3%-5. %, , +2. 5 ,	201	1,2 1,04
[illegible]	2.2%-5.0%, , +150 , -200 , , 3 , +130 ,	201	1,111,
[illegible] (ii)	5. %	201	0,000
			3,25 , 32
Non-current			
[illegible] (i)	4.4%, , +150 , , 3 , +130 ,	201 -2020	31,54
[illegible] (ii)	3.4%	2021	2, ,
			1, 24,333

31 December 2018

	As at 31 December 2018		
	Effective interest rate per annum	Maturity	RMB'000
Current			
[illegible] (i)	2.5%- .3%, , +2 2 , , 3 , +130 ,	201	, ,3 1
[illegible]	2. %- .5%	201	3, ,400
[illegible]			
[illegible] (ii)	4.4%	201	4, ,
[illegible]			
[illegible]	, +150 ,	201	4, , 2
[illegible] (ii)	3.5%-5.4%	201	2, , , 10
			2,4 3,4 2
Non-current			
[illegible] (i)	.5%, 3 , +130 , -150 , , , +	2020-2023	1,454, 34
[illegible] (ii)	3.4%	2021	4, 0
			2,44 ,442

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

32. INTEREST-BEARING BANK AND OTHER BORROWINGS—continued

Company—continued

31 December 2018

	As at 31 December 2018		
	Effective interest rate per annum	Maturity	RMB'000
Current			
[illegible]	2. %-5.[illegible]%	201[illegible]	[illegible]3,[illegible],400
[illegible]	3.5%-5.4%	201[illegible]	[illegible]5,000
			1,032,400
Non-current			
[illegible]	.5%	2023	545,2[illegible]0
[illegible]	3.4%	2021	[illegible]4, 0
			1,53[illegible],

31 December 2019

	As at 31 December 2019		
	Effective interest rate per annum	Maturity	RMB'000
Current			
[illegible]	4. %-4. %	2020	4[illegible],232
[illegible]	3.1%-4.[illegible]%	2020	50[illegible],341
[illegible]	5.4%- .5%	2020	[illegible],020
[illegible]	2.[illegible]%-4.5%	2020	500,000
[illegible]	5.5%- .5%	2020	45 [illegible],[illegible]00
			2,402,2[illegible]3
Non-current			
[illegible]	5.4%- .5%	2023-202[illegible]	1,0 [illegible],352
[illegible]	5.5%- .0%	2021-2023	[illegible]5, [illegible]4
			1,[illegible] 4,04

[illegible]

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Repayable:			
[illegible]	1,3 1,04	1,032,400	2,402,2[illegible]3
[illegible]		54,52	145,353
[illegible]	[illegible]2,[illegible]	1,4 5,3 0	1, 1 , [illegible]3
	2,353, 35	2,5[illegible]2,2	4,1 ,33[illegible]

(1) [illegible] 31 [illegible] 201[illegible], 201 [illegible] 201[illegible], [illegible] 15[illegible],242,000, [illegible] 31[illegible],03[illegible],000 [illegible] 454,2[illegible],000 [illegible] 31 [illegible] 201[illegible], 201 [illegible] 201[illegible], [illegible] 1,111, 3,000, [illegible] 1,4 5,333,000 [illegible] 1, 54,0[illegible],000, [illegible].

[illegible] 31 [illegible] 201[illegible], [illegible] 1,3[illegible] 1,002,000 [illegible] [illegible] 31 [illegible] 201[illegible], [illegible] 513,013,000.

[illegible] 31 [illegible] 201[illegible], 201 [illegible] 201[illegible], [illegible] 3 3,221,000, [illegible],3 ,000 [illegible].

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

32. INTEREST-BEARING BANK AND OTHER BORROWINGS—continued

▶ 31 201 201 545,2 0,000 1,135,223,000 100%. ◀ 31 201 201 201 2,1 ,000, 1,2 ,50 ,000 41,0 ,000 .

( ) ▶ 31 201 201 201 0,000,000, 5,000,000 500,000,000, 1 2, 10,000 230, 00,000, ◀

( ) 201 1,000,000,000 (1). 1 1 1 3.1 % 201 201 4,103,000

23 201 00,000,000 (1). 1 1 1 5.50% 23 23 201 ( ),

30 201 430,000,000 (1 01). 1 01 1 01 1 01 .50% 30 30 201.

33. DEFERRED INCOME

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	42,345	31,254	20, 1

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	10,254	4, 4	3, 5

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. DEFERRED TAX

Group

	Deferred tax assets												
	Fair value adjustments of financial assets at fair value through other comprehensive income	Fair value adjustments of financial assets at fair value through profit and loss	Fair value loss on derivative instruments	Impairment of assets	Adjustment of share of profits and losses of associates	Accrued interest expenses	Unrealised profits from intercompany transactions	Accrued bonus	Accrued pension	Tax losses	Amortization of customer relationships and trade marks	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
1 [illegible] 201[illegible]	4,0 1	1,0 4		3,015	,332	3 , 5	,013	4,3 5	11, 32	11 ,0[illegible]	13, 4	, 3	21 ,453
[illegible] / ( ) [illegible]		5, 1		1,, 3	10,31[illegible]	(,251)	12,0 4	(43)		(44,432)	(,,)	(,)	(30,115)
[illegible] / ( ) [illegible]	, (45)			(120)	(2,1 1) 5[illegible]	(1, 5)		(254)	(1, 23) (23)	2,04	(5 2)	(14)	2,5 3 (1,4 5)
31 [illegible] 201[illegible]	10,310	,0 5		4,	1 ,115	2 , 22	1 ,10[illegible]	4,0	,2	, , 3	,525	,4[illegible]	1 0,43
1 [illegible] 201 [illegible] ( )/ [illegible]	10,310	,0[illegible]5		4,	1 ,115	2 , 22	1 ,10[illegible]	4,0	,2	, , 3	,525	,4[illegible]	1 0,43
[illegible] / ( ) [illegible]		(4,, 1)		2,2 4	4 ,0 4	3,, 3[illegible]	23,	(411)		(53,33[illegible])	(1,,)	3, 3	22,4 1
[illegible] / ( ) [illegible]	2, 14			15[illegible]	(,) 2 2	1,5[illegible]		1 1	(1, 53) 40	2,, 23	2 3	243	(, 3) ,43[illegible]
31 [illegible] 201	13, 03	2,314		, ,11	5 ,, 2	33, 35	42,0[illegible]	3,	,041	2 ,0	5,001	10, 3	211, 1

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. DEFERRED TAX—continued

Group

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. DEFERRED TAX—continued

Group

	Deferred tax liabilities								
	Fair value adjustments of financial assets at fair value through other comprehensive income	Fair value gain on derivative instruments	Fair value adjustment arising from acquisition of subsidiaries	Adjustment of amortization of goodwill	Depreciation allowance in excess of related depreciation	Disposal of a subsidiary	Fair value adjustments of financial assets at fair value through profit and loss	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
1 ... 201 ...	0,3 0	1, 3,	241,03	15, ,325	52, 01			2,522	515,, 3
...		(14)	(, 44)	(4, ,3 1)	(22, 12)			( )	(1, 0,251)
...	(2 ,1 ,)								(2 ,1 ,)
...			(10,333)	(, ,5, 1)	(2,25)			(11)	(20,2,)
31 ... 201 ...	34,1, 3	1,,	131, 1	102,3, 3	2, ,431			1,440	2, ,0 ,
1 ... 201 ... /( ) ...	34,1, 3	1,,	131, 1	102,3, 3	2, ,431			1,440	2, ,0 ,
...		5,104	(11,, ,)	, ,35	21,43			22,	24, 3,
...	(34,1, 3)								(34,1, 3)
...			5,	5,50	2,042			3	13,532
31 ... 201 ...		, 3	125, 2	11, , 1,	50, 11			1,, 50	303,3 3
1 ... 201 ... ( )/ ...		, 3	125, 2	11, , 1,	50, 11			1,, 50	303,3 3
...		(, 3)	3,3	1, ,0, 1	, ,421	, 1	24,4 3	32	13 , 02
...			2,01	2,14	, 0			30	5,0
31 ... 201 ...			131,40	13, ,03,	1,222	, 1	24,4 3	2,10	445,053

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. DEFERRED TAX—continued

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	21, 1	110, 31	11, , 4
	130,44	202,503	302,004

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	, ,30	14, 40	3 , 53
	2 2,044	44 ,142	4 5,134
	2 ,352	4 3, 2	511, ,

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. DEFERRED TAX—continued

Company

	Deferred tax assets			
	Fair value adjustments of financial assets at fair value through other comprehensive income	Fair value adjustments of financial assets at fair value through profit and loss	Fair value loss on derivative instruments	Impairment of assets

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. DEFERRED TAX—continued

Company

	Deferred tax liabilities			
	Fair value adjustments of finance assets at fair value through other comprehensive income	Fair value gain on derivative instruments	Fair value adjustments of financial assets at fair value through profit and loss	Total
	RMB'000	RMB'000	RMB'000	RMB'000
► 1 201	0,3 0	1, 3	12	2,424
		(14)	(12)	(2 5)
	(2 ,1)			(2 ,1)
► 31 201	34,1 3	1,		35, 2
► 1 201	34,1 3	1,		35, 2
		5,105		5,105
	(34,1 3)			(34,1 3)
► 31 201		, 4		, 4
► 1 201		, 4		, 4
( )/				
		(, 4)	,332	43
► 31 201			,332	,332

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
		5, ,122	3, 5 1
	10, 42		

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

35. LONG-TERM EMPLOYEE BENEFITS

Group

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	,,03	10,4	13,, 5
	,,15	,,13	5,23
	4,54	,,, 0,	10,003

( ) ( )

( ), 2015. 50,000 ( ). 31 201, 201 201, 4,225 , 4,225 4,350 .

2015, 201 201, $5 2.30 , $5 2.30 $500. 2 , 31 201, 201 201, 3,500 , 44, 00 4,25 .

( )

15%, 11% 12% 31 201, 201 201,

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

35. LONG-TERM EMPLOYEE BENEFITS—continued

(a) [illegible]

[illegible] 45%, 4 % 4 % [illegible] 31 201 201 201 [illegible].

[illegible]

(b) [illegible]

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]	12 ,4	13 ,452	1 ,34
[illegible]	(5 ,5 3)	(,)	(2)
	5	54	,41
[illegible]	(1, 0)	(2, 15)	(3,1 1)
	15	,13	5,23

(c) [illegible]

[illegible] 31 201 201 201 [illegible]

(d) [illegible]

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]	10 ,5 4	12 ,4	13 ,452
[illegible]	13,250	(10,1 2)	33, 44
[illegible]	(0)	(1,153)	(1,3)
[illegible]	,220	, 2	, 00
[illegible]	4,532	4, 41	,0
[illegible]	(,1 1)	,541	2, 50
[illegible]	12 ,4	13 ,452	1 ,34

[illegible] 1 , 1, .4 1 .0 [illegible] 31 201 201 201 [illegible].

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

35. LONG-TERM EMPLOYEE BENEFITS—continued

(a) [illegible]

(b) [illegible]

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]	50,200	5,,5 3	,,
[illegible]	,,30	,045	14, 1
[illegible]	(,,)	(1,153)	(1,3)
[illegible]	2,01	2,3 5	2, ,3
[illegible]	523	(3,300)	4,53
[illegible]	(2,,,)	3,14	1,3
[illegible]	5,,5 3	,,	,,2,

(c) [illegible]

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]	,220	, 2,	,,00
[illegible]	2,51	2,5,	3,1
[illegible]	10,,3	12,403	12,
[illegible]	13,250	(10,1 2)	33, 44
[illegible]	(523)	3,300	(4,53)
[illegible]	12,,2,	(, 2)	2,,10
[illegible]	23,4 3	5,511	42,002

[illegible]

(d) [illegible] ([illegible]) [illegible]

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]	3. %	4.30%	3.34%
[illegible]	3.50%	3.50%	3.50%
[illegible]	3, 5%	3, 5%	2. 0%

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

35. LONG-TERM EMPLOYEE BENEFITS—continued

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

36. LEASE LIABILITIES—continued

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
3	,143	5	,1 5
12	21, 25	23,044	23, 15
1 3	53,301	4 ,50	43,13
3	3, 1	5 ,212	44,11
	15 ,030	13 ,52	11 ,233

12

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	1,0	1,0	302

Company

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
Current			
	1,401	2,0	4,403
Non-current			
	20,14	1 , 1	31, 11
	21,54	21, 04	3 ,014

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

36. LEASE LIABILITIES—continued

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	23,4	21,54	21, 05
		2,1 0	1, ,311
	1,05	1,025	1,235
	(3,011)	(3,03)	(4,23)
	21,54	21, 04	3 ,014

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
3	502	513	1,233
3 12		1,5 3	3,1 0
1 3	2,041	2, 0	,00
3	1 ,105	1, ,011	22, 04
	21,54	21, 04	3 ,014

(12)

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	,034	4,5	4,5

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. SHARE CAPITAL

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
1,24,,201,,04	1,24,,202	1,24,,202	1,24,,202

38. RESERVES

Group

(.)

10%

50%

(..)

(...)

(..)

2012 2013.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

38. RESERVES—continued

Group—continued

( )

( )

Company

	Share premium	Share option reserve	Fair value reserve	Other reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
1 201	4,24 ,203	33, 3	3 0,10		4 2,05	1, 0 ,423	, 32, 2
						0, 4	0, 4
			(1 ,4 4)				(1 ,4 4)
( )/			(1 ,4 4)			0, 4	(5,515)
					,22	(,22)	
						(311, 00)	(311, 00)
				(, 05)			(, 05)
31 201	4,24 ,203	33, 3	1, 3, 42	(, 05)	4 0,2 5	1,5 ,344	,534, 0

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

38. RESERVES—continued

	Share premium	Merger reserve	Share option reserve	Fair value reserve	Other reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
1 ... 201 ...	4,24 ,203		33, 3	1 3, 42	(, 05)	4 0,2 5	1,5 ,344	,534, 0
							2 4, 41	2 4, 41
				(1, , 05)				(1, , 05)
( )/				(1, , 05)			2 4, 41	10 ,03
					,0			,0
(41) ...		(1, , 31)						(1, , 31)
				(14, 5)			14, 5	
						2, ,2 2	(2, ,2 2)	
							(5 ,124)	(5 ,124)
					2, , 5			2, , 5
31 ... 201 ...	4,24 ,203	(1, , 31)	33, 3	(15)	35,151	51, ,5	1, , 5, , 4	4, 23, , 43

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

38. RESERVES—continued

	Share premium	Merger reserve	Share option reserve	Fair value reserve	Other reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
► 1 201	4,24 ,203	(1, ,31)	33, 3,	(15)	35,151	51, ,5 ,	1, 5, , 4	4, 23, ,43
							14 ,04	14 ,04
					120			120
				(20,535)				(20,535)
( )/				(20,535)	120		14 ,04	125, 34
					34,4,	(4,441)	(3, ,)	(, 31)
					, , 1			, , 1
				20, 3			(20, 3)	
					252,3,			252,3,
						14, 2	(14, 2)	
							(124, , 20)	(124, , 20)
					5 ,0 0			5 ,0 0
► 31 201	4,24 ,203	(1, ,31)	33, 3,		3 ,0 0	52, ,	1, 31, ,	4, 33,05

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

39. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

31 201

	Percentage of equity interest held by non-controlling interests	Profit/(loss) for the year allocated to non-controlling interests	Accumulated balances of non-controlling interests at the reporting date
	%	RMB'000	RMB'000
.,	2 %	15,45	4,2 5
.,	43%	(,415)	3 ,142
.,	45%	(1,0 5)	55, 44
.,	4 %	(2,0 2)	23,530

	Shenzhen Topknow Industrial Development Co., Ltd.	Shenzhen Hightide Biopharmaceutical Co., Ltd.	Shenzhen Penghe Property Management Co., Ltd.	Shenzhen OncoVent Biomedical Technology Co., Ltd.
	RMB'000	RMB'000	RMB'000	RMB'000
	4 5,231			
	(41 53)	(1)	(2,3)	(4,4 2)
/( )	5 ,4	(1)	(2,3)	(4,4 2)
/( )				
	4 ,4	(20,13)	(2,3)	(4,4 2)
	23, 1	04	,03	33, 34
	4 4, 00	2 ,154	11 , 3	20,1
	(22,)	(4,54)	(4, 2)	(3,053)
	(1 , 5)	(11, 4)	(103)	
	(,333)	(1 , 5)	(433)	(, 4)
/( )				
	(10,0 4)	(5,23)	42	42
/( )				
	, 3	(15,205)		
	1, 1	(1,520)		
	(1 , 2)	(40, 3)	( )	(,321)

31 201

	Percentage of equity interest held by non-controlling interests	Loss for the year allocated to non-controlling interests	Accumulated balances of non-controlling interests at the reporting date
	%	RMB'000	RMB'000
	45%	(2)	4 ,412
.,	45%	(1,42)	54,41
.,	4 %	(1,055)	43,4 0
.,	4 %	(1,35)	22,3

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

39. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS—continued

	Hightide Therapeutics, Inc	Shenzhen Penghe Property Management Co., Ltd.	Shenzhen Arimab Biomedical Co., Ltd.	Shenzhen OncoVent Biomedical Technology Co., Ltd.
	RMB'000	RMB'000	RMB'000	RMB'000
	(, 5)	(3,1 0)	(2,153)	(2, 54)
	(, 5)	(3,1 0)	(2,153)	(2, 54)
	(, 3)	(3,1 0)	(2,153)	(2, 54)
	, 3	5,523	4 ,1	31,0 1
	30,310	115, 32	3 ,023	1 ,4 0
	(1,154)	(1 4)	(2, 4)	(2,100)
	(,3)	(145)		
	(, ,344)	(0)	(1)	, ,
	(4,021)	32	(35,000)	,223
	, ,		44,	22
	(, 10)		(22)	5 ,
	, 01	(5)	, 3	, 0

31 , , , 201

	Percentage of equity interest held by non-controlling interests	Loss for the year allocated to non-controlling interests	Accumulated balances of non-controlling interests at the reporting date
	%	RMB'000	RMB'000
.,	45%	(1,35)	53,05
.,	4 %	(2,2 ,)	41,1 3
.,	4 %	(1,250)	21,2 2

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

39. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS—continued

	Shenzhen Penghe Property Management Co., Ltd.	Shenzhen Arimab Biomedical Co., Ltd.	Shenzhen OncoVent Biomedical Technology Co., Ltd.
	RMB'000	RMB'000	RMB'000
	(3,01)	(4,)	(2,, 1,)
	(3,01)	(4,)	(2,, 1,)
	(3,01)	(4,)	(2,, 1,)
	5,55	5 ,	3,, 2

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

40. SHARE AWARD SCHEME

201

4%

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

41. BUSINESS COMBINATION—continued

31 201

	RMB'000
	2 5,5 3
	,42
	1 ,3
	101, 4
	5,322
	231, 1
	21 , 01
	1 , 10
	(330, 50)
	(2 , 54)
	(14,005)
	(,2)
	(1 5,1,)
	(12,212)
	(1,21)
	403,2
	1, ,31
	2,400,000

31 201 201, 1,224,000,000 1,1, ,000,000

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

42. DISPOSAL OF SUBSIDIARIES

(1) ., .

201 , 5% ., ( ) (.) (盤毅晨宸(上海)企業管理中心(有限合夥)) 34,000,000 ., 30 201 .

	As at 30 June 2018 RMB'000
	12,04、
	5,1、2
	2,000
	, 2
	5,5 0
	12, 34
	5 ,320
	3,350
	(,540)
	(4, 、5)
	(25,525)
	(445)
	(5)
	,15、
	5%
	5,234
	2 ,、
	34,000

	34,000
	(, 2)
	2、,1、2

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

42. DISPOSAL OF SUBSIDIARIES—continued

(2)

25 201, 53. 1% 4 4% 4 4% 2 0 ,000 5, 3, 5,000

	As date of disposal
	RMB'000
	4,345
	25,
	5,
	112
	1, 14
	(54)
	(1,023)
	(,2)
	, 01
	(402)
	,1
	53. 1%
	52, 41
	5, 3, 5
	2 0
	(5,)
	(5,)

43. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

( )

31 201 201, 25 ,5 4,000 (3 20,000) 5, 0 ,000 (12,4 5,000), 20( ).

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

43. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS—continued

( )

4,353,000, 5,2 ,000 14,001,000,

31 201, (252,3 ,000 4 ( ).

( )

	Interest-bearing bank and other borrowings	Interest payables	Lease liabilities
	RMB'000	RMB'000	RMB'000
1 201	4,1 ,3 4	1 , 42	12 ,501
	3,400, 03		
			4,353
		1 , 12	,24
		(1 0, 20)	
	(2,3 5, 2)		
			(3 ,1 2)
	(13 ,50)	343	(,)
31 201	5,0 4,0 5	15,	15 ,030
1 201	5,0 4,0 5	15,	15 ,030
	3, 1 , 55		
			5,2
		224,2	, ,1 3
		(224, 2)	
	(4,205,1)		
			(3 ,3 0)
	11 ,0 3	4,2	5,40
31 201	4, 12, 24	1 , 2	13 ,52

	Interest-bearing bank and other borrowings	Interest payables	Lease liabilities
	RMB'000	RMB'000	RMB'000
1 201	4, 12, 24	1 , 2	13 ,52
	5, , 3,		
			14,001
	34, 1	234,523	5, 4
		(24 ,0 2)	
	(4, ,)		
			(3 ,41)
	41, 1	(,2 ,)	1,43
31 201	,2 3, 3		11 ,233

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

44. COMMITMENTS

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	3 , , 1	3 , ,31	314,333
	40 ,	3 4,2	1 0, 1
	, , 3	, 1,5 3	504, 4

45. PLEDGE OF ASSETS

32

( ) 31 201 , 100%

( ) 31 201 , 201 201 , 0,000,000, 5,000,000 500,000,000,
31 201 , 201 201 , 1 2, 10,000, 230, 00,000,

( ) 31 201 , 201 201 , ( ),
1,111, 3,000, 1,4 5,333,000 2,1 ,111,000,

( ) 31 201 , 201 201 , ,141,000, 3, 3 ,000 1,5 ,000.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

46. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related parties	Relationship with the Group
深圳市樂仁科技有限公司	
烏魯木齊金田土股權投資合夥企業（有限合夥）	
烏魯木齊飛來石股權投資有限公司	
烏魯木齊水滴石穿股權投資合夥企業（有限合夥）	
深圳市亞太健康管理有限公司	

(b) Significant related party transactions

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	10,100	3,5	24,1 3
(.)			
		1,, 5, 0	
		55,4 0	
		33, 00	
		1, 54,, 20	

(.) 100%

41

(c) Other related party transactions

32

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

46. RELATED PARTY TRANSACTIONS—continued

(d) Outstanding balances with related parties

31 201, 201 201.

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
f			
( ) ( )			
	,42,	503	1 ,5 4
( )			
( )			240,2,
( )			,54
( )			4,5, 2
	41, 5	43, 5	44,
	50,2 5	44,4	315, 2
( ) ( )		1,11 ,530	
( ) ( )		35,1	
( ) ( )		21,302	
( )		2,4, 2	1,0 2
( )			
	2,122	2,22	3,0
	2,122	1,1 0, 01	4,151

( )

( ) 201 , 100% 2,400,000,000 ( ). 31 201 , 1,11 ,530,000, 35,1 ,000 21,302,000. 201 41

( ) 1 0, 00,000, 2 , 00,000 340, 00,000, 31 201 , 201 2020, 31 201 . 31 201 , 252,3 ,000

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

46. RELATED PARTY TRANSACTIONS—continued

(d) Outstanding balances with related parties—continued

[illegible]

(a) [illegible]

[illegible] **[REDACTED]**.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

47. FINANCIAL INSTRUMENTS BY CATEGORY—continued

Financial liabilities

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
►			
	1 2,4 4	205,2 3	22 , 1
	2,122	1,1 0, 01	4,151
	11 ,545	210, 42	1 4,4
	5,0 4,0 5	4, 12, 24	,2 3, 3
	15 ,030	13 ,52	11 ,233
	5,524,23	, 4 ,0	, 40,514

Company

Financial assets

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	4 ,155	50 , 52	503,321
	43,150	, ,1 4	24,
	542,305	5 5,02	52 ,0
	2 1,5 3	,423	31, 3
*	122,501	5,000	500,000
	404,0 4	1 4,423	531, 3
►			
			4,1 3
	1 4, 40	12 ,, 41	2,0
	1,0 5,254	2,1 ,000	2,1 ,0 4
	23 ,455	100,44	22,333
	2, 0,54	5 0, 0	12 ,510
	3 ,3	1,033, , 3	1, ,
	4, 2 ,4	4,040, , 0	3,1 ,0 3

*

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

47. FINANCIAL INSTRUMENTS BY CATEGORY—continued

Financial liabilities

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
►			
	,51	13, 2	13,5 3
	120,2 5	1,50 , 33	12, , 2
	40,435	140,4	0, 3
	2,353, 35	2,5 2,2	4,1 ,33
	21,54	21, 04	3 ,014
	2,542, 1	4,25, 4	4,434,411

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

► 31 201, 201 201,

► 31 201, 201 201

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS—continued

31 201 201 201

A f

A 31 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	353,45	1 ,04		550,3 3
		1,10 , 44	14 ,204	1,255,04
		43,150		43,150
	353,45	1,34 ,	14 ,204	1, 4 ,5 1

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS—continued

A f

A 31 201

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	104,422	504,3 3		0 , 5
		1,1 , 0		1,1 , 0
		, ,1 4		, ,1 4
	104,422	1, , ,1		1, 3, 1

A 31 201

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	2, ,2, 1	00,12		2, ,3 ,
		1,31 ,04,		1,31 ,04,
		24,,		24,,
	2, ,2, 1	1, 40, 41		1, ,212

3

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
1	134,411	14 ,204	
/( )			
	11, 3	(2 ,204)	
		(120,000)	
31	14 ,204		

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS—continued

A f f

A 31 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]	—	—	2,52	2,52

A 31 201

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]	—	—	1	1

A 31 201

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]	—	4,1 3	—	4,1 3

f f

A 31 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]	—	1, 24,333	—	1, 24,333

A 31 201

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]	—	2,44 ,442	—	2,44 ,442

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS—continued

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	—	2,354, 53	—	2,354, 53

31 201

31 201

Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
			1% /( )
		3%	44,000
			1% /( )
		45%	32,000
			1% /( )
	( )	1%-1 %	1,01 ,000

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

► 31 201 , 201 201 , 0%, 5 % 5% -

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity*
		RMB'000	RMB'000
31 201	25	(5,425, 24)	
	(25)	5,425, 24	
31 201	25	(4, 1,42)	
	(25)	4, 1,42	
31 201	25	(3, ,1)	
	(25)	3, ,1	

*

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

[illegible]

[illegible]

	Year ended 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
[illegible]			
5%	(12,2[illegible])	(5,[illegible]41)	(43,133)
5%	12,2[illegible]	5,[illegible]41	43,133
[illegible]			
5%	[illegible],[illegible]3	(4)	[illegible],233
5%	([illegible],[illegible]3)	4	([illegible],233)

[illegible]

► [illegible] 31[illegible][illegible][illegible] 201[illegible], 201 [illegible] 201[illegible] [illegible]

[illegible]

- *31 2017, 201 201*

[illegible]

[illegible] 31[illegible][illegible][illegible] 201[illegible], 201 [illegible] 201[illegible].

[illegible]

► 31[illegible][illegible][illegible] 201[illegible]

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]*				[illegible]03,202	[illegible]03,202
[illegible]**	255,0[illegible]1				255,0[illegible]1
[illegible]**			4,01[illegible]		4,01[illegible]
[illegible]	41, 5			,42[illegible]	50,2 5
[illegible]	[illegible],141				[illegible],141
[illegible]	2, 0,54[illegible]				2, 0,54[illegible]
[illegible]	[illegible]30,4[illegible]0	—	—	—	[illegible]30,4[illegible]0
	3,[illegible]4,0[illegible]	—	4,01[illegible]	[illegible]11, 2[illegible]	4, 0[illegible],35

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

► 31 201

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
*				1,0 4,4	1,0 4,4
**	122,502				122,502
**			4,125		4,125
►	43, 5			503	44,4
	3, 3				3, 3
	5 1, 0				5 1, 0
	1,52 ,100				1,52 ,100
	2,2 ,213		4,125	1,0 4, 2	3,3 ,330

► 31 201

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
*				1,2 2,125	1,2 2,125
**	,3 5				,3 5
**			5,12		5,12
►	2 ,0			1 ,5 4	315, 2
	1,5				1,5
	12 ,510				12 ,510
	1,0 ,53				1,0 ,53
	1, 32,0		5,12	1,300, 0	2, 3, 24

* 25

** ►

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-
-

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

12-

	As at 31 December 2017				
	On demand	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		1 2,4、4			1 2,4、4
	11、,545				11、,545
		3,3 ,522	、1 ,44	1,02、,242	5,334,212
	2,122				2,122
		3、、 0	、,524	4,、0、	1、0,411
	121, 、	3,5 ,、、	、3,、、2	1,114,14、	5, 0 ,、 4

	As at 31 December 2018				
	On demand	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		205,2、3			205,2、3
	210, 42				210, 42
		2, 02,552	1,、23,0	、41,410	5,2 、,02
	1,1 0,、01				1,1 0,、01
		3 ,4 、	0,、3、	4,5 3	1 3,、
	1,3、1,343	2, 4 ,2、2	1,、 3, 05	05,、、3	、,02、,413

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

	As at 31 December 2019				
	On demand	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		22 , 1			22 , 1
	1 4,4				1 4,4
		4,13 ,113	5 5,	2,3 ,1 2	,103,1 3
	4,151				4,151
		3 , 4	4 ,345	50,33	135,333
	1 , 2	4,404,423	24,233	2,43 ,531	, 5, 14

	As at 31 December		
	2017	2018	2019
	RMB'000	RMB'000	RMB'000
	14,20 , 5	13, 44,2	15,351, 4
	,155,0	, ,5 , 45	, 0,0 3
	43%	55%	51%

50. SUBSEQUENT EVENTS

2020. (-1). -1 -1 -1

51. SUBSEQUENT FINANCIAL STATEMENTS

31 201 .

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Notes	Three months ended 31 March	
		2020	2019
		RMB'000 (unaudited)	RMB'000 (unaudited)
REVENUE	4	1,3 , 0	1,021,55
		(3,11)	(5, 0)
Gross profit		5 3, 3	345,
	5	1,424	55 ,25
		(101,23)	(,0)
		(132, 21)	(12 ,30)
		(,)	(, 4)
		(1)	(210)
		(,0)	(5 ,32)
		44,444	(0, 55)
		310,233	5 0,34
		(53,2 4)	(103,250)
PROFIT FOR THE PERIOD		25 ,	4 ,0
		25 , 03	4 ,2 1
		(34)	(11,1 4)
		0.21	0.3
		0.21	0.3

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Three months ended 31 March	
	2020	2019
	RMB'000 (unaudited)	RMB'000 (unaudited)
	25 ,	4 ,0
/( )		
/( )		
( )		
	40,251	(25,53)
		(1,3)
/( )		
	40,251	(2 ,25)
/( )		
( )		
	5,24	0
/ ( )	4, 13	(,)
/ ( )		
	10,1 1	(1, 1)
/( )	50,412	(2 ,)
	30 ,3 1	43 ,211
►		
	30 ,0 2	44 ,
	(1)	(11,)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 MARCH 2020

	Notes	31 March 2020	31 December 2019
		RMB'000 (unaudited)	RMB'000 (audited)
	10	2,[illegible]03,[illegible]54	2,[illegible],232
		231,10[illegible]	23[illegible],2[illegible]
	11	2,3[illegible]1,	2,354,[illegible]0
		554,[illegible]1	55[illegible],3[illegible]
	12	1,4[illegible]4,[illegible]	1,34[illegible],[illegible]2
	13	[illegible],[illegible]0	2[illegible],3[illegible]
	14	1,245,54[illegible]	1,22[illegible],1[illegible]1
		120,0[illegible]	11[illegible],[illegible]4[illegible]
	1	3[illegible],3,2	1[illegible],0[illegible]2
		[illegible],[illegible],[illegible],01	[illegible],351,[illegible]
	1[illegible]	2,[illegible]5,[illegible]1[illegible]	2,3[illegible]3,1
	1	1,44[illegible],503	1,2[illegible]2,125
	1[illegible]	32,12[illegible]	31,1
	20	[illegible]13,[illegible]2	2[illegible],5[illegible]0
	2	31[illegible],[illegible]03	315,[illegible]2
	14	11,133	[illegible],[illegible]
	15	15,[illegible]35	24,[illegible]
		51,5[illegible]2	1,5
		12[illegible],510	12[illegible],510
		[illegible],[illegible]2	1,0[illegible],53[illegible]
		[illegible],2,4,0[illegible]	5,[illegible],[illegible]0
	21	2[illegible]2,[illegible]4	22[illegible],[illegible]1
	22	4[illegible],0,[illegible]0	52[illegible],3[illegible]
	23	210,[illegible]10	200,2
	24	3,[illegible]1[illegible],1[illegible]	3,[illegible]3[illegible],340
		103,[illegible]0	3,424
	2	3,[illegible]03	4,151
		32,[illegible]20	31,[illegible]0
		4,[illegible]20,[illegible]4	4,[illegible],[illegible]5[illegible]1
		1,553,23[illegible]	1,003,40[illegible]
		11,330,[illegible]40	10,355,3
	24	2,[illegible]43,520	2,354,[illegible]53
		20,2[illegible]	20,[illegible]1
		312,[illegible]5	302,004
		103,40	10[illegible],003
		[illegible],[illegible]43	[illegible],[illegible]3
		1,[illegible]2[illegible]	[illegible],253
		3,4[illegible]1,[illegible]1	2,[illegible]3,512
		[illegible],[illegible]5[illegible],0[illegible]	[illegible],4[illegible]1,[illegible]4
	25	1,24[illegible],202	1,24[illegible],202
		,4[illegible],01	,101,15
		[illegible],[illegible]3,220	[illegible],34[illegible],3[illegible]0
		122,[illegible]5[illegible]	123,514
		[illegible],[illegible]5[illegible],0[illegible]	[illegible],4[illegible]1,[illegible]4

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Attributable to owners of the parent												
	Share capital	Share premium*	Merger reserve*	Exchange fluctuation reserve*	Share option reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Defined benefit contribution reserve*	Other reserve*	Statutory surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (Note 25)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 [illegible] 201[illegible]													
1 [illegible] 2020													
([illegible])	1,24[illegible],202	4,21[illegible]	(2,04[illegible],05)	1[illegible]1,2[illegible]5	33[illegible],3[illegible]	([illegible],[illegible],31)	(3[illegible],[illegible]3)	42[illegible],[illegible] 0	532,22[illegible]	2,[illegible],[illegible] 5	[illegible],34[illegible],3 0	123,514	[illegible],4[illegible]1,[illegible]4
[illegible]										25[illegible],03	25[illegible],03	(34)	25[illegible],[illegible]
[illegible]													
[illegible]													
[illegible]													
[illegible]						5,24					5,24		5,24
[illegible]													
[illegible]													
[illegible]				40,30							40,30	(5,[illegible])	40,251
[illegible]							4,[illegible]13				4,[illegible]13		4,[illegible]13
[illegible]													
[illegible]/([illegible])													
[illegible]				40,30		5,24	4,[illegible]13			25[illegible],03	30[illegible],0[illegible]2	([illegible]1)	30[illegible],3 1
[illegible]								3,10[illegible]			3,10[illegible]		3,10[illegible]
[illegible]								42			42	3	
[illegible]								[illegible],[illegible]3[illegible]			[illegible],[illegible]3[illegible]		[illegible],[illegible]3[illegible]
31 [illegible] 2020													
([illegible])	1,24[illegible],202	4,21[illegible]	(2,04[illegible],05)	201,03	33[illegible],3[illegible]	([illegible]4,5 3)	(31,23)	50[illegible],54	532,22[illegible]	3,14[illegible],3	[illegible],[illegible]3[illegible],220	122,5[illegible]	[illegible],[illegible]5,0[illegible]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—continued
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Attributable to owners of the parent												
	Share capital	Share premium*	Merger reserve*	Exchange fluctuation reserve*	Share option reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Defined benefit contribution reserve*	Other reserve*	Statutory surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (Note 25)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 201													
1 201 ( )	1,24 ,202	4,21	(2,04 ,05)	103,54	33 3	(4 2)	(14,3 1)		51 ,5	1 0,140	,0 12	1 21	,2 ,333
										4 ,2 1	4 ,2 1	(11,1 4)	4 ,0
								(1,3)			(1,3)		(1,3)
						0					0		0
				(25,04)							(25,04)	(4 2)	(25,53)
							( )				( )		( )
( )/				(25,04)		0	( )	(1,3)		4 ,2 1	44	(11,)	43 ,211
								,4			,4	,24	13 1
								1,550			1,550	(45,34)	1,550 (45,34)
						(2,423)				2,423			
								3 1			3 1		3 1
31 201 ( )	1,24 ,202	4,21	(2,04 ,05)	,501	33 3	(43,441)	(24,240)	110,12	51 ,5	2,4 0, 34	,5 1,225	12 54	,1

* 5,314,023,000 ,4 ,01 ,000 31 201 2020,

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Notes	Three months ended 31 March 2020 RMB'000 (unaudited)	Three months ended 31 March 2019 RMB'000 (unaudited)
		310,233	5,0,34,
	5	(4,2,)	(,,4, 1)
		, ,0	5,,32,
		(44,444)	0, 55
	5	(1 ,,, 3)	
	5	(205)	(4)
	5	,033	522
	5	42,0, 2	(25, 23)
	5		(5, 3, 5)
	5	(5)	(,)
		50,,	43,
		, 2	, 45
		14,045	12, ,
		,	, 4,
		(,20,)	
	5	(12,22)	55,, 2
		353,4 0	211,1, 4
		(2, 5,00)	(53,04,)
		(14 ,4)	(, 4, 10)
		(, 41)	(152)
		(103,1, 3)	(154,4 ,)
( )/		(, 31)	24
/( )		53, ,	(35,, 00)
( )/		(4, ,2)	31,10
		(54)	(1,55)
/( )		10,442	(20, 4)
		(51)	(, 4)
( )/		(5,5,)	, ,512
/( )		, ,	(, ,00,)
		(1, , 2,)	(10 ,31,)
		3,15	3,5
		(35,255)	(3 ,11,)
		(20 ,, 24)	(13 , 50)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS—continued
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Notes	Three months ended 31 March	
		2020	2019
		RMB'000 (unaudited)	RMB'000 (unaudited)
		1 ,,,3	
		5,0	12, 4
		,400	452,200
			13, 3
			(23,15,)
		(5,122)	(101, 41)
		(2,050)	(1 1)
			(,,, 01)
		(4 ,532)	(2 ,23,)
		(21,255)	
			(, 5,)
		(44,21)	(, , 12)
		1,2 4, 5	2,14,
		(1,0 5,, 3)	(1,23 ,4 1)
		(55,35)	(51,11,)
			13,5 2
		(,335)	(10,05)
		(,000)	
		,,,533	(03, 2)
		(1, 5,40,)	(42,3 0)
		1,0 ,53,	1,52 ,100
		(1,24)	(,052)
		, 2	,,, 5
		, 2	,,, 5
		, 2	,,, 5

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

( ), 21 1 (0023) 2010. 21

( )

2.1 BASIS OF PREPARATION

31 2020 ( ) 34 31 201 ( ).

( )

31 2020 31 201

31 201

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

( ) 1 201 1 2020, 31 201.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES—continued

(2011)

[1] 2021

[2]

3. OPERATING SEGMENT INFORMATION

( )

( )

( ) &

( )

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

3. OPERATING SEGMENT INFORMATION—continued

For the three months ended 31 March 2020 (unaudited)

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:					
	31 ,413	、53,541	1 、、0	11 、20	1,3、 、、 0
	34、,154	40 、、5	、、51	35、、 、	、、 ,44
	5,5 、	1,1 0,2、、	1、 , 5、	152、、0、	2,1、5,22
					(、、 ,44)
					1,3、 、、 0
Segment results :	121、、54	3 1,1、2	51,351	54,4 4	5 、、41
					(5,0、)
					1,424
					(101,23、)
					(132, 21)
					(, 、)
					(1)
					(、 ,0)
					44,444
Group's profit before tax					310,233

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

3. OPERATING SEGMENT INFORMATION—continued

For the three months ended 31 March 2019 (unaudited)

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:					
	1 , 3	53 ,2 2	1 ,0 5	13 ,5 3	1,021,55
	4 ,	20 , 1		32,0	, 35, 4
	3,51	, 44,1 0	1 ,0 5	1 1, 1	1, 5, ,433
					(, 35, 4)
					1,021,55
Segment results :	102, 1	1 1,0	41,0	50, 23	3 5,50
					(3 , 2)
					55 , 25
					(, 0)
					(12 ,30)
					(, 4)
					(210)
					(5 ,32)
					(0, 55)
Group's profit before tax					**570,347**

( )

	Three months ended 31 March	
	2020	2019
	RMB'000 (unaudited)	RMB'000 (unaudited)
	14,0 4	5
	2 ,0,113	2 4,032
	, 3 , 32	5 , 1
	151,2	, 2,1 2
	204,554	, 1
	1,3 , 0	1,021,55

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

3. OPERATING SEGMENT INFORMATION—continued

( )

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	3,502,, 4	3,454,55
	3, 13,1 3	3, 5,24
	1,5,	1 4, 2

31 201 2,5,13, ,000 10%

31 2020, 1, ,0 ,000, 15 ,05 ,000 14,5, ,000, 10%

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

4. REVENUE

(a)

For the three months ended 31 March 2020 (unaudited)

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Type of goods or services					
	31 ,413	,53,541		10 ,515	1,1 0,4
			1 ,0		1 ,0
				,405	,405
	31 ,413	,53,541	1 ,0	11 ,20	1,3, ,0
Geographical markets					
		14,0 4			14,0 4
		2 ,20	14 , 5	,5,24	2,0,113
	251,,5,	450,,30	2 , 1	, , 2,	,3 ,32
	3,055	, ,32,		,,15	151,2,
	3, 01	1 4,1 4	12, 2	4,130	204,554
	31 ,413	,53,541	1 ,0	11 ,20	1,3, ,0
Timing of revenue recognition					
	31 ,413	,53,541		10 ,515	1,1 0,4
			,10	4,4,	,3,20,
			,1	3,0	103,104
	31 ,413	,53,541	1 ,0	11 ,20	1,3, ,0

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

4. REVENUE—continued

(b)

For the three months ended 31 March 2019 (unaudited)

Segments	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Type of goods or services					
	1 , 3	53 ,2 2		125,555	2 ,45
			1 ,0 5		1 ,0 5
				14,02	14,02
	1 , 3	53 ,2 2	1 ,0 5	13 ,5 3	1,021,55
Geographical markets					
	5				5
		2 , 5	1 ,4 0	, ,5 ,	2 4,032
	133, 20	425, 2	414	, 55	5 , 1
	2 , 53	12, 4		2 , , 0	, 2,1 2
	2, 10	, 0	10,201	5,2 1	, 1
	1 , 3	53 ,2 2	1 ,0 5	13 ,5 3	1,021,55
Timing of revenue recognition					
	1 , 3	53 ,2 2		125,555	2 ,45

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

4. REVENUE—continued

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	2 3,, 34	1、,5、

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

5. OTHER INCOME AND GAINS

	Three months ended 31 March	
	2020	2019
	RMB'000 (unaudited)	RMB'000 (unaudited)
Other income		
[illegible]	4,2[illegible]	[illegible],4[illegible]1
[illegible]		
[illegible]*	51	51
[illegible]**	15,211	3[illegible]3
[illegible]	1[illegible],[illegible]3	
	3[illegible],[illegible]	11[illegible]2
Other gains		
[illegible]/(loss),	12,22	(55,[illegible]2)
[illegible]	205	4
[illegible]/(loss),		
[illegible] (loss)/[illegible]		
[illegible]	(42,0[illegible]2)	25[illegible]23
[illegible] (15)	([illegible],033)	(522)
[illegible] (2)		5[illegible]3[illegible]5
[illegible]	5	[illegible]
[illegible]	3,312	[illegible]1
	(35,3[illegible]5)	545,053
	1,424	55[illegible],25

* [illegible]

** [illegible]

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

6. PROFIT BEFORE TAX

/( )

	Three months ended 31 March	
	2020	2019
	RMB'000 (unaudited)	RMB'000 (unaudited)
	54,0 0	532,120
	13 ,04	143,5 0
	50,	43,
	, 2	, 45
	14,045	12,
*	1 , 4	40,53
	3,31	
[REDACTED]	[REDACTED]	[REDACTED]
(') :		
	144, 5	140, 1
	2 , 42	33, 5
	343	1,31
	(4,2)	(,4 1)
	,0	5 ,32
	(1 , 3)	
( )/	(12,22)	55, 2
	(205)	(4)
	,033	522
/( )		
	42,0 2	(25, 23)
		(5 3, 5)
	(5)	( )
	,	, 4
	,14	, 11

* ' ' '

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

7. INCOME TAX—continued

	Three months ended 31 March	
	2020	2019
	RMB'000 (unaudited)	RMB'000 (unaudited)
	(4,25)	3, 32
	(,121)	(354)
	(,13)	(2,531)
	(1 ,515)	0, 4
	53,2 4	103,250

8. DIVIDENDS

31 2020 201 .

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

31 201 2020

	Three months ended 31 March	
	2020	2019
	RMB'000 (unaudited)	RMB'000 (unaudited)
	25, 03	4, 2, 1

	Three months ended 31 March	
	2020	2019
	(unaudited)	(unaudited)
	1,24, 201, 04	1,24, 201, 04

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

10. PROPERTY, PLANT AND EQUIPMENT

31 2020, 54,1 ,000 (31 201 52,1 ,000) 35 ,000 (31 201 4,35 ,000).

11. GOODWILL

	RMB'000
At 1 January 2019:	
	2,31 ,3
	2,31 ,3
1 201	2,31 ,3
	3 ,145
31 201 ( )	2,354,0
At 31 December 2019:	
	2,354,0
	2,354,0
1 2020,	2,354,0
	3 ,0
31 2020( )	2,3 1,

12. INVESTMENTS IN ASSOCIATES

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	450,5 0	305,5 3
	1,044,20	1,044,20
	1,4 4,,,	1,34 ,,2
	1,4 4,,,	1,34 ,,2

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

13. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME—continued

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
Current		
	11,133	
Non-current		
	2 1,1	312,532
	31,51	51,04
	45 ,520	3 , 1
	204,2	21 ,5 4
	13 ,000	13 ,000
	3 ,500	41,400
	3	42,403
	4,	
	42, 2	41, 2
	1,245,54	1,22 ,1 1
	1,25 , 0	1,31 ,04

(1)

31 201 31 2020.

(2)

( ) 42,532,000

31 2020.

3 , 1 ,000 45 ,520,000 31 201

31 2020,

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS—continued

(2)

( )

( ) 4,000 31 2020.

21 ,5 4,000 204,2 ,000

31 201 31 2020

15. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 March 2020	As at 31 December

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

17. INVENTORIES

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	2,,220	,40, 41
	03,25	4 5, 0
	1,12,,	1,15 ,51,
	2, 5 ,1,	2,3 3,1

12 , 1,000 , 122,5 3,000 , 31 , , 201 , 31 , , 2020, , , .

18. TRADE AND BILLS RECEIVABLES

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	1,4, 0,134	1,2 1,020
	1,103	22, 2
	(23,, 34)	(21,, 21)
	1,44, ,503	1,2 2,125

31 , , 2020 , 31 , , , 201, , , ,

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

18. TRADE AND BILLS RECEIVABLES—continued

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
►	21,, 21	2 ,1 2
	1,	(2,3 ,)
		(2,5 1)
	12,	50,
	23,, 34	21,, 21

19. CONTRACT ASSETS

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	32,12,	31,1

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	512,01	431,2
*	4,4,	2,3 0
	1 , 2	12,152
►	34,, 3	42, 32
►	,2 2	0,330
		534
	2 , 3	33,2, 4
**	(14,)	(13,1)
	, 13, 2	2 ,5 0

*

** ► 31 201 31 2020, 12-

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

21. TRADE PAYABLES

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	2 2, 4	22 , 1

31 201 31 2020,

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
1	2 1,53	22 ,5
1 2		1, 1
2 3	2	2 2
3	110	203
	2 2, 4	22 , 1

30 0

22. OTHER PAYABLES AND ACCRUALS

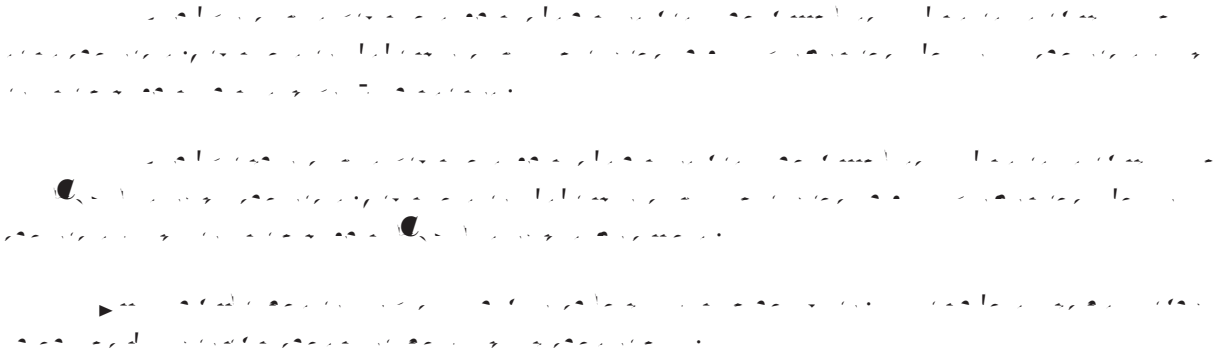
	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	1, 0	4,4 0
	15 , 0	15 ,01
	1,540	
	104,0	152,420
	35, 5	24, 22
	4 0, 0	52 , 3

23. CONTRACT LIABILITIES

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	2,024	3, 42
	20 ,	1 , 2
	210, 10	200,2

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

23. CONTRACT LIABILITIES—continued



24. INTEREST-BEARING BANK AND OTHER BORROWINGS

31 March 2020

	As at 31 March 2020		
	Effective interest rate per annum	Maturity	RMB'000 (unaudited)
Current			
	1.1%-4. %, 3 +130	2020-2021	1,541,44
	3.0%-4. %	2020-2021	4 0,25
	5.4%- .5%, 3 +130 -150 +	2020	5 5, 3
	2. %-3. %	2020	530,000
( )	3. %- .5%	2020	4 , 54
			3, 1 ,1
Non-current			
	5.4%- .5%, +	2023-202	1,3 ,
( )	3. %- .0%	2021-2025	1,555, 52
			2, 43,520

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

24. INTEREST-BEARING BANK AND OTHER BORROWINGS—continued

31 December 2019

	As at 31 December 2019		
	Effective interest rate per annum	Maturity	RMB'000 (audited)
Current			
	4. %-4. %, 3 +130	2020	1, ,405
	1.1%-4. %	2020	50, ,340
	5.4%- .5%, +	2020	553,1 5
	2. %-4.5%	2020	, 30, 00
	5.5%- .5%	2020	45 , 00
			3, 3. ,340
Non-current			
	5.4%- .5%, +	2023-202	1, 5 , 5.
	5.5%- .0%	2021-2023	. 5, . 4
			2,354, 53

( ) 2, 2020, 0,000,000 (20). 20 20 20 3. 0% 2, 2020.

25. SHARE CAPITAL

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
1,24, ,201, 04	1,24, ,202	1,24, ,202

26. DISPOSAL OF A SUBSIDIARY

25 201, 53. 1% 4 .4% 4 .4% 2 ,0 ,000 5, 3, 5,000

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

27. COMMITMENTS

31 2020 31 201

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	2 4,3	314,333
	250,3 0	1 0, 1
	514,	504, 4

28. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related parties	Relationship with the Group
深圳市樂仁科技有限公司	
烏魯木齊金田土股權投資合夥企業（有限合夥）	
( )	
烏魯木齊飛來石股權投資有限公司	
烏魯木齊水滴石穿股權投資合夥企業（有限合夥）	
( )	

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

28. RELATED PARTY TRANSACTIONS—continued

31 201 2020

(b) Significant related party transactions

	Three months ended 31 March	
	2020	2019
	RMB'000 (unaudited)	RMB'000 (unaudited)
	1	1

(c) Outstanding balances with related parties

31 201 31 2020.

	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
f		
( ) ( )	21,41	1 ,5 4
( )	240,2	240,2
( )	,54	,54
( )	4,5,2	4,5,2
	42,2 3	44,
	31 , 03	315, ,2
( )	513	1,0 2
( )	3,0 0	3,0
	3, 03	4,151

( )

( ) 252,3 ,000

31 201 .

( ) **[REDACTED]**.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

28. RELATED PARTY TRANSACTIONS—continued

(d) Compensation of key management personnel of the Group

	Three months ended 31 March	
	2020	2019
	RMB'000 (unaudited)	RMB'000 (unaudited)
	、5	、5
	2,354	1, 、
	22	10
	2,451	1, 5、

29. FINANCIAL INSTRUMENTS BY CATEGORY

31、 、 2020、 31 、 、 、 201、 、 、 、

Financial assets	As at 31 March 2020	As at 31 December 2019
	RMB'000 (unaudited)	RMB'000 (audited)
	1,25 , 0	1,31 ,04、
	15,、35	24,、
	1,2、2,415	1,340, 15
	,、0	2、,3、
	15、,000	、4,1 3
	1,44、,503	1,2 2,125
	31 , 03	315, 、2
	,、2	1,324
	51,5、2	1,5
	12、,510	12、,510
	、、, 2	1,0、,53、
	3,1、3, 33	2,、、,、1、

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION—continued

29. FINANCIAL INSTRUMENTS BY CATEGORY—continued

Financial liabilities	As at 31 March 2020 RMB'000 (unaudited)	As at 31 December 2019 RMB'000 (audited)
►		
	2 2, 4	22 , 1
	3, 03	4,151
	1、3,24	1、4,4、
	,55、、1、	,2、3,、3
	114, 4、	11、,233
	,,134,0 5	, 40,514

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

► 31 、 、 、 201 、 31 、 、 2020,

► 31 、 、 、 201 、 31 、 、 2020

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS— continued

31 201 31 2020,

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS— continued

[illegible]

[illegible]

A f

A 31 2020 ( )

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]	35,,,	32,,2		,, 0
[illegible]		1,25 , 0		1,25 , 0
[illegible]		15,, 35		15,, 35
	35,,,	1,,05,3 ,		1,,41,1, 5

A 31 201 ( )

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]	2,,2, 1	00,12		2,,3,
[illegible]		1,31 ,04,		1,31 ,04,
[illegible]		24,,,		24,,,
	2,,2, 1	1,,40,,41		1,, ,212

A f f

A 31 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
[illegible]		,5, , 1		,5, , 1
[illegible]			,,,,,1	,,,,,1
		,5, , 1	,,,,,1	153,4 2

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION— continued

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS— continued

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

TAXATION OF EQUITY HOLDERS

[REDACTED] [REDACTED]

[REDACTED],

1、%,

(《關於全面推開營業稅改徵增值稅試點的通知》),
23, 201 1, 201 ,
1, 201 .

(《關於調整增值稅稅率的通知》),
4, 201 1, 201
1、% 11%
1 % 10%,

(《關於深化增值稅改革有關政策的公告》),
20, 201 1, 201 ,
1 %
13%.

THE PRC TAXATION

Taxation on Dividends

Enterprise Investors

24,
201 ,
1, 200 , 10%
(
),

(《關於
中國居民企業向境外 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》,
, 200 ,
10% 200
(《關於非居民企業取得 股等股票股息徵收企業所得稅問題的批覆》),
24, 200 ,
10%

(《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), 21, 200 , ( ) 10% 25% 5%

(《國家稅務總局關於內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排第四議定書》), 2 , 2015, (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Individual Investor

(《中華人民共和國個人所得稅法》) (**IIT Law**), 31, 201 1, 201 (《中華人民共和國個人所得稅法實施條例》), 1 , 201 1, 201 , 20%.

(2015 . 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) (財稅 2015 101號) , 2015, 50% 20%. , 20%

1 3 . 45 (2011 . 34) (《國家稅務總局關於國稅發 1 3 045號文件廢止後有關個人所得稅徵管問題的通知》) (國稅函 2011 34 號) 2 , 2011, 10% (**Relevant Non-foreign Invested PRC Enterprise**)

(《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) 20, 1 , 1, 1 31, 200 , (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), ((《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) 10, 2010).

Stamp Duty

(《中華人民共和國印花稅暫行條例》), 1, 1 , 2011, (《中華人民共和國印花稅暫行條例施行細則》), 1, 1 , .

Estate Duty

Shenzhen-Hong Kong Stock Connect Taxation Policy

5, 201 , (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (**SZHK Stock Connect Tax Policies**), 5, 201 .

20%

(**CSDC**),

20%

20%

12

12-

TAXATION IN HONG KONG

Tax on Dividends

Capital Gains and Profit Tax

1.5% 15%

Stamp Duty

0.1%

0.2%

$5.00

Estate Duty

2005 11,200

11,200 .

FOREIGN EXCHANGE

2, 1 (《中華人民共和國外匯管理條例》) (**Foreign Exchange Control Regulations**) 1, 1

14, 1 1, 200 5, 200 .

20, 1 (《結匯、售匯及付匯管理規定》) (**Settlement Regulations**), 1, 1

2 , 2014,
(《國家外匯管理局關於境外上市外匯管理有關問題的通知》),
15
[REDACTED]
[REDACTED]
[REDACTED] **[REDACTED]**
[REDACTED]
( ) **[REDACTED]**
[REDACTED] ( )

13, 2015,
(《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》).
1, 2015.

(《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) , 201 ,
(**[REDACTED]**)
100%,

2 , 201 , (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通

知》)

30%

[REDACTED]

[REDACTED].

PRC LAWS AND REGULATIONS

The PRC Legal System

(《中華人民共和國憲法》, **Constitution**), 4, 1 2 12, 1 , 2 , 1 3, 15, 1 , 14, 2004 11, 201 .

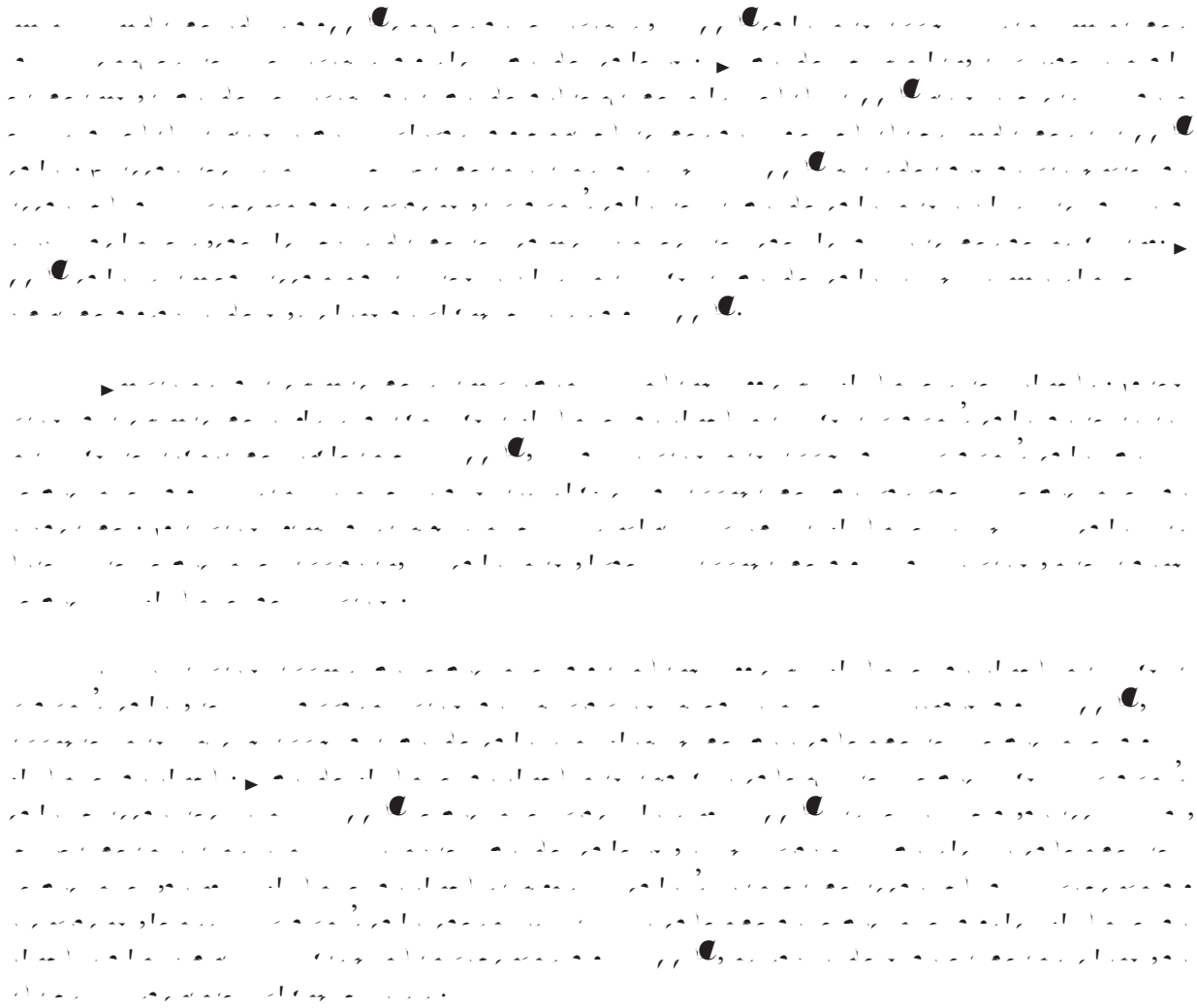
(**NPC**)

(《中華人民共和國立法法》, **Legislation Law**), 1, 2000 15, 2015.

(《全國人民代表大會常務委員會關於加强法律解釋工作的決議》)

The PRC Judicial System

(《中華人民共和國人民法院組織法》),



The PRC Company Law, Special Regulations' the Mandatory Provisions and Official Reply

(《中華人民共和國公司法》) 5
2, 1, 3
1, 1, 4. 25, 1, 2, 2004, 2,
2005, 2, 2013, 2, 201.
2, 201.

22
4, 1, 4 4, 1, 4.

2, 1, 4 1, 1, 4

1, 201,

General

Incorporation

200

35%

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15%

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Increase in Share Capital

Reduction of Share Capital

(-45 52.4( ) 1 .33 .5(52.4( ))-254.5( )- 1-252 .( )-2 ( )-2 1 -31 13

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Repurchase of Shares

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Transfer of Shares

Shareholders' General Meetings

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Supervisory Board

Duties of Directors, Supervisors and Senior Management

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251. ( )-251. ( )251.4( )-24. 3( )-251.4(50. (')-2523 -1)3 ( )

Amendments to the Articles of Association

Dissolution and Liquidation

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Overseas Listing

2( ) (《關於股份公司境外發行股票和上市申報文件及審核程序的監管指引》) (1, 2013), 12

Loss of Share Certificates

( ) ( ) ( ) ( ).

Merger and Division

10 30 30 45

10 30

The PRC Securities Laws, Regulations

1 2,

1

22, 1 3,
(《股票發行與交易管理暫行條例》)

25, 1 5,
(《國務院關於股份有限公司境內上市外資股的規定》).

(《中華人民共和國證券法》, **PRC Securities Law**)
1, 1 2 , 2004, 2 , 2005, 2 , 2013
31, 2014,
12 240
23
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Arbitration and Enforcement of Arbitral Awards

(《中華人民共和國仲裁法》) (**PRC Arbitration Law**)
31, 1 4,
1, 1 5 2 , 200 1, 201 ,

(.) (..) (...)

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(HKIAC).

(《關於內地與香港特別行政區相互執行仲裁裁決的安排》)

1 , 1 1, 2000.

MATERIAL DIFFERENCES BETWEEN CERTAIN ASPECTS OF CORPORATION LAW IN THE PRC AND HONG KONG

( )

Corporate Existence

Share Capital

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30

Restrictions on Shareholding and Transfer of Shares

(合格境內機構投資者境外證券投資管理試行辦法).

25%

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[REDACTED].

Financial Assistance for Acquisition of Shares

Notice of Shareholders' Meetings

20

15

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14

14 21

Quorum for Shareholders' Meetings

50% 20

50%

Voting at Shareholders' Meetings

Variation of Class Rights

(.) , (...) (...)

10%

Directors

Board of Supervisors

Fiduciary Duties

Financial Disclosure

20

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Information on Directors and Shareholders

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Receiving Agent

Corporate Reorganization

23

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Mandatory Transfers

Arbitration of Disputes

Remedies of a Company

Dividends

Closure of Register of Shareholders

SUMMARY OF MATERIAL DIFFERENCES BETWEEN THE HONG KONG LISTING RULES AND SHENZHEN STOCK EXCHANGE LISTING RULES

SUMMARY OF ARTICLES OF ASSOCIATION

[REDACTED]

（《中華人民共和國證券法》），

（《上市公司章程指引》），

[REDACTED]

[REDACTED].

SHARES

Issuance of Shares

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Increase, Reduction and Repurchase of Shares

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Transfer of Shares

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Financial Assistance for the Acquisition of Shares in Our Company

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(a)

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Register of Shareholders

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SHARE HOLDERS AND SHAREHOLDERS' GENERAL MEETING

Rights and Obligations of Shareholders

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Power of the Meeting and Matters to be Determined

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Notice of the Meeting

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Special Procedures for Voting by Class Shareholders

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DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Appointment, Removal and Retirement

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Power to Dispose of the Assets of Our Company or Any Subsidiary

Borrowing Powers

(a)

(b)

Disclosure of Interests in Contracts with Our Company

1, 3 ( )

Loans to Directors, Supervisors and Senior Management

( )

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Remunerations and Compensation for Loss of Office

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FINANCIAL, PROFIT DISTRIBUTION AND ACCOUNTING SYSTEM

( )

Profit Distribution

10%

50%

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25%

Accounting Firm

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MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY

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AMENDMENTS TO THE ARTICLES

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OTHER PROVISIONS MATERIAL TO OUR COMPANY AND OUR SHAREHOLDERS

General Provisions

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Board of Directors

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General manager

Secretary of the Board

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Supervisory Committee

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1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

(深圳市海普瑞實業發展有限公司) 21, 1 1, 2001, (深圳市海普瑞生物技術有限公司) (深圳市海普瑞藥業有限公司) 2 , 2002. 2, , 200, ., (深圳市海普瑞藥業股份有限公司). , 2010, 0023 . ., . (深圳市海普瑞藥業集團股份有限公司) 20, 201, .21 , ,

54, 1 3 ' , 1 30, 201 . . .

, . .

B. Changes in the Share Capital of Our Company

[REDACTED], **[REDACTED]**, **[REDACTED]**, 1,24, ,201, 04 **[REDACTED]** **[REDACTED]**% **[REDACTED]**%

C. Shareholders' Resolutions

1 , 201, ,

( ) 1.00 **[REDACTED]**.

( ) **[REDACTED]** **[REDACTED]**% **[REDACTED]** **[REDACTED]** **[REDACTED]**. **[REDACTED]**%

( ) [REDACTED], [REDACTED]

( ) [REDACTED], [REDACTED], [REDACTED].

D. Further Information about Our Subsidiaries

31, 201

( ) 2 , 201 4,4 3 $10,000,000

( ) 30, 2020 15, 0 $5,4 2,150

( ) **[REDACTED]**

( ) **[REDACTED]**

( ) **[REDACTED]**

( ) **[REDACTED]**

( ) **[REDACTED]**

( ) **[REDACTED]**.

B. Intellectual Property Rights

As of the Latest Practicable Date, our Company has registered or applied for the following intellectual property rights, which are or may be material in relation to our Company's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks, which we consider to be or may be material in relation to our business:

Trademark Registered	Place of Registration	Registration No.	Class	Expiration Date
å	China	9822622	5	January 6, 2023
w ~ Ž	China	9822643	5	October 13, 2022
Meclean	China	9822674	5	January 20, 2023
Proxin	China	9822699	5	October 6, 2022
	China	3681896	5	February 13, 2026
	China	3681888	5	January 27, 2026
	China	3681887	30	March 6, 2025
	China	1773677	30	May 20, 2022
	China	12034965	13	June 27, 2024
	China	12034996	30	June 27, 2024
	China	12035015	31	June 27, 2024
	China	12035028	5	June 27, 2024

Trademark Registered	Place of Registration	Registration No.	Class	Expiration Date
	China	12038331	35	July 20, 2024
w •	China	14007675	2	March 13, 2025
w •	China	14007691	3	March 13, 2025
w •	China	14007712	4	April 20, 2025
w •	China	14007746	6	May 6, 2025
w •	China	14007765	7	September 6, 2025
w •	China	14007780	15	April 20, 2025
w •	China	14007794	18	April 20, 2025
w •	China	14007815	22	April 20, 2025
w •	China	14007825	24	April 20, 2025
w •	China	14007836	43	April 20, 2025
w •	China	14007848	44	April 20, 2025
w •	China	14007868	45	April 20, 2025
w •	China	14007879	42	April 20, 2025
w •	China	14172796	35	April 20, 2025
w •	China	14172797	33	April 20, 2025
w •	China	14172798	28	April 20, 2025
w •	China	14172799	27	April 20, 2025
w •	China	14172800	26	April 20, 2025
w •	China	14172801	25	April 20, 2025
w •	China	14172802	23	April 20, 2025
w •	China	14172803	21	April 20, 2025
w •	China	14172804	20	April 20, 2025
w •	China	14172805	19	April 20, 2025
w •	China	14172806	17	April 27, 2025
w •	China	14172807	16	April 27, 2025
w •	China	14172808	14	April 27, 2025
w •	China	14172809	12	April 27, 2025
w •	China	14172810	11	July 6, 2025
w •	China	14172811	10	April 27, 2025
w •	China	14172812	9	July 13, 2025
w •	China	14172813	8	April 27, 2025
w •	China	14172814	1	April 27, 2025
w •	China	14607358	40	July 20, 2025

Trademark Registered	Place of Registration	Registration No.	Class	Expiration Date
w •	China	14607359	38	July 20, 2025
w •	China	14607360	37	July 20, 2025
w •	China	14607361	34	July 20, 2025
w •	China	14607362	29	July 20, 2025
w •	China	14607363	32	July 20, 2025
w •	China	14607364	39	July 20, 2025
w •	China	14607365	41	July 20, 2025
	Hong Kong	301949400	5, 10, 30	June 16, 2021
	Hong Kong	301949419AA	5	June 16, 2021
	Hong Kong	301949419AB	10, 30	June 16, 2021
	Hong Kong	305054003	5	September 10, 2029
	Hong Kong	305054012	5	September 10, 2029
HEPALINK	Hong Kong	305054021	5	September 10, 2029
w •	Hong Kong	305054030	5	September 10, 2029
	Canada	TMA830051	1, 5	August 17, 2027
Neoparin	Poland	R.281679	5	March 9, 2025
Neoparin	European Union	EUTM 015162753	5, 35, 42	March 1, 2026
INHIXA	China	21947175	5	January 6, 2028
	China	10585526	5	April 6, 2024
	China	10585525	10	May 6, 2023
	China	10585524	5	June 13, 2024
PROLOSU	China	9868256	5	October 20, 2022
PRONIE	China	9868046	5	October 20, 2022
PROLOTON	China	9868035	5	October 20, 2022
ROSMIN	China	9868021	5	October 20, 2022
ROSGIN	China	9868009	5	October 20, 2022
ROSUTON	China	9863263	5	October 20, 2022
PROWIKUN	China	9863247	5	October 20, 2022

Trademark Registered	Place of Registration	Registration No.	Class	Expiration Date
PROTMING	China	9863233	5	October 20, 2022
PROCHINN	China	9863225	5	October 20, 2022
PROTWIN	China	9863204	5	October 20, 2022
PROGINN	China	9863194	5	October 20, 2022
ROSUQING	China	9863175	5	October 20, 2022
ROSUKUN	China	9863157	5	October 20, 2022
REKEPIN	China	9855728	5	October 20, 2022
ROSULEO	China	9855723	5	October 20, 2022
~ , ‘	China	9855719	5	October 20, 2022
w ~ =	China	9855716	5	October 20, 2022
w ~	China	9855713	5	January 20, 2023
w ~ ·	China	9855707	5	January 20, 2023
~ , ü	China	9855704	5	October 20, 2022
~ , ´	China	9855702	5	October 20, 2022
~ , ·	China	9855698	5	November 27, 2022
w ~ ü	China	9853209	5	October 13, 2022
w ~ ö	China	9853194	5	October 20, 2022
w ~ j ¹	China	9853183	5	May 20, 2024
w ~ ‘	China	9853167	5	October 20, 2022
~ , ö	China	9853154	5	October 13, 2022
~ , p	China	9853143	5	January 6, 2023
TECHDOW	China	7531868	10	October 27, 2020
PROLONGIN	China	4901083	5	March 13, 2029
PROLONGIN	China	4901082	1	January 20, 2029
PROLONGIN	China	4901056	10	September 6, 2028
w ~ ¹	China	4802359	1	February 13, 2029
w ~ ¹	China	4802357	10	June 6, 2028
~ , ;	China	4802356	1	February 13, 2029
~ , ;	China	4802354	10	June 6, 2028
TECHDOW	China	4782170	5	February 13, 2029
Â 8 ;TECHDOW	China	4782169	5	May 20, 2029
Â 8	China	4782168	5	May 20, 2029
• š ;	China	4619247	5	September 20, 2028

Patents

For material patents, patent applications we owned or licensed from other entities as of the Latest Practicable Date, see "Business—Intellectual Property" section of the document.

Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be or may be material in relation to our business:

Domain name	Name of Registered Proprietor	Expiry Date
hepalink.net	Hepalink	June 23, 2021
hepalink.com	Hepalink	December 22, 2022
hepalink.hk	Hepalink	April 15, 2021
techdow.com	Shenzhen Techdow	June 15, 2022
techdow.net	Shenzhen Techdow	June 23, 2022
techdow.com.cn	Shenzhen Techdow	June 23, 2022
techdow.uk	Techdow Europe AB	July 18, 2020
techdow.es	Techdow Europe AB	July 18, 2020
techdow.it	Techdow Europe AB	July 19, 2020
techdow.fr	Techdow Europe AB	July 21, 2020
techdow.be	Techdow Europe AB	July 21, 2020
techdow.nl	Techdow Europe AB	July 21, 2020
techdow-pharma.co.uk	Techdow Europe AB	August 3, 2020
techdow.co.at	Techdow Europe AB	December 11, 2020
µw€.•7	Topknow	April 30, 2021
Â8.cn	Shenzhen Techdow	April 30, 2022
µw€.cn	Topknow	April 30, 2022
neoparin.be	Techdow Pharma Poland Sp. z o.o.	March 8, 2021
neoparin.cz	Techdow Pharma Poland Sp. z o.o.	February 27, 2021
neoparin.fr	Techdow Pharma Poland Sp. z o.o.	February 28, 2021
neoparin.es	Techdow Pharma Poland Sp. z o.o.	February 22, 2021
neoparin.nl	Techdow Pharma Poland Sp. z o.o.	February 28, 2021
neoparin.lt	Techdow Pharma Poland Sp. z o.o.	February 26, 2021
neoparin.lv	Techdow Pharma Poland Sp. z o.o.	February 27, 2021
neoparin.de	Techdow Pharma Poland Sp. z o.o.	February 28, 2021
neoparin.pl	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.ru	Techdow Pharma Poland Sp. z o.o.	March 15, 2021
neoparin.ro	Techdow Pharma Poland Sp. z o.o.	July 9, 2020
neoparin.ch	Techdow Pharma Poland Sp. z o.o.	March 30, 2021
neoparin.se	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.uk	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.it	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.eu	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.com	Techdow Pharma Poland Sp. z o.o.	March 1, 2021

C. Share Incentive Schemes II and III

Our Company adopted the Share Incentive Scheme II (the "Scheme II") and the Share Incentive Scheme III ("Scheme III," and together with Scheme II, the "Schemes") in November 2016 and December 2018, respectively. The Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as the Schemes do not involve the grant of options by our Company to subscribe for new Shares upon our [REDACTED]. The following is a summary of the principal terms of the Schemes:

(a) Purpose

The purpose of Schemes is to promote the success and enhance the value of the Company by linking the personal interests of the employees to those of the Shareholders. It is intended to provide flexibility to the Company in its ability to motivate, attract and retain the services of the employees upon whose judgment, interest and special effort the successful conduct of the Company's operation is largely dependent.

(b) Scope of Participants

The participants of Scheme II are our Directors (excluding our independent Directors and

All the Shares underlying Scheme III have been purchased as of February 1, 2019. The total number of Shares underlying Scheme III is 3,886,264 A Shares, accounting for approximately 0.31% of the total outstanding share capital of our Company as of the Latest Practicable Date.

The maximum number of shares to be granted to an employee under each Scheme shall not exceed 1% of the total outstanding share capital of our Company.

(f) Administration of the Schemes

The Holders' meeting is the highest management authority of the Schemes. A management committee has been set up to oversee the daily management of respective Scheme.

For Scheme II, the management committee has appointed Guolian Securities Co., Ltd to establish a single customer assets management plan. Guolian Securities Co., Ltd is responsible for the management of the assets underlying Scheme II, including purchasing and holding the Shares and cash under Scheme II.

For Scheme III, the management committee has appointed CMS Asset Management Co., Ltd to establish a single customer assets management plan. CMS Asset Management Co., Ltd is responsible for the management of the assets underlying Scheme III, including purchasing and holding the Shares and cash under Scheme III.

(g) Source of Funds to be Used to Purchase the Shares under the Schemes

The source of funds for the Schemes consists of (i) the funds raised by the participants and (ii) loans provided by the Controlling Shareholders of our Company.

The maximum amount of the funds to be raised for Scheme II and Scheme III shall not exceed RMB400 million and RMB87 million, respectively. The Holders shall pay the subscription amount before the establishment of the relevant single customer asset management plan.

(h) Lock-up Period

The Shares underlying Scheme II are not subject to lock-up as of the Latest Practicable Date.

The lock-up period for the Shares underlying Scheme III is from February 2, 2019 to February 1, 2020, being a period of 12 months commencing from the date of publication of the announcement in respect of the transfer of the last batch of Shares to the relevant single customer asset management plan.

(i) Rights of the Holders

The Holders of each Scheme are entitled to the following rights:

1) to share the interests of the assets underlying the Scheme in proportion to his holding in the Scheme;

2) to attend the general meeting of Holders in person or by proxy, and to exercise the corresponding voting rights;

3) to supervise the administration of the Scheme, and to make suggestions or inquiries as applicable;

4) to waive the voting rights attached to the underlying Shares of the Company he holds indirectly through the Scheme; and

(b) Scope of Participants

Those eligble to participate in the OncoVent Share Option Scheme include the employees of OncoVent who meet the performance targets.

(c) Administration of the Schemes

The OncoVent Share Option Scheme is administered by the board of directors of OncoVent (the "Administrator "). Pursuant to the OncoVent Share Option Scheme, the Administrator may, from time to time, select from eligible persons to whom awards in the form of options in OncoVent shares ("OncoVent Options") will be granted.

(d) Maximum number of shares

The maximum number of shares which may be granted under the OncoVent Share Option Scheme shall not exceed 10% of the total enlarged share capital of OncoVent taking into account the shares to be issued upon the exercise of the options.

(f) Term of OncoVent Share Option Scheme

OncoVent Options granted at each stage is valid for a period of four years. Grantees are subject to a lock-up period of one year commencing from the grant date.

(g) Exercise of OncoVent Options

The grantees may exercise the OncoVent Options within ten business days upon expiry of the lock up period in accordance with the terms of grant letter. When OncoVent is listed or sold, the participants may realise the benefit of share options based on the stock circulation rules at the listing place or the value of OncoVent at the time of sale. The participant may choose to convert the option into actual investment to OncoVent.

The exercise price per OncoVent Share underlying the OncoVent Options shall be determined by the Administrator with reference to the fair value of OncoVent. If OncoVent carries out financing transactions within the preceding twelve months, the fair value shall be determined with reference to the valuation of OncoVent for the purpose of such financing transactions. If no financing transaction is carried out during such twelve months period, the fair value shall be determined by the Administrator.

Outstanding OncoVent Options granted

The proposal to grant the OncoVent Options under the OncoVent Share Option Scheme as set out above has been approved by the boards of OncoVent and our Company.

As at the Latest Practicable Date, we proposed to grant OncoVent Options representing 4% of the enlarged share capital of OncoVent to one participant, namely Mr. Shi Yuemin ("Mr. Shi") of 18 Yale Street, Roslyn Heights, New York, the United States, who acts as the CEO of OncoVent, provided that the participant reaches the agreed milestones. Mr. Shi will be granted OncoVent Options representing 2%, 1% and 1% of the enlarged share capital of OncoVent when the first, second and third milestone is reached, respectively.

Milestones	Conditions
The first milestone	The participant signs employment contract with OncoVent
The second milestone	OncoVent new pharmaceutical varieties obtains permission to carry out Phase III clinical trials from Chinese pharmaceutical regulatory authorities
The third milestone	New pharmaceutical varieties obtain permission to sell in the market from Chinese pharmaceutical regulatory authorities

The grant date is within one month when each milestone is reached. 40%, 30% and 30% of the OncoVent Options granted will vest in each of the three years following the expiry of the one-year lock up period. When and only when OncoVent is listed or sold, the grantee can choose to exercise OncoVent Options. As of the Latest Practicable Date, the conditions for the first milestone has been met and the conditions for the remaining milestones have yet to be met. The exercise price, corresponding to the fair value of the OncoVent Options granted to Mr. Shi upon the fulfillment of the first milestone, was approximately RMB1,271,000.

OncoVent does not intend to make any further grants of the OncoVent Options under the OncoVent Share Option Scheme after [REDACTED].

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUPERVISORS

A. Particulars of Directors' and Supervisors' Contracts

Pursuant to Rules 19A.54 and 19A.55 of the Hong Kong Listing Rules, we have entered into a contract with each of our Directors and Supervisors in respect of, among other things, (i) compliance of relevant laws of regulations, (ii) observance of the Articles of Association, and (iii) provisions on arbitration.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

B. Remuneration of Directors and Supervisors

Save as disclosed in "Directors, Supervisors and Senior Management" and under "Appendix I—Accountant's Report—Notes to the Financial Information—9. Directors' and Supervisors' Remuneration", no Director or Supervisor received other remuneration or benefits in kind from our Company in respect of each of the three financial years ended December 31, 2019.

4. DISCLOSURE OF INTERESTS

A. Disclosure of Interests of Directors and Supervisors

Save as disclosed below, immediately following the completion of the [REDACTED] assuming that the [REDACTED] is not exercised, none of our Directors or Supervisors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules to be notified to our Company, once the Shares are [REDACTED] on the Hong Kong Stock Exchange.

Name	Title	Nature of Interest	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class	Approximate percentage of shareholding in the total share capital immediately after the [REDACTED] (assuming that the [REDACTED] is not exercised)
Mr. Li (½ ^)[1, 3]	Chairman of the Board and Executive Director	Interest in a controlled corporation	A Shares	514,349,899	41.24%	[REDACTED] %
Ms. Li Tan (½ ~)[2, 3]	Executive Director	Interest in a controlled corporation	A Shares	408,041,280	32.72%	[REDACTED] %
Mr. Shan Yu (Á)[4]	Executive Director	Interest in a controlled corporation; beneficial owner	A Shares	52,302,892	4.19%	[REDACTED] %
Mr. Haihua Bu (É 6)[5] . .	Executive Director, secretary to the Board and deputy general manager	Beneficial owner	A Shares	585,068	0.05%	[REDACTED] %

Notes:

(1) Mr. Li holds 99% of the equity interests of Leren Technology and 100% of the equity interests of Feilaishi. Thus, he is deemed to be interested in 474,029,899 A Shares held by Leren Technology and 40,320,000 A Shares held by Feilaishi. Pursuant to a stock pledge repurchase agreement, Leren Technology has pledged 43,600,000 A Shares held in our Company to Guotai Junan Securities Co. Ltd. on December 19, 2019.

(2) Ms. Li holds 99% of the equity interests of Jintiantu as a general partner. Thus, she is deemed to be interested in 408,041,280 A Shares held by Jintiantu.

(3) Mr. Li and Ms. Li are the spouse of each other and are both Directors of the Company. Therefore, they are not required to aggregate their interest in the Company under the SFO.

(4) Mr. Shan holds 99% of the equity interests of Shuidi Shichuan. Thus, he is deemed to be interested in 46,425,600 A Shares held by Shuidi Shichuan. In addition, Mr. Shan has also participated in the Share Incentive Scheme II and has a 38.88% interest in 15,118,035 A Shares held by the asset manager for the benefit of the participants of the scheme.

(5) Mr. Bu participated in Share Incentive Scheme II and has a 3.87% interest in 15,118,035 A Shares held by the asset manager for the benefit of the participants of the scheme, respectively.

Save as disclosed in this document, as of the Latest Practicable Date, none of the Directors or Supervisors or their respective spouses and children under 18 years of age had been granted by the Company or had exercised any rights to subscribe for shares or debentures of the Company or any of its associated corporations.

B. Disclosure of Interests of Substantial Shareholders

For information on the persons who will, immediately following the completion of the [REDACTED] , have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed "Substantial Shareholders."

Interests of substantial shareholders in members of our Group (excluding our Company)

Our subsidiaries	Registered/Issued share capital	Parties with 10% or more equity interest	Approximate percentage of shareholding (%)
Shenzhen Arimab Biomedical Co., Ltd. (- 9 • [J < ¹ Þ " ® !)	US$14,117,647	Aridis	49.00%
OncoVent	US$9,259,259	OncoQuest	29.00%
		Quest PharmaTech Inc.	11.00%
Shenzhen Fanpu Biotechnology Co., Ltd. (- 9 • þ [J ¦ " Þ " ® !)	RMB1,000,000	Mr. Zhou Hongwei	30.30%
Shenzhen Penghe Property Management Co., Ltd. (- q J 8 M # Þ " ® !)	RMB132,000,000	Yulong Computer Communication Technology (Shenzhen) Co., Ltd.	35.00%
		Shenzhen Xizhilang Food R&D Center Co., Ltd.	10.00%

C. Disclaimers

Save as disclosed in this document:

(a) none of our Directors or Supervisors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(b) none of our Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole; and

(c) without taking into account any Shares which may be taken up under the [REDACTED] , none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED] , be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders' meetings of any member of our Group in the Shares or underlying Shares of our Company.

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty under the PRC laws is likely to fall on our Company or any of our subsidiaries.

B. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

C. Joint Sponsors

Both of the Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for the [REDACTED] of, and permission to deal in, all the H Shares to be issued as mentioned in this document.

Pursuant to the engagement letter entered into between our Company and each of the Joint Sponsors, we have agreed to pay each of the Joint Sponsors a fee of US$1,000,000 to act as the sponsors of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

D. Compliance Advisor

Our Company has appointed Somerley Capital Limited as the compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expense.

F. Promoters

Information of our promoters as of the time of our Company's conversion is as follows:

No.	Name
1.	Leren Technology
2.	Jintiantu
3.	GS Pharma
4.	Shuidi Shichuan
5.	Feilaishi
6.	Yingshi Information

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

G. Qualification of Experts

The qualifications of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this document, are as follows:

Name	Qualification
Goldman Sachs (Asia) L.L.C. . . .	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Morgan Stanley Asia Limited . . .	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO
Ernst & Young.	Certified Public Accountants
Tian Yuan Law Firm.	PRC legal advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co..	Independent industry consultant
Hogan Lovells.	Legal advisers as to International Sanctions

H. Consents of Experts

Each of the experts named in paragraph G of this Appendix has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

Save for (a) Goldman Sachs (Asia) L.L.C. and its affiliates' interest in 318,609 A Shares; and (b) Morgan Stanley Asia Limited and its affiliates' interest in 450,300 A Shares, as of the Latest Practicable Date, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is HK$1.00 for every HK$1,000 (or part thereof) of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

J. Binding Effect

This document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

K. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this document as mentioned in "Appendix I—Accountant's Report—46. Related Party Transactions".

L. Miscellaneous

Save as disclosed in this document:

(a) within the two years immediately preceding the date of this document:

(i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued, or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

(b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) save for our A Shares which are listed on the Shenzhen Stock Exchange and the H Shares to be issued in connection with the [REDACTED], none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(g) the Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited liability company and does not expect to be subject to the Law of the PRC on Sino-foreign Equity Joint Ventures;

(h) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(i) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong; and

(j) all necessary arrangements have been made to enable the H shares to be admitted into CCASS for clearing and settlement

M. No Material Adverse Change

Except as disclosed in "Summary—Recent Developments," our Directors have confirmed, after performing all the due diligence work which the Directors consider appropriate, that, as of the date of this document, there has been no other material adverse change in our financial position or prospects since December 31, 2019 and there has been no other event since December 31, 2019 which would have material adverse effect on the information presented in the Accountants' Report in Appendix I to this document.

N. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the [REDACTED], [REDACTED] and [REDACTED];

(b) a copy of each of the material contracts referred to in the section headed "2. Further Information About Our Business—A. Summary of Our Material Contracts" in Appendix VI to this document; and

(c) the written consents referred to in the section headed "5. Other information—H. Consents of Experts" in Appendix VI to this document.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Davis Polk & Wardwell at 18/F, The Hong Kong Club Building, 3A Chater Road, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the consolidated audited financial statements of our Group for the three years ended December 31, 2017, 2018 and 2019;

(d) the report from Ernst & Young relating to the review of interim condensed consolidated financial information for the three months ended March 31, 2020, the text of which is set out in Appendix IA to this document;

(e) the report from Ernst & Young relating to the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;

(f) the material contracts referred to in the section headed "2. Further Information About Our Business—A. Summary of Our Material Contracts'' in Appendix VI to this document;

(g) the written consents referred to in the section headed "5. Other Information—H. Consents of Experts" in Appendix VI to this document;

(h) the service contracts referred to in the section headed "3. Further Information About Our Directors and Supervisors—A. Particulars of Directors' and Supervisors' Contracts" in Appendix VI to this document;

(i) the legal opinions issued by Tian Yuan Law Firm, our legal advisor as to PRC law in respect of our general matters and property interests of the Group;

(j) the legal memorandum issued by Hogan Lovells, our International Sanctions legal advisor;

(k) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in the section headed "Industry Overview";

(l) the PRC Company Law, the Mandatory Provisions and the Special Regulations together with their unofficial English translations; and

(m) the Shenzhen Stock Exchange Listing Rules, together with an unofficial English translation.