You should read the following discussion and analysis in conjunction with our audited consolidated financial information, including the notes thereto, including "Appendix I — Accountants' Report" to this prospectus. Our audited consolidated financial information has been prepared in accordance with IFRS.

You should also read the following discussion and analysis relating to Syracuse Hong Kong with the audited consolidated financial information of Syracuse Hong Kong in "Appendix III — Accountants' Report of Syracuse Biopharma (Hong Kong) Limited" to this prospectus, together with the accompanying notes. The consolidated financial information of Syracuse Hong Kong has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this prospectus, including those set forth under the sections headed "Risk Factors" and "Forward-Looking Statements" in this prospectus.

OVERVIEW

We are a leading clinical and pre-clinical stage cell therapy company in China. Our vision is to develop innovative cell therapies for the China market to transform the treatment of cancer for Chinese patients. Since our founding in 2016 by Juno and WuXi AppTec (through its wholly-owned subsidiary WXAT Shanghai), we have built an integrated platform focused on developing, manufacturing and commercializing breakthrough cell-based immunotherapies for hematological cancers and solid tumors. Relma-cel, our lead product candidate, is an anti-CD19 CAR-T therapy for relapsed or refractory ("**r/r**") B-cell lymphoma, and in June 2020 the NMPA accepted for review our NDA relating to relma-cel as a third-line treatment for DLBCL. Relma-cel is expected to be the first CAR-T therapy to be approved as a Category 1 biologics product in China, and has potential to be a superior CAR-T therapy.

We are an early entrant into the field of cell-based immunotherapy in China. Cell-based immunotherapy is a field which represents a paradigm shift and the latest advancement in the treatment of cancer. Cell-based immunotherapies, including CAR-T treatments, are an innovative treatment method that uses human immune cells to fight cancer. Supported by multiple clinical

studies, cell-based immunotherapies could lead to long-lasting remissions of B-cell lymphomas and leukemias which are refractory to other treatments. According to Frost & Sullivan, the target indications for relma-cel, namely 3L DLBCL, 3L FL and 3L MCL, had an addressable market estimated to have a prevalence of approximately 28.7 thousand, 5.2 thousand and 3.4 thousand patients respectively in China in 2019, after taking into account the effectiveness of prior lines of treatment in China. Given the unmet medical needs that can be effectively addressed by CAR-T therapies, according to Frost & Sullivan, the market for CAR-T therapies in China is expected to grow from RMB0.6 billion in 2021 to RMB5.4 billion in 2024, and to RMB24.3 billion in 2030. We believe that we are well positioned to take advantage of this rapidly growing market.

We currently have no products approved for commercial sale and have not generated any revenue from product sales. We have never been profitable and have incurred loss before income tax in every year since inception, with RMB272.6 million for the year ended December 31, 2018 and RMB633.3 million for the year ended December 31, 2019, respectively, and RMB357.9 million and RMB650.0 million for the six months ended June 30, 2019 and 2020, respectively. Substantially all of our operating losses resulted from fair value losses in preferred shares and warrants, research and development expenses and general and administrative expenses.

We expect to incur an increased amount of operating expenses for at least the next several years as we further our pre-clinical research of, continue the clinical development of, seek regulatory approval for and manufacturing of, our drug candidates, launch our pipeline products and add personnel necessary to operate our business. Subsequent to the Listing, we expect to incur costs associated with operating as a public company. We expect that our financial performance will fluctuate from period to period due to the development status of our product candidates, regulatory approval timeline and commercialization of our product candidates after approval.

OUR ACQUISITION OF SYRACUSE HONG KONG

To further expand our business through selective acquisition of suitable assets, on June 30, 2020, our Company and our wholly-owned subsidiary, JWS Therapeutics, entered into the Asset Purchase Agreement with Syracuse Cayman, pursuant to which Syracuse Cayman agreed to transfer and assign to JWS Therapeutics, and JWS Therapeutics agreed to purchase and assume from Syracuse Cayman, a majority of the assets of Syracuse Cayman, consisting of (i) the rights and benefits of Syracuse Cayman in the Eureka License Agreement, (ii) all of the equity interest of Syracuse Hong Kong and (iii) certain ancillary assets, together with certain liabilities of Syracuse Cayman, in a transaction valued at US$105 million. Through this acquisition, we have gained access to two innovative cell therapy product candidates (targeting AFP and GPC3, respectively) for liver cancer, which is consistent with our strategy to expand into solid tumor therapy. Furthermore, we have obtained access to the ARTEMIS technology platform to facilitate T-cell infiltration into solid tumors and other technological capabilities that create synergies with our existing platform.

Syracuse Hong Kong did not generate any revenue for the years ended December 31, 2018 and 2019 and for the six months ended June 30, 2020, and it incurred net losses of RMB7.9 million, RMB28.5 million and RMB48.0 million for the same periods, respectively. The consolidated financial information and the accompanying notes of Syracuse Hong Kong for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2020 are set forth in Appendix III to this prospectus.

For further details regarding the Asset Purchase Agreement, please see the section headed "History, Development and Corporate Structure" in this prospectus and Note 32 to "Appendix I — Accountants' Report" in this prospectus.

BASIS OF PREPARATION

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on September 6, 2017. Our Company, as the holding company of our business, indirectly owns subsidiaries in China that are primarily engaged in the research and development, manufacturing, and marketing of anti-tumor drugs in China. For further details, please see the section headed "History, Development and Corporate Structure" in this prospectus.

The consolidated financial information of our Company has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by International Accounting Standards Board ("**IASB**").

The consolidated financial information has been prepared under the historical cost convention, as modified by the revaluation of financial liabilities at fair value through profit or loss, which are carried at fair value. The Company's functional currency is US$, however, the consolidated financial information is presented in RMB, as the major operations of the Group are within the PRC. All values are rounded to the nearest thousand except when otherwise indicated.

Upon the completion of the Asset Purchase Agreement on June 30, 2020, we acquired 100% of Syracuse Hong Kong's equity interests. The consolidated financial information of Syracuse Hong Kong for the years ended December 31, 2018 and 2019 and for the six months ended June 30, 2019 and 2020, which has been prepared in accordance with IFRS, is listed separately in this section and in "Appendix III — Accountants' Report of Syracuse Biopharma (Hong Kong) Limited" to this prospectus. The consolidated financial information of Syracuse Hong Kong is presented in RMB.

Adoption of IFRS 9, IFRS 15 and IFRS 16

IFRS 9 "Financial instruments" ("**IFRS 9**"), IFRS 15 "Revenue from Contracts with Customers" ("**IFRS 15**") and IFRS 16, "Leases" ("**IFRS 16**") have been adopted and applied consistently in our consolidated financial information since the beginning of, and throughout, the Track Record Period, in lieu of IAS 39 "Financial instruments: Recognition and measurement" ("**IAS 39**"), IAS 18 "Revenue" ("**IAS 18**") and IAS 17, "Leases" ("**IAS 17**"), respectively. Our

internal assessments on the impact of the adoption of IFRS 9, IFRS 15 and IFRS 16 on our financial position and performance when compared to that of IAS 39, IAS 18 and IAS 17 are set out below.

IFRS 9 and IFRS 15

Based on our internal assessment, the adoption of IFRS 9 and IFRS 15 had no significant impact on our Group's financial position and performance as compared with IAS 39 and IAS 18, respectively.

IFRS 16

Under IAS 17, operating lease payments are charged to the consolidated income statement on a straight-line basis over the period of the lease, and operating lease commitments are disclosed separately in a note to the consolidated financial information and are recognized outside of the consolidated balance sheets. Under IFRS 16, all leases (except for those with lease term of less than 12 months or of low value) must be recognized in the form of assets (being the right-of-use assets in our financial information) and financial liabilities (being the lease liabilities in our financial information) on our consolidated balance sheets at the commencement of respective leases.

Based on our internal assessment, except for increases in total assets and total liabilities of RMB17.0 million and RMB18.6 million as of December 31, 2018, RMB24.5 million and RMB27.0 million as of December 31, 2019 and RMB20.7 million and RMB22.3 million as of June 30, 2020, respectively, as a result of further recognition of right-of-use of assets, derecognition of prepaid rental expense and recognition of relevant lease liabilities under IFRS 16, the adoption of IFRS 16 had no significant impact on our financial position and performance as compared with IAS 17. In addition, the adoption of IFRS 16 had no significant impact on our key financial ratios as of December 31, 2018 and 2019 and June 30, 2020.

Contractual Arrangements

Due to the restrictions imposed by the relevant laws and regulatory regime of the PRC on foreign ownership of companies engaged in the business of cell therapy carried out by the Consolidated Affiliated Entities, JW Shanghai entered into the Contractual Arrangements with Shanghai Ju Ming and its equity holders on November 2, 2017 and July 29, 2020. For further details, please see the section headed "Regulatory Overview" in this prospectus.

Our Group does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Group has power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is considered to have control over the Consolidated Affiliated Entities.

Consequently, our Company regards the Consolidated Affiliated Entities as indirect subsidiaries for accounting purposes. Our Company consolidated the assets, liabilities, income, and expenses of the Consolidated Affiliated Entities upon the execution of the Contractual Arrangements.

The Contractual Arrangements provide a mechanism that enables us to exercise effective control over our Consolidated Affiliated Entities. It also ensures that all economic benefits generated from the operations of our Consolidated Affiliated Entities will flow to JW Shanghai. Accordingly, the Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into our financial information during the Track Record Period.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

Successful Clinical Trials and Commercialization of Our Product Candidates

Our business and results of operations depend on our ability to successfully develop our product candidates. Our product pipeline features a mix of product candidates targeting both proven and novel tumor antigens. We have strategically designed and developed a cell therapy product pipeline of autologous cell therapy candidates, covering both hematological cancers and solid tumors, and we also have an option to acquire two allogeneic cell therapy candidates for treatment of solid and hematological tumors.

In June 2020, our NDA for relma-cel as a third-line treatment for DLBCL was submitted to and accepted for review by the NMPA. In addition, we are currently conducting clinical trials and plan to submit IND applications for other indications for relma-cel as well as our other product candidates, including JWCAR129 and our products targeting solid tumors, in the coming years. Although we currently have no products approved for commercial sale and did not generate any revenue from product sales during the Track Record Period, we expect to commericialize one or more of our product candidates over the coming years as they move toward the advanced clinical stages of development. For further details on the status of our various product candidates, please see the section headed "Business — Our Product Pipeline" in this prospectus. We are unable to predict when, or if ever, material net cash inflows will commence from sales of our product candidates.

Milestone Payments and Royalties

Pursuant to our agreements with our in-licensing partners, we have agreed to make certain payments when the in-licensed product candidates reach certain milestones during the product development process. In addition, we have agreed to pay royalties on our future product sales contemplated under the licensing agreements. The timing of these payments and the mix of future

products sales (which may be subject to different royalties) will have an effect on our profitability. For further details, please see the section headed "Business — Collaboration and License Agreements" in this prospectus.

Cost Structure

Our results of operations are significantly affected by our cost structure, which primarily consists of research and development expenses and general and administrative expenses.

Since our inception, we have focused our resources on our R&D activities, including conducting pre-clinical studies and clinical trials and activities related to regulatory filings for our product candidates. Our research and development costs primarily consist of:

- employee benefit expenses that consist of employees' wages, salaries, bonuses, benefits, welfare and share-based payments and other welfare for research and development employees;

- costs associated with raw materials and consumables for R&D activities;

- testing and clinical trial fees, including third party contracting costs such as CRO services;

- depreciation and amortization; and

- general office and leasing expenses.

At this time, it is difficult to estimate or know for certain, the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our product candidates. This is due to the numerous risks and uncertainties associated with developing and commercializing such drug candidates. We expect research and development expenses to increase significantly for the foreseeable future as our development programs progress, as we continue to support the clinical trials of our product candidates and as we initiate additional clinical trials on these product candidates.

Our general and administrative expenses consist primarily of employee benefit expenses for administrative personnel, professional service fees, depreciation and amortization, office expenses, listing expenses and others. Employee benefit expenses consist of employees' wages, salaries, bonuses, benefits, welfare and share-based compensation expenses, and other welfare for administrative personnel. Professional service fees relate to fees paid for legal, IT, human resources and other administrative-related professional services. Depreciation and amortization primarily represents the depreciation of property, plant and equipment and the amortization of intangible assets used for our general and administrative purposes. Office expenses include office

leases, miscellaneous office expenses, and other expenses incurred by our management and administrative departments. Listing expenses are expenses in relation to the Listing and the Global Offering. Others primarily consist of audit remuneration and travel expenses.

We also expect our general and administrative expenses to increase in future periods to support our product development efforts and support any commercialization activities with respect to our product candidates, if approved. We also anticipate increased legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company in Hong Kong.

Given our robust pipeline of product candidates, as well as the NMPA accepting for review our NDA relating to relma-cel as a third-line treatment for DLBCL, we are in the process of building our sales and marketing team in anticipation of potential product launches in the coming years.

Funding for Our Operations

For the years ended December 31, 2018 and 2019 and the six months ended June 30, 2020, we funded our operations primarily through equity financing. Going forward, in the event of successful commercialization of one or more of our product candidates, we expect to fund our operations in part with revenue generated from sales of our product candidates. However, with the continuing expansion of our business and development of our products, we may require further funding through public or private equity offerings, debt financing and other sources. Any changes in our ability to fund our operations will affect our cash flow and results of operation.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial information. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances.

Under current circumstances, we do not expect that our assumptions or estimates are likely to change significantly in the future. When reviewing our consolidated financial information, you should consider (i) our critical accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions.

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial information. For further details of our significant accounting policies and estimates, which are important for an understanding of our financial condition and results of operations, please see notes 2 and 4 in "Appendix I — Accountants' Report" to this prospectus.

Significant Accounting Policies

Share-based payment

We operate stock options and restricted share units ("**RSUs**") granted to employees and consultants, under which the entity receives services from employees as consideration for equity instruments of our Group. The fair value of the employee services received in exchange for the grant of equity instruments (options and RSUs) is recognized as an expense on the consolidated financial information. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted: including any market performance conditions; excluding the impact of any service and non-market performance vesting conditions (for example, the requirement for employees to serve); and including the impact of any non-vesting conditions.

At the end of each reporting period, we revise our estimates of the number of options and RSUs that are expected to vest based on the non-market vesting performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statements of comprehensive loss, with a corresponding adjustment to equity. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purpose of recognizing the expense in full on grant date as these equity instruments granted can be vested immediately.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, we include the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period.

The grant by our Company of options over its equity instruments to the employees of subsidiaries in our Group are treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiaries undertakings, with a corresponding credit to equity in our separate financial information.

Business combinations and goodwill

We account business combinations using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by us in exchange for control of the acquiree. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

We recognize any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Goodwill is recorded as the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of our previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purpose, being the operating segments.

Impairment of non-financial assets

Intangible assets, right-of-use assets and property, and plant and equipment that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill and intangible assets with indefinite useful lives or not ready for use will not be amortized but tested for impairment annually either individually or at the cash-generating unit level. The impairment test would compare the recoverable amount of the in-licenses to its carrying value. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Preferred shares and warrants

During the Track Record Period, we entered into a series of share purchase agreements with financial investors and issued preferred shares. Preferred Shares issued by us are redeemable upon occurrence of certain future events. Those instruments can be converted into ordinary shares of our Company at any time at the option of the holders or automatically converted into ordinary shares upon occurrence of the Listing. We designated the Preferred Shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Subsequent to initial recognition, the Preferred Shares are carried at fair value with changes in fair value recognized in the consolidated statements of comprehensive loss. If our credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognized in other comprehensive income in the circumstances other than avoiding accounting mismatch or recognizing in profit or loss for loan commitments or financial guarantee contracts.

We issued warrants for the upfront payments pursuant to the licensing agreements as cash-settled share-based payments. The warrants can be exercised and settled with preferred shares upon certain conditions as set forth in the licensing agreements. The fair value of the warrants for cash-settled transaction is re-measured at each reporting date and at the date of settlement. Any changes in fair value of warrants are recognized in profit or loss. Upon exercise of the warrants, the share-based payments are settled with preferred shares and accounted for as financial liabilities measured at fair value.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs incurred during the construction period are capitalized.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of such items can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

Machinery	5 years
Electronic equipment	5-10 years
Leasehold improvements	Over the shorter of the lease term or the estimated useful life

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognized as "Other gains/(losses) — net" in our consolidated statements of comprehensive loss.

Construction in progress represents unfinished construction and equipment under construction or pending installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

Intangible assets (software and licenses)

Computer software is recognized at historical cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. The Group amortized on a straight-line basis over their estimated useful lives of 5-10 years.

Intangible assets acquired separately are measured on initial recognition at cost.

Certain intangible assets are for license of intellectual properties in development, with non-refundable upfront payments, milestone payments and royalty payments. Upfront payments are capitalized when paid. Milestone payments are capitalized as intangible assets when incurred, unless the payment is for outsourced research and development work, which would follow the capitalization policy. Royalty payments would be accrued for in line with the underlying sales and recognized as a cost of sales. However, if the intangible asset is acquired in a business combination, it is measured at fair value at initial recognition. Intangible assets with finite useful lives are amortized using the straight-line basis over the commercial lives of the underlying products, continuing from the date when the products are put into commercial production.

Critical Accounting Estimates

Research and development expenses

Research and development costs incurred on our product pipeline are capitalized only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our intention to complete and our ability to use or sell the asset, how the asset will generate probable future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalized requires management to make judgment regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Track Record Period, all expenses incurred for research and development activities were regarded as research expenses and therefore were expensed when incurred.

Deferred income tax

We deferred tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involved management's judgements and estimations about the timing and the amount of taxable profits of the companies who had tax losses. During the Track Record Period, deferred tax assets have not been recognized in respect of these accumulated tax losses and other deductible temporary differences based on the fact that we have several product candidates and most of them were in earlier research and development stage and the future taxable profits would be uncertain.

Intangible assets acquired in a business combination

If an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. The fair value of an intangible asset will reflect market participants' expectations at the acquisition date about the probability that the expected future economic benefits embodied in the asset will flow to the entity. In other words, the entity expects there to be an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. If an asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure reliably the fair value of the asset.

An acquirer recognizes at the acquisition date, separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognized by the acquiree before the business combination. This means that the acquirer recognizes as an asset separately from goodwill an in-process research and development project of the acquiree if the project meets the definition of an intangible asset. An acquiree's in-process research and development project meets the definition of an intangible asset when it: meets the definition of an asset; and is identifiable which means it is separable or arises from the contractual or other legal rights.

If an intangible asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure reliably the fair value of the asset. Determination of the fair value is an area involving management judgement in order to assess whether the carrying value of the intangible assets not ready for use can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of (i) timing of commercialization, productivity and market penetration rate; (ii) revenue growth rate; (iii) costs and operating expenses; (iv) the selection of discount rates; and (v) success rate of commercialization to reflect the risks involved. An intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, the acquirer recognizes the intangible asset separately from goodwill, but together with the related item.

Impairment of intangible assets not ready for use

Intangible assets not ready for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. We obtained in-licenses through separate acquisition or business combination to continue research and development work and commercialize the products, which are classified as intangible assets not ready for use.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

Estimation of fair value of preferred shares and warrants

We have issued four series of preferred shares:

- In 2018, approximately 3.2 million Series A1 Preferred Shares for cash consideration of approximately US$44.4 million (equivalent to approximately RMB281.7 million) as well as approximately 642.0 thousand Series A1 Preferred Shares after Juno exercised its first warrant pursuant to the License and Strategic Alliance Agreement;

- In 2019, approximately 3.1 million Series A2 Preferred Shares for cash consideration of approximately US$55.6 million (equivalent to approximately RMB373.8 million) as well as approximately 3.3 million Series A2 Preferred Shares after Juno exercised its second warrant pursuant to the License and Strategic Alliance Agreement;

- In 2019, approximately 466.6 thousand Series X Preferred Shares after Juno exercised its first warrant pursuant to the BCMA License Agreement; and

- In 2020, approximately 4.9 million Series B Preferred Shares for cash consideration of US$100 million (equivalent to approximately RMB709.1 million).

The Preferred Shares are recognized in our financial information as financial liabilities at fair value through profit or loss because the conversion feature represents an embedded derivative. We apply IFRS 13 for financial instruments that are measured in our consolidated balance sheets at fair value. With the assistance of an independent valuer, the discounted cash flow method was used to determine the total equity value of our Group and then equity allocation model was adopted to determine the fair value of our Preferred Shares as the dates of issuance and at the end of the reporting periods. The key valuation assumptions used to determine the fair value of the Preferred Shares at each balance sheet date are as follows:

	As at December 31,		As at June 30,
	2018	2019	2020
Discount rate	19.0%	17.5%	17.0%
Risk-free interest rate	2.48%	1.59%	0.18%
Volatility	42%	48%	50%
IPO Possibility	10%	20%	60%

For further details concerning valuation of our Preferred Shares, please see Note 2.14, Note 3.3 and Note 28 in "Appendix I — Accountants' Report" to this prospectus.

In respect of the valuation of the Group's Level 3 financial instruments, our management, based on the professional advice received, (i) engaged and discussed with an independent professional external valuer to establish the appropriate valuation techniques; (ii) reviewed the external valuer's valuation analysis and results; and (iii) discussed with the Reporting Accountant in respect of the audit procedures. Based on the procedures, our management is satisfied that the valuation is considered reasonable, and our financial statements are properly prepared.

In respect of the valuation of the Group's Level 3 financial instruments, details and the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements are set forth in notes 28 and 32 to the Accountants' Report which is prepared in accordance with the Hong Kong Standard on Investment Circular Reporting Engagement 200 "Accountants' Report on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants, as set forth in Appendix I to the Prospectus. The historical financial information in the Accountants' Report gives a true and fair view of the financial position of the Company and its financial performance and cash flows for the Track Record Period as a whole.

In respect of the valuation of the Group's Level 3 financial instruments, the Joint Sponsors have, among others, (i) discussed with the external valuer engaged by the Company for the valuation of the financial liabilities at fair value through profit or loss regarding the qualification of the external valuer and credentials of the lead partner of the external valuer responsible for the valuation; (ii) reviewed the valuation analysis prepared by the external valuer; (iii) discussed with the management of the Company and the external valuer regarding the valuation technique applied by the Group to determine such valuation; and (iv) considered the procedures undertaken by the Reporting Accountants and its opinion on the historical financial information of the Group as a whole for the Track Record Period. Based the above due diligence work, nothing has come to the attention of the Joint Sponsors for them to cast doubt on the valuation of the Group's Level 3 financial instruments as provided in the Accountants' Report.

During the Track Record Period, we issued warrants to Juno in connection with the License and Strategic Alliance Agreement and the BCMA License Agreement. Pursuant to the terms of the warrants, Juno has the right to subscribe for the Company's preferred shares at a pre-determined price during a specific period. We issued Series A1 and A2 Preferred Shares to Juno in May 2018 and May 2019, respectively, after Juno exercised its two warrants under the License and Strategic Alliance Agreement. In November 2019, we issued Series X Preferred Shares to Juno after it exercised its first warrant under the BCMA License Agreement. As of the Latest Practicable Date, Juno has yet to exercise its second warrant for Series X Preferred Shares under the BCMA License Agreement.

Warrant liabilities are initially recognized at fair value on the grant date as a cash-settled share-based payment and are subsequently re-measured to their fair value at the end of each reporting period. The warrants are not traded in an active securities market, as such, with the assistance from an independent valuer, discounted cash flow method was adopted to determine the fair value of warrants. Key assumptions at the issuance are set as below:

License and Strategic Alliance Agreement Warrants:

	As at December 31,
	2018
Time to maturity	0.36 years
Discount rate	19%
Risk-free interest rate	3.5%

BCMA License Agreement Warrants:

	As at December 31,	As at June 30,
	2019	2020
Time to maturity	2.28 years	1.78 years
Discount rate	17.5%	17%
Risk-free interest rate	3.0%	2.5%

For further details concerning our warrants, please see Note 2.15 and Note 29 in "Appendix I — Accountants' Report" to this prospectus.

DESCRIPTION OF SELECTED COMPONENTS OF STATEMENTS OF COMPREHENSIVE LOSS

The table below sets forth our consolidated statements of comprehensive loss for the periods indicated derived from our consolidated statements of comprehensive loss set out in the Accountants' Report included in Appendix I to this prospectus:

	Year ended December 31,		Six months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Research and development expenses	(75,989)	(136,107)	(54,256)	(82,266)
General and administrative expenses	(41,259)	(72,892)	(25,556)	(81,007)
Other gains/(losses), net	4,801	(1,165)	(695)	4,115
Other income	215	5,483	402	847
Operating loss	**(112,232)**	**(204,681)**	**(80,105)**	**(158,311)**
Finance (costs)/income — net	(1,825)	469	(729)	(164)
Fair value loss of preferred shares	(46,028)	(128,781)	(3,901)	(484,442)
Fair value loss of warrants	(112,531)	(300,264)	(273,134)	(7,112)
Loss before income tax	**(272,616)**	**(633,257)**	**(357,869)**	**(650,029)**
Income tax expense	—	—	—	—
Loss for the year/period	**(272,616)**	**(633,257)**	**(357,869)**	**(650,029)**
Loss attributable to owners of the Company:	(272,616)	(633,257)	(357,869)	(650,029)

Revenue

We did not generate any revenue for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2020.

Research and Development Expenses

Our research and development expenses primarily consist of employee benefit expenses for research and development personnel, R&D materials, testing and clinical expenses, depreciation and amortization and office expenses. Employee benefit expenses consist of wages, salaries and bonuses, contributions to pension plans, welfare and other expenses, share-based payment expenses and other welfare for research and development employees. R&D materials represents primarily raw materials and consumables. Testing and clinical expenses consist of fees in connection with third party services in conjunction with our clinical trials. Depreciation and amortization primarily represents the depreciation and amortization of our right-of-use assets and machinery and our property, plant and equipment used in our research and development activities. Office expenses include leasing and office expenses related to research and development. Others primarily include travel expenses. The following table provides a breakdown of our research and development expenses for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020:

	Year ended December 31,		Six months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Employee benefit expenses	18,876	52,935	18,282	40,943
— Share-based compensation expenses	—	10,801	—	10,070
R&D materials	21,164	33,180	17,091	8,777
Testing and clinical expenses	23,024	27,818	10,751	19,729
Depreciation and amortization	4,760	14,949	5,270	9,401
Office expenses	5,149	5,649	2,372	2,806
Others	3,016	1,576	490	610
Total	**75,989**	**136,107**	**54,256**	**82,266**

General and Administrative Expenses

Our general and administrative expenses primarily consist of employee benefit expenses for administrative personnel, professional service fees, depreciation and amortization, office expenses, listing expenses and others. Employee benefit expenses consist of employee's wages, salaries, bonuses, benefits, welfare, share-based compensation expenses and other welfare for administrative personnel. Professional service fees consist of fees paid for legal, IT, human resources and other administrative-related professional services. Depreciation and amortization primarily represents the depreciation of property, plant and equipment and the amortization of intangible assets used for our general and administrative purposes. Office expenses include office leases, miscellaneous office expenses incurred by our management and administrative departments. Listing expenses are expenses in relation to the Listing and the Global Offering. Others primarily consist of audit

remuneration and travel expenses. The following table provides a breakdown of our general and administrative expenses for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020:

	Year ended December 31,		Six months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Employee benefit expenses	20,362	43,900	13,185	62,048
— Share-based compensation expenses	—	4,642	—	47,401
Professional service fees	12,444	14,110	6,093	7,152
Depreciation and amortization	349	2,354	1,645	1,273
Office expenses	3,507	6,783	2,344	2,263
Listing expenses	—	—	—	7,669
Others	4,597	5,745	2,289	602
Total	**41,259**	**72,892**	**25,556**	**81,007**

Other Gains and Losses

Other gains and losses consist primarily of foreign exchange gains and losses and a bargain purchase gain recognized in connection with our acquisition of Syracuse Hong Kong, being the difference between the net assets acquired and the consideration paid. The following table sets forth a breakdown of our other gains and losses for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020. We experience net foreign exchange gain/(losses) as some of our expenses are denominated in US$, while the functional currency of our operating subsidiaries in China is in RMB.

	Year ended December 31,		Six months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Net foreign exchange gain/(losses)	4,524	(1,086)	(381)	(1,901)
Bargain purchase gain	—	—	—	6,016
Others	277	(79)	(314)	—
Total	**4,801**	**(1,165)**	**(695)**	**4,115**

Other Income

Other income consists of government grants, which are subsidies received from the government as compensation for our research and development. Some of the grants received are related to future costs expected to be incurred and require us to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. During the

Track Record Period, we have received grants from various government bureaus, such as the Science and Technology Commission of Shanghai Municipality and Shanghai Municipal Tax Service of the State Tax Administration. When the criteria set by the government bureau for such grants are met, which is based on the progress of our clinical trials, the proportion of the qualified funds which have met the criteria is recognized as "other income" and the remaining balance is recorded as "accruals and other payables — deferred income." The following table indicates the amount of our other income for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

	Year ended December 31,		Six months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Government grants	215	5,483	402	847

Finance Costs and Income

Our finance costs consist of interest expense on bank borrowings and interest expense on lease liabilities, while our finance income consists of interest income from bank deposits. The following table provides a breakdown of our finance costs and income for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020:

	Year ended December 31,		Six months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Interest expense on bank borrowings	(2,017)	(779)	(385)	(2,009)
Less: amounts capitalized in property, plant and equipment	—	312	—	2,009
	(2,017)	(467)	(385)	—
Interest expenses on lease liabilities	(900)	(884)	(499)	(290)
Total finance costs	**(2,917)**	**(1,351)**	**(884)**	**(290)**
Interest income on bank deposits	1,092	1,820	155	126
Total finance income	**1,092**	**1,820**	**155**	**126**
Finance costs/income — net	**(1,825)**	**469**	**(729)**	**(164)**

For further details, see "— Borrowings" in this section.

Fair Value Loss of Preferred Shares

During the Track Record Period, we entered into a series of share purchase agreements with financial investors and issued preferred shares. Fair value loss of preferred shares represents changes in the fair value of our Preferred Shares. Subsequent to initial recognition, changes in the fair value of our Preferred Shares are recognized in the consolidated statements of comprehensive loss. We recognized a fair value loss of preferred shares of RMB46.0 million, RMB128.8 million and RMB484.4 million for 2018, 2019 and the six months ended June 30, 2020. Upon Listing, the Preferred Shares will be automatically converted into Shares, after which we do not expect to recognize any further loss or gain on fair value changes of the Preferred Shares.

Fair Value Loss of Warrants

Fair value loss of warrants represents primarily of the non-cash expenses incurred in connection with changes in the fair value of the warrants that we issued to Juno in 2017 and 2019 in relation to the License and Strategic Alliance Agreement and the BCMA License Agreement, respectively. Juno exercised its two warrants under the License and Strategic Alliance Agreement in May 2018 to purchase Series A1 Preferred Shares and in May 2019 to purchase Series A2 Preferred Shares. In connection with the BCMA License Agreement, in November 2019, Juno exercise its first warrant to purchase Series X Preferred Shares. As of the Latest Practicable Date, Juno had not yet exercised its second warrant in connection with the BCMA License Agreement.

Income Tax

Our Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate.

Cayman Islands

We are incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. There is no income tax in the Cayman Islands and accordingly, the operating results reported by us, is not subject to any income tax in the Cayman Islands.

Hong Kong

No provision for Hong Kong profits tax has been provided for at the rate of 16.5% as we have no estimated assessable profit.

Mainland China

No provision for Mainland China income tax has been provided for at a rate of 25% pursuant to the CIT Law, as our PRC entities have no estimated assessable profits.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2019

Research and Development Expenses

Our research and development expenses increased from RMB54.3 million for the six months ended June 30, 2019 to RMB82.3 million for the six months ended June 30, 2020. This was primarily attributable to an increase of RMB22.7 million in employee benefit expenses, which was primarily due to (i) an increase in share-based compensation expenses and (ii) an increase in headcount. Additionally, there was an increase in testing and clinical expenses from RMB10.8 million to RMB19.7 million due to the preparation of our NDA submission for relma-cel. These effects were partially offset by a decrease of RMB8.3 million in R&D materials cost, as we had nearly completed the clinical trials for our Core Product Candidate during the period and were preparing IND applications for our other clinical trials and also experienced a slowdown of clinical trials due to impact of COVID-19.

General and Administrative Expenses

Our general and administrative expenses increased significantly from RMB25.6 million for the six months ended June 30, 2019 to RMB81.0 million for the six months ended June 30, 2020. This was primarily attributable to an increase in employee benefit expenses from RMB13.2 million to RMB62.0 million, of which share-based compensation expenses increased from nil to RMB47.4 million. We also incurred a listing expense of RMB7.7 million during the six months ended June 30, 2020.

Other Gains and Losses

Our other gains and losses increased from a net loss of RMB0.7 million for the six months ended June 30, 2019 to a net gain of RMB4.1 million for the six months ended June 30, 2020, primarily due to a bargain purchase gain of RMB6.0 million recognized in connection with our acquisition of Syracuse Hong Kong.

Other Income

Our other income increased from RMB0.4 million for the six months ended June 30, 2019 to RMB0.8 million for the six months ended June 30, 2020 due to an increase in the recognition of government grants during this period.

Finance Costs and Income

Our net finance costs decreased from RMB0.7 million for the six months ended June 30, 2019 to RMB0.2 million for the six months ended June 30, 2020, primarily attributable to a decrease in finance costs from (1) repayment of certain bank borrowings (2) and the capitalization of interest expense incurred under JW Suzhou's fixed asset loan of RMB100 million which was entered into on October 16, 2019.

Fair Value Loss of Preferred Shares

Fair value loss of preferred shares issued to investors increased significantly from RMB3.9 million for the six months ended June 30, 2019 to RMB484.4 million for the six months ended June 30, 2020, primarily due to the issuance of additional Series A2 Preferred Shares pursuant to Juno's exercise of its second warrant under the License and Strategic Alliance Agreement in May 2019 and the increase in our Company's valuation.

Fair Value Loss of Warrants

Fair value loss of warrants issued to investors decreased significantly from RMB273.1 million for the six months ended June 30, 2019 to RMB7.1 million for the six months ended June 30, 2020, primarily due to Juno's exercise of its second warrant under the License and Strategic Alliance Agreement in May 2019 to purchase Series A2 Preferred Shares.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Research and Development Expenses

Our research and development expenses increased from RMB76.0 million for the year ended December 31, 2018 to RMB136.1 million for the year ended December 31, 2019. This increase was primarily due to an increase of RMB34.1 million in employee benefit expenses, which was primarily due to (i) an increase in share-based compensation expenses and (ii) an increase in headcount. The increase in research and development expenses was also due in part to an increase of RMB12.0 million in R&D materials cost, which resulted from a substantial increase in the number patients enrolled in clinical trials in 2019, as well as an increase of RMB10.2 million in depreciation and amortization primarily attributable to an expansion of business operations.

General and Administrative Expenses

Our general and administrative expenses increased by RMB31.6 million, from RMB41.3 million for the year ended December 31, 2018 to RMB72.9 million for the year ended December 31, 2019. This increase resulted primarily from an increase in employee benefit expenses of RMB23.5 million, of which share-based compensation expenses increased from nil to RMB4.6 million, which in turn resulted from an increase in stock options and RSUs issued under our Pre-IPO Incentivization Scheme and Restricted Share Unit Scheme. Additional factors that contributed to the increase in general and administrative expenses included an increase of RMB3.3 million in office expenses, and an increase of RMB2.0 million in depreciation and amortization, which primarily resulted from expansion of business operations.

Other Gains and Losses

Our net other losses were RMB1.2 million for the year ended December 31, 2019, representing a change of RMB6.0 million from net other gains of RMB4.8 million for the year ended December 31, 2018. The net gain in 2018 and the net loss in 2019 both resulted from movements in foreign exchange rates between RMB and US$.

Other Income

Our other income increased from RMB0.2 million for the year ended December 31, 2018 to RMB5.5 million for the year ended December 31, 2019 due to an increase in the level of government grants received, which in turn was primarily due to RMB2.8 million in grants received by JW Shanghai in 2019, and RMB2.6 million in grants received by Shanghai Ming Ju in 2019, that were not received by those entities in 2018.

Finance Costs and Income

Our net finance income for the year ended December 31, 2019 was RMB0.5 million, representing a change of RMB2.3 million as compared to net finance cost of RMB1.8 million for the year ended December 31, 2018. This change primarily resulted from a decrease of RMB1.5 million in interest expense on bank borrowings from 2018 to 2019 because of loan repayments, the effects of which were partially offset by an increase of RMB0.7 million in interest income on bank deposits from 2018 to 2019.

Fair Value Loss of Preferred Shares

Fair value loss of preferred shares issued to investors increased from RMB46.0 million for the year ended December 31, 2018 to RMB128.8 million for the year ended December 31, 2019, primarily due to the issuance of preferred shares to Juno under the License and Strategic Alliance Agreement and an increase in the Company's valuation.

Fair Value Loss of Warrants

Fair value loss of warrants issued to investors increased significantly from RMB112.5 million for the year ended December 31, 2018 to RMB300.3 million for the year ended December 31, 2019, primarily due to the warrants we issued to Juno under the BCMA License Agreement in 2019 and an increase in the Company's valuation.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEETS

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which have been derived from the Accountants' Report set out in Appendix I.

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Non-current assets			
Property, plant and equipment	52,940	178,932	248,405
Right-of-use assets	18,162	23,784	19,100
Intangible assets	80,002	156,947	835,940
Prepayment for license	—	—	7,080
Other non-current assets	18,404	47,616	43,214
	169,508	407,279	1,153,739
Current assets			
Other receivables and prepayments	1,276	2,986	7,153
Restricted bank deposits	36,375	3,488	3,540
Cash and cash equivalents	133,663	254,866	860,197
	171,314	261,340	870,890
Total assets	**340,822**	**668,619**	**2,024,629**

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Current liabilities			
Borrowings	40,054	—	—
Lease liabilities	3,098	10,096	10,135
Accruals and other payables	48,443	93,404	111,390
Contingent consideration for business combination	—	—	51,793
Warrants	133,695	19,317	26,768
	225,290	122,817	200,086
Net current assets/(liabilities)	**(53,976)**	**138,523**	**670,804**
Non-current liabilities			
Borrowings	—	50,823	100,000
Lease liabilities	15,538	16,864	12,124
Preferred shares	413,195	1,420,454	2,637,440
	428,733	1,488,141	2,749,564
Total liabilities	**654,023**	**1,610,958**	**2,949,650**
Total deficit	**(313,201)**	**(942,339)**	**(925,021)**
Share capital	4	4	7
Reserves	38,610	42,729	710,073
Accumulated losses	(351,815)	(985,072)	(1,635,101)
Non-controlling interests	—	—	—
Total deficit	**(313,201)**	**(942,339)**	**(925,021)**

Our total assets increased significantly from RMB340.8 million as of December 31, 2018 to RMB668.6 million as of December 31, 2019, primarily because of the significant increases in our cash and cash equivalents from RMB133.7 million to RMB254.9 million, primarily resulting from our issuance of Series A2 Preferred Shares for cash consideration in US$. Our total assets further increased to RMB2,024.6 million as of June 30, 2020, primarily attributable to (i) an increase in cash and cash equivalents from RMB254.9 million to RMB860.2 million, primarily resulting from our issuance of Series B Preferred Shares for cash consideration in US$ and (ii) an increase in the carrying value of intangible assets from RMB156.9 million as of December 31, 2019 to RMB835.9 million as of June 30, 2020, primarily resulting from the recognition of the Eureka License Agreement that we acquired under the Asset Purchase Agreement in the amount of RMB674.7 million.

Our total liabilities increased significantly from RMB654.0 million as of December 31, 2018 to RMB1,611.0 million as of December 31, 2019, primarily because of the significant increase in preferred shares issued to investors from RMB413.2 million as of December 31, 2018 to RMB1,420.5 million as of December 31, 2019. Our total liabilities further increased to RMB2,949.7 million as of June 30, 2020, also primarily because of the significant increase in preferred shares issued to investors in the amount of RMB2,637.4 million as of June 30, 2020. We expect to reverse our net liabilities position following the completion of the Global Offering, since our Preferred Shares will convert to Shares and will no longer be recorded as liabilities.

NET CURRENT ASSETS/LIABILITIES

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As at December 31,		As at June 30,	As at September 30,
	2018	2019	2020	2020
		(RMB'000)		*(Unaudited)*
Current assets				
Other receivables and prepayments	1,276	2,986	7,153	12,406
Restricted bank deposits	36,375	3,488	3,540	3,405
Cash and cash equivalents	133,663	254,886	860,197	714,581
Total current assets	**171,314**	**261,340**	**870,890**	**730,392**
Current liabilities				
Borrowings	40,054	—	—	
Lease liabilities	3,098	10,096	10,135	9,300
Accruals and other payables	48,443	93,404	111,390	121,719
Contingent consideration for business combination	—	—	51,793	55,504
Warrants	133,695	19,317	26,768	26,968
Total current liabilities	**225,290**	**122,817**	**200,086**	**213,491**
Net current assets/(liabilities)	**(53,976)**	**138,523**	**670,804**	**516,901**

Our net current assets increased from RMB138.5 million as at December 31, 2019 to RMB516.9 million as at September 30, 2020, being the latest practicable date for the purpose of liquidity disclosure in this prospectus, primarily due to the funds raised from our issuance of Series B Preferred Shares in May 2020.

We had net current assets of RMB138.5 million as at December 31, 2019, as compared to net current liabilities of RMB54.0 million as at December 31, 2018. The change was primarily due to the funds raised from our issuance of Series A2 Preferred Shares for cash in May 2019 and Juno's exercise of warrants under the License and Strategic Alliance Agreement.

Other Receivables and Prepayments

Our other receivables and prepayments primarily consist of prepaid consulting fees, prepaid insurance and, and deposits for leasing office space. The table below sets forth our other receivables and prepayments as at December 31, 2018 and 2019 and as at June 30, 2020.

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Prepayments to suppliers	945	2,899	5,075
Deposits	331	87	1,975
Others	—	—	103
Total	**1,276**	**2,986**	**7,153**

Restricted Bank Deposits

Restricted bank deposits consist of restricted cash pledged for borrowings as at December 31, 2018, and restricted cash deposits for hedging arrangements as at December 31, 2019 and June 30, 2020. The restricted cash deposits for hedging arrangements relate to deposits we have with Silicon Valley Bank, with which we have an option to enter into certain hedging arrangements at our discretion. As at the Latest Practicable Date, we do not have any hedging arrangements. The following table sets forth a breakdown of our restricted bank deposits as at December 31, 2018 and 2019 and as at June 30, 2020:

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Restricted cash pledged for borrowings	36,375	—	—
Restricted cash deposit for hedging arrangements	—	3,488	3,540
Total	**36,375**	**3,488**	**3,540**

Cash and Cash Equivalents

Cash and cash equivalents were RMB133.7 million and RMB254.9 million as at December 31, 2018 and 2019, respectively, and RMB860.2 million as at June 30, 2020, primarily consisting of time deposits with original maturity of less than one year. The increase was primarily attributable to the funds we received from our financing activities.

Borrowings

Our borrowings consist primarily of a secured insurance loan for JW Shanghai as at December 31, 2018, and unsecured bank borrowings for the construction of our commercial manufacturing facility in Suzhou as at December 31, 2019 and June 30, 2020. As of June 30, 2020, JW Suzhou had an outstanding unsecured loan from China Construction Bank in the amount of RMB100.0 million for the purpose of investments in fixed assets, with a floating interest rate of the China Loan Prime Rate plus five basis points and a maturity of six years. We have not breached any covenants with respect to the outstanding unsecured loan from China Construction Bank, and this outstanding unsecured loan does not impact our ability to undertake additional debt or equity financing. The following table sets forth a breakdown of our borrowings as at December 31, 2018 and 2019 and as at June 30, 2020:

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Non-current unsecured bank borrowings	—	50,823	100,000
Current secured bank borrowings	40,054	—	—
Total borrowings	**40,054**	**50,823**	**100,000**

As at December 31, 2018, 2019 and June 30, 2020, our borrowings were repayable as follows:

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Within 1 year	40,054	—	—
Between 1 and 2 years	—	—	2,500
Between 2 and 3 years	—	5,000	8,500
Between 3 and 4 years	—	12,000	21,500
Between 4 and 5 years	—	31,000	41,500
Between 5 and 6 years	—	2,823	26,000
	40,054	**50,823**	**100,000**

The weighted average effective interest rates at each balance sheet date were as follows:

	As at December 31,		As at June 30,
	2018	2019	2020
Bank borrowings — RMB	5.68%	4.78%	4.90%

Lease Liabilities

Our lease liabilities are in relation to properties that we lease for operation, mainly office premises. We record lease liabilities of RMB18.6 million, RMB27.0 million and RMB22.3 million as of December 31, 2018 and 2019 and June 30, 2020, respectively.

The following table sets forth a breakdown of our lease liabilities as at December 31, 2018 and 2019 and as at June 30, 2020:

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Minimum lease payments due			
— Within 1 year	3,890	11,094	10,881
— Between 1 and 2 years	6,048	9,814	9,619
— Between 2 and 5 years	10,272	7,702	2,769
	20,210	28,610	23,269
Less: future finance charges	(1,574)	(1,650)	(1,010)
Present value of lease liabilities	**18,636**	**26,960**	**22,259**

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Minimum lease payments due			
— Within 1 year	3,098	10,096	10,135
— Between 1 and 2 years	5,482	9,285	9,374
— Between 2 and 5 years	10,056	7,579	2,750
Present value of lease liabilities	**18,636**	**26,960**	**22,259**

Accruals and Other Payables

Our accruals and other payables primarily consist of payable for acquisition of a subsidiary, accrued expenses, payables for purchase of property, plant and equipment, payables for purchase of materials, staff salaries and welfare payables, payroll tax and deferred income. The following table sets forth a breakdown of our accruals and other payables as at December 31, 2018 and 2019 and as at June 30, 2020:

	As at December 31,		As at June 30,
	2018	2019	2020
		(RMB'000)	
Payable for acquisition of a subsidiary	—	—	39,200
Accrued expenses	18,095	17,002	28,178
Payables for purchase of property, plant and equipment	13,173	55,305	24,065
Payables for purchase of materials	8,480	7,701	6,739
Staff salaries and welfare payables	7,776	12,009	8,137
Payroll tax	561	331	512
Deferred income	358	1,056	4,559
Total	**48,443**	**93,404**	**111,390**

Accruals and other payables increased by RMB45.0 million from RMB48.4 million as of December 31, 2018 to RMB93.4 million as of December 31, 2019, primarily attributable to the increase in payable for the purchase of property, plant and equipment. It further increased from RMB93.4 million to RMB111.4 million as of June 30, 2020, primarily attributable to the increase in payable for the acquisition of a subsidiary in relation to the acquisition of Syracuse Hong Kong and its subsidiaries.

Contingent Consideration for Business Combination

As of June 30, 2020 and September 30, 2020, we had a contingent consideration for business combination of RMB51.8 million and RMB55.5 million, respectively, related to an indemnity holdback in relation to the Asset Purchase Agreement. As part of the Asset Purchase Agreement, we had set aside, in the form of the Syracuse Holdback Shares, an initial holdback amount of US$10.5 million for any future adjustments with deduction, including net working capital adjustment, taxes to be paid and other adjustments. The holdback after adjustments will be settled by our Company's ordinary shares at nil consideration by June 30, 2021.

CERTAIN OTHER BALANCE SHEET ITEMS

Intangible Assets — Licenses

The following table sets forth a breakdown of our licenses as of the respective dates indicated:

	As of December 31,		As of June 30,
	2018	2019	2020
		(RMB'000)	
Licenses	79,407	144,477	821,292

As of December 31, 2018, 2019 and June 30, 2020, we had licenses with carrying value of RMB79.4 million, RMB144.5 million and RMB821.3 million, respectively. Licenses acquired separately are measured on initial recognition at cost. However, if the license was acquired in a business combination, it is measured at fair value at fair recognition. For further details, please see "— Significant Accounting Policies — Intangible assets (software and licenses)" and Note 15 of Appendix I of this prospectus. The increase from December 31, 2018 to June 30, 2020 is primarily attributable to the recognition of the BCMA License Agreement we entered into in April 2019 in the amount of RMB61.3 million and the recognition of the Eureka License Agreement that we acquired under the Asset Purchase Agreement that we entered into in June 2020 in the amount of RMB674.7 million. For further details, please see the section headed "Business — Collaboration and License Agreements — Eureka License Agreement" in this prospectus.

The amortization period of a license is determined by certain factors of the underlying products, including the life cycles, the technology innovation, the stability of CAR-T industry and actions by our competitors, and will start when the products are to be put into commercial production after approval of an NDA.

Impairment test

Impairment test of licenses not ready for use are tested on the cash generating unit ("**CGU**") level, which is at product level and includes each license, allocated construction in progress in property, plant and equipment and allocated construction in progress in intangible assets respectively.

The impairment test was performed for each CGU by engaging an independent valuer to estimate the value in use as the recoverable amount of each drug. The fair value is based on the multi-period excessive earning method. The estimated revenue of each drug is based on management's expectations of timing of commercializing related products to respective drug. The

cost and operating expenses are estimated by considering margins levels of the Group's business, expected revenue contribution of respective drug to the Group's total revenue and appropriate adjustments to reflect the characteristics of respective license. The discount rates used are pre-tax and reflect specific risks relating to the relevant drug that would be considered by market participants.

The key assumptions used for recoverable amount calculations as of December 31, 2018 and 2019 and June 30, 2020 are as followed:

Relma-cel:

	As of December 31,		As of June 30,
	2018	2019	2020
Pre-tax discount rate	25%	25%	25%
Revenue growth rate	0.5%~383.7%	0.5%~383.7%	0.5%~383.7%
Recoverable amount of CGU *(in RMB million)*	297	770	1,072
Carrying amount of CGU *(in RMB million)*	79	198	254

JWCAR129:

	As of December 31, 2019	As of June 30, 2020
Pre-tax discount rate	25%	25%
Revenue growth rate	3.5%~135.9%	3.5%~135.9%
Recoverable amount of CGU *(in RMB million)*	112	149
Carrying amount of CGU *(in RMB million)*	81	89

Based on the result of above assessment, these was no impairment for the intangible asset as of December 31, 2018 and 2019 and June 30, 2020.

Impairment test-sensitivity

The Company performed sensitivity test by increasing 1% of pre-tax discount rate or decreasing 1% of revenue growth rate, which are the key assumptions determine the recoverable amount of each intangible asset, with all other variables held constant. The impacts on the amount by which the intangible asset's recoverable amount above its carrying amount (headroom) are as below:

Relma-cel:

	As of December 31,		As of June 30,
	2018	2019	2020
	(in RMB million)	*(in RMB million)*	*(in RMB million)*
Headroom	218	572	818
Impact by increasing pre-tax discount rate	(65)	(90)	(102)
Impact by decreasing revenue growth rate	(57)	(81)	(79)

JWCAR 129:

	As of December 31, 2019	As of June 30, 2020
	(in RMB million)	*(in RMB million)*
Headroom	31	60
Impact by increasing pre-tax discount rate	(16)	(18)
Impact by decreasing revenue growth rate	(9)	(3)

Considering there was still sufficient headroom based on the assessment, management believes that a reasonably possible change in any of the key assumptions on which management has based its determination of each CGU's recoverable amount would not cause its carrying amount to exceed its recoverable amount.

Our Directors considered that the carrying amount of the licenses as of June 30, 2020 was equal to the fair value determined using the discounted cash flow method on the date of acquisition. Therefore, no impairment for license was expected on June 30, 2020.

Prepayment for License

In January 2020, we entered into the Option and License Agreement with Acepodia, whereby Acepodia granted us an exclusive option (the "**Acepodia Option**") to acquire from Acepodia an exclusive, sublicensable and fee-bearing right and license under certain patents and know-how, including a Chinese patent application currently owned by the Regents of University of California, to manufacture, develop, use, sell, offer for sale, import and otherwise commercialize the Acepodia Products. In February 2020, we made our first payment under the Option and License Agreement to Acepodia in the amount of RMB7.1 million. For further details, please see the section headed "Business — Collaboration and License Agreements — Acepodia Option and License Agreement" in this prospectus

Intangible Assets Software

Acquired computer software contains research and development software and financial software with total acquisition cost of RMB3.0 million as of June 30, 2020, of which, software with acquisition cost of RMB2.3 million is amortized over a period of 10 years and the remaining RMB0.7 million is amortized over a period of 5 years. The software is well-developed off-the-shelf software, and is not subject to any contractual term, and we can use the software as long as it can meet our research and development and financial reporting needs. Based on the current functionalities of this software and the daily operation needs, we consider a useful life of five to ten years to be a best estimation under our current needs.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Management monitors and maintains a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations. In addition, management monitors our borrowings and, from time to time, evaluates operations to renew our borrowings upon expiry based on our actual business requirements. We rely on equity financing as our major sources of liquidity. Our Directors confirm that we had not experienced any difficulty in obtaining bank loans and other borrowings, default in payment of bank borrowings, trade and non-trade payables or breach of covenants during the Track Record Period and up to the Latest Practicable Date. As of June 30, 2020, we had no unutilized banking facilities.

During the Track Record Period, we incurred negative cash flows from operations, and substantially all of our operating cash outflows resulted from our research and development expenses and general and administrative expenses. Our operating activities used RMB106.2 million, RMB188.9 million and RMB106.9 million for the years ended December 31, 2018 and

2019 and the six months ended June 30, 2020, respectively. As our business develops and expands, we expect to generate more cash inflows from our operating activities, through launching and commercializing our products and enhancing our cost containment capacity and operating efficiency.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,		Six Months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Cash used in operations before movements in working capital	(107,123)	(171,868)	(73,123)	(96,182)
Decrease/(increase) in prepayments and other receivable	3,125	(1,710)	(4,960)	(2,226)
Increase in other assets	(7,578)	(16,436)	(8,636)	(12,225)
Increase/(decrease) in accruals and other payable	4,258	(729)	(17,162)	3,630
Cash used in operations	(107,318)	(190,743)	(103,881)	(107,003)
Interest received	1,092	1,820	155	126
Net cash used in operating activities	(106,226)	(188,923)	(103,726)	(106,877)
Net cash used in investing activities	(44,148)	(117,554)	(19,482)	(41,694)
Net cash generated from financing activities	249,825	414,049	355,307	750,526
Net increase in cash and cash equivalents	**99,451**	**107,572**	**232,099**	**601,955**
Cash and cash equivalents at the beginning of the year/period	21,202	133,663	133,663	254,866
Exchange gain on cash and cash equivalents	13,010	13,631	7,423	3,376
Cash and cash equivalents at the end of the year/period	**133,663**	**254,866**	**373,185**	**860,197**

Net Cash Used in Operating Activities

As a clinical-stage biopharmaceutical company, we have incurred negative cash flows from our operations since our inception. Substantially all of our operating cash outflows resulted from our research and development costs and general and administrative expenses. During the Track Record Period, we primarily funded our working capital needs through capital injections from our Shareholders. Our management monitors and maintains a level of cash and cash equivalents deemed adequate to finance our operations. As our business develops and expands, we expect to generate cash flow through launching and commercializing our products in the foreseeable future and our liquidity requirements will be mainly satisfied from a combination of cash generated from our operations, bank borrowings and proceeds from the Global Offering.

For the six months ended June 30, 2020, our net cash used in operating activities was RMB106.9 million. The difference between our net cash used in operating activities and our loss before income tax of RMB650.0 million resulted primarily from (i) adjustment for fair value change on preferred shares of RMB484.4 million and (ii) adjustment for share-based compensation expenses of RMB57.5 million, partially offset by changes in working capital. Changes in working capital mainly included an increase in other assets of RMB12.2 million, partially offset by an increase in accruals and other payables of RMB3.6 million.

In 2019, our net cash used in operating activities was RMB188.9 million. The difference between our net cash used in operating activities and our loss before income tax of RMB633.3 million resulted primarily from (i) adjustment for fair value change on warrants of RMB300.3 million, (ii) adjustment for fair value change in on preferred shares of RMB128.8 million, (iii) adjustment for share-based compensation expenses of RMB15.4 million and (iv) adjustment for depreciation of RMB17.1 million, partially offset by changes in working capital. Changes in working capital mainly included an increase in other assets of RMB16.4 million and an increase in prepayments and other receivables of RMB1.7 million.

In 2018, our net cash used in operating activities was RMB106.2 million. The difference between our net cash used in operating activities and our loss before income tax of RMB272.6 million, resulted primarily from (i) adjustment for fair value change on preferred shares of RMB46.0 million, (ii) adjustment for fair value change of warrants of RMB112.5 million, and (iii) adjustment for depreciation of RMB5.0 million, partially offset by changes in working capital. Changes in working capital mainly included an increase in other assets of RMB7.6 million, partially offset by an increase in accruals and other payables of RMB4.3 million.

Net Cash Used in Investing Activities

For the six months ended June 30, 2020, our net cash used in investing activities was RMB41.7 million, which was primarily attributable to the construction of our manufacturing plant in Suzhou, partially offset by cash acquired from the acquisition of Syracuse Hong Kong and its subsidiaries.

In 2019, our net cash used in investing activities was RMB117.6 million, which was primarily attributable to the construction of our manufacturing plant in Suzhou.

In 2018, our net cash used in investing activities was RMB44.1 million, which was primarily attributable to the acquisition of property, plant and equipment and software.

Net Cash Generated From Financing Activities

For the six months ended June 30, 2020, our net cash generated from financing activities was RMB750.5 million, which primarily reflects our issuance of Series B Preferred Shares for cash in May 2020.

In 2019, our net cash generated from financing activities was RMB414.0 million, which primarily reflects proceeds of RMB373.8 million from our issuance of Series A2 Preferred Shares for cash in May 2019, as well as a decrease of RMB36.4 million in restricted bank deposits and proceeds of bank borrowings (net of repayments of bank borrowings) of RMB10.8 million, partially offset by payment of lease liabilities of RMB5.2 million and interest paid for lease liabilities of RMB0.9 million.

In 2018, our net cash generated from financing activities was RMB249.8 million, which was primarily attributable to proceeds of RMB281.7 million from our issuance of Series A1 Preferred Shares in February 2018 as well as proceeds from bank borrowings of RMB10.1 million, partially offset by an increase of RMB36.4 million in restricted bank deposits.

CASH OPERATING COSTS

Our cash operating costs primarily consist of research and development expenses. The following table sets forth key information relating to cash operating costs incurred by us relating to our Core Product Candidate, relma-cel, and our other product candidates for the periods indicated:

	Year ended December 31,		Six months ended
	2018	2019	June 30, 2020
		(RMB'000)	
Costs Relating to Research and Development of our Core Product Candidate (Relma-cel)			
Testing and clinical expenses	19,154	29,010	15,614
Raw materials and consumables used	14,178	26,149	2,668
Employee benefits expenses	18,876	34,940	28,087
Others[(1)]	15,993	26,253	9,740
Subtotal	**68,201**	**116,352**	**56,109**
Costs Relating to Research and Development of Our Other Product Candidates			
Testing and clinical expenses	—	—	2,970
Raw materials and consumables used	—	278	478
Employee benefits expenses	—	7,194	2,786
Subtotal	**—**	**7,472**	**6,234**
Workforce employment cost[(2)]	12,587	27,249	6,510
Direct product cost[(3)]	—	—	—
Product marketing[(4)]	—	—	—
Total	**80,788**	**151,073**	**68,853**

Notes:

(1) Primarily includes rental expenses and travel expenses of the R&D department.

(2) Workforce employment cost represents total non-R&D staff costs mainly including salaries and bonus.

(3) We had not commenced product manufacturing as at the Latest Practicable Date.

(4) We had not commenced product sales as at the Latest Practicable Date.

WORKING CAPITAL

Our Directors are of the opinion that, taking into account (i) the financial resources available, including cash and cash equivalents of RMB714.6 million as of September 30, 2020, available financing facilities and the estimated net proceeds from the Listing, (ii) the expected commercialization timetable of relma-cel, our Core Product Candidate, and (iii) our cash burn rate, which is our cash and bank balances divided by average monthly net cash used in operating activities and capital expenditures, we have sufficient working capital to cover at least 125% of our costs, including research and development costs and general, administrative and operating costs (including any production costs) for at least the next 12 months from the expected date of this prospectus.

INDEBTEDNESS

As of December 31, 2018 and 2019, June 30, 2020 and September 30, 2020, except as disclosed in the table below, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, any guarantees, litigations or claims of immaterial importance, pending or threatened against any member of our Group or other material contingent liabilities. We adopted IFRS 16 in the preparation of the historical financial information through the Track Record Period. Since December 31, 2019 and up to September 30, 2020, the latest practicable date for the purpose of this indebtedness statement, there had been no material adverse change to our indebtedness.

	As at December 31,		As at June 30,	As at September 30,
	2018	2019	2020	2020
		(RMB'000)		*(Unaudited)*
Current				
Secured bank borrowings	40,054	—	—	—
Lease liabilities	3,098	10,096	10,135	9,300
Warrants	133,695	19,317	26,768	26,968
Non-Current				
Unsecured bank borrowings	—	50,823	100,000	100,000
Lease liabilities	15,538	16,864	12,124	9,865
Preferred shares	413,195	1,420,454	2,637,440	2,620,103
	605,580	**1,517,554**	**2,786,467**	**2,766,236**

COMMITMENTS

As of December 31, 2018 and 2019, June 30, 2020 and September 30, 2020, we had capital commitments of approximately nil, RMB2.3 million, RMB1.0 million and RMB3.8 million, respectively, primarily in connection with the construction of our manufacturing plant in Suzhou. As of December 31, 2018 and 2019, June 30, 2020 and September 30, 2020, we also had lease commitments not yet commenced for short term leases and low value leases of approximately RMB0.3 million, RMB0.4 million, RMB1.1 million and RMB1.3 million, respectively, primarily in connection with office premises and equipment rental.

Capital Commitments

	As at December 31,		As at June 30,	As at September 30,
	2018	2019	2020	2020
		(RMB'000)		*(Unaudited)*
Property, plant and equipment	—	2,326	994	3,835

Lease Commitments (Short Term and Low Value Leases)

	As at December 31,		As at June 30,	As at September 30,
	2018	2019	2020	2020
		(RMB'000)		*(Unaudited)*
No later than 1 year	237	361	896	1,205
Later than 1 year and no later than 2 years	8	8	101	28
Later than 2 years and no later than 5 years	22	14	55	48
	267	**383**	**1,052**	**1,281**

CONTINGENT LIABILITIES

As of December 31, 2018, December 31, 2019 and June 30, 2020, we did not have any material contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios of our Group as of the dates indicated:

	As at December 31,		As at June 30,
	2018	2019	2020
Current Ratio[1]	0.8	2.1	4.4

Note:

(1) Current ratio equals current assets divided by current liabilities as of the end of the year/period.

The increase in current ratio was primarily due to the increase of cash and cash equivalents. The increase in cash and cash equivalents in 2019 was primarily attributable to net cash from financial activities of RMB414.0 million. The increase in cash and cash equivalents for the six months ended June 30, 2020 was primarily attributable to net cash from financing activities of RMB750.5 million.

RELATED PARTY TRANSACTIONS

The below table sets forth transactions between us and a related party during the Track Record Period.

	Year ended December 31,		Six Months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Purchase of materials — Juno	4,622	2,274	438	731
Purchase of materials — WuXi AppTec Group	2,053	808	418	143
Purchase of PPE — WuXi AppTec Group	—	—	—	69
Short-term lease and low value lease expenses — WuXi AppTec Group	2,647	2,851	1,361	1,387
Purchase of license — Juno	—	61,318	61,318	—
Receiving services — WuXi AppTec Group	7,945	7,832	5,632	3,512
Total	**17,267**	**75,083**	**69,167**	**5,842**

The below table sets forth the outstanding balances with a related party during the Track Record Period.

	As at December 31,		As at June 30,
	2018	2019	2020
	(RMB'000)		
Other receivables and prepayments — WuXi AppTec Group	—	73	—
Accruals and other payables — Dr. Li	1,000	—	—
Accruals and other payables — WuXi AppTec Group	5,453	3,932	4,888
Accruals and other payables — Juno	2,741	2,147	2,878
Total	**9,194**	**6,152**	**7,766**

Our Directors confirm that our material related party transactions during the Track Record Period in the aggregate would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

Details of our transactions with related parties during the Track Record Period are set out in the section headed "Connected Transactions" of this prospectus.

MARKET RISK DISCLOSURE

We are exposed to a variety of financial risks, market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk, as our principal financial instruments mainly comprise of cash and bank balances and interest-bearing borrowings. Our Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our Group's financial performance.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not our Group entities' functional currency. The Company's functional currency is US$, however the consolidated financial information is presented in RMB, as the major operations of the Group are within the PRC.

Certain bank balances and other receivables and other payables are denominated in foreign currencies of respective group entities which are exposed to foreign currency risk. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. For example, some of our expenses are denominated in US$, while the functional currency of our operating subsidiaries in China is in RMB. Our Group has entities operating in US$, HKD and RMB, and our Group will constantly review the economic situation and its foreign exchange risk profile, and will consider additional appropriate hedging measures in the future, as may be necessary.

Most foreign exchange transactions were denominated in US$ for our group companies that have functional currency in RMB. At December 31, 2018 and 2019 and June 30, 2020, if the US$ strengthened/weakened by 5% against the RMB with all other variables held constant, net loss for the years/period would have been RMB3,244,000 lower/higher, RMB9,296,000 lower/higher and RMB38,885,000 lower/higher, respectively.

Cash Flow and Fair Value Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Group's exposure to the risk of changes in market interest rates relates primarily to our Group's interest-bearing borrowings.

Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Our Group has not hedged our cash flow or fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 26.

If interest rates on borrowings at variable rates had been 50 basis point higher with all other variables held constant, the Group's loss would have increased by approximately RMB10,000, RMB2,000 and nil for each of the years ended December 31, 2018 and 2019 and the six months ended June 30, 2020, respectively.

Credit Risk

Our Group has no significant concentrations of credit risk. The carrying amounts of cash equivalents, other receivables included in the consolidated balance sheets represent our Group's maximum exposure to credit risk in relation to its financial assets.

As at December 31, 2018 and 2019 and June 30, 2020, cash and cash equivalents were all deposited in high quality financial institutions without significant credit risk. Management does not expect that there will be any significant losses from non-performance by these counterparties. For other receivables, management has assessed that other receivables have not had a significant increase in credit risk since initial recognition. We do not expect any losses from counterparties of other receivables and no loss allowance provision for other receivables was recognized.

Liquidity Risk

Our Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of our Group is to regularly monitor our Group's liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet our Group's liquidity requirements.

DIVIDENDS

We have never declared or paid regular cash dividends on our ordinary Shares. We currently expect to retain all future earnings for use in the operation and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Any declaration and payment as well as the amount of dividends will be subject to our Memorandum and Articles and the Cayman Companies Law. The declaration and payment of any dividends in the future will be determined by our Board of Directors, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. In addition, our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our Cayman Islands counsel, under

the Companies Law a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. In light of our accumulated losses as disclosed in this prospectus, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. We may, however, pay a dividend out of our share premium account unless the payment of such a dividend would result in our Company being unable to pay our debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year. Investors should not purchase our Shares with the expectation of receiving cash dividends.

If we pay dividends in the future, in order for us to distribute dividends to our Shareholders, we will rely to some extent on any dividends distributed by our PRC subsidiaries. Any dividend distributions from our PRC subsidiaries to us will be subject to PRC withholding tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. For further details, please see the section headed "Risk Factors — Risks Relating to Our Doing Business in China" in this prospectus.

DISTRIBUTABLE RESERVES

As of June 30, 2020, we had no distributable reserves.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately RMB105.6 million (including underwriting commission, assuming an Offer Price of HK$21.90 per Share, being the mid-point of the indicative Offer Price range of HK$20.00 to HK$23.80 per Share) and represent approximately 5.70% of the gross proceeds we expect to receive from this Global Offering, assuming no Shares are issued pursuant to the Over-allotment Option. No such expenses were recognized and charged to our consolidated statements of profit or loss for the years ended December 31, 2018 and 2019, and RMB7.7 million was recognized and charged to our consolidated statements of comprehensive loss for the six months ended June 30, 2020 and RMB2.5 million was capitalised as prepayments that would be charged against equity upon the Listing. After June 30, 2020, approximately RMB29.5 million is expected to be charged to our consolidated statements of profit or loss, and approximately RMB65.9 million is expected to be charged against equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the net tangible assets of the Group attributable to the owners of the Company as of June 30, 2020 as if the Global Offering had taken place on June 30, 2020.

This unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at June 30 or at any future dates following the Global Offering.

	Audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at June 30, 2020[1]	Estimated impact to the net tangible assets upon conversion of the Series A1, Series A2, Series X, and Series B[2]	Estimated net proceeds from the Global Offering[3]	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at June 30, 2020	Unaudited pro forma adjusted net tangible assets per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB[4]*	*HK$[5]*
Based on an Offer Price of HK$20.00 per Offer Share . .	(1,760,961)	2,637,440	1,600,029	2,476,508	6.78	7.83
Based on an Offer Price of HK$23.80 per Offer Share . .	(1,760,961)	2,637,440	1,910,287	2,786,766	7.63	8.81

Notes:

(1) The audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at June 30, 2020 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to the owners of the Company as at June 30, 2020 of RMB(925,021,000) with adjustments for the intangible assets as at June 30, 2020 of RMB835,940,000.

(2) The Company's Series A1 Preferred Shares, Series A2 Preferred Shares, Series X Preferred Shares, and Series B Preferred Shares are all required to be converted into ordinary shares upon the Listing. The adjustment represents the impact of the conversion of all these preferred shares into ordinary shares, issued up to the date of this prospectus, on the net tangible assets attributable to the equity holders. The estimated impact is RMB2,637,440,000, being the carrying amount of the Series A1 Preferred Shares, Series A2 Preferred Shares, Series X Preferred Shares, and Series B Preferred Shares as at June 30, 2020.

(3) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK$20.00 and HK$23.80 per Offer Share, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB7,669,000 which have been accounted for in the Group's consolidated statements of comprehensive loss prior to June 30, 2020) payable by the Company and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option, any Shares which may be issued under the Share Incentivization Schemes, the Syracuse Holdback Shares and Juno Settlement Shares or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed "Share Capital" in this prospectus.

(4) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in Note 3 above and on the basis that 365,342,120 Shares (including the completion of the conversion of the Preferred Shares into ordinary shares as mentioned above upon Listing, and excluding the 10,834,109 Shares held by the Trustee) were in issue assuming that Global Offering had been completed on June 30, 2020 but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option, any Shares which may be issued under the Share Incentivization Schemes, the Syracuse Holdback Shares and Juno Settlement Shares or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as set out in the section headed "Share Capital" in this prospectus.

(5) For the purpose of this unaudited pro forma adjusted net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.86614 to HK$1.00. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(6) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2020.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

On August 21, 2020, our Company underwent the Share Subdivision whereby each issued and unissued share of par value US$0.0001 each in our Company's authorized share capital was subdivided into 10 shares of US$0.00001 par value each, such that immediately following such share subdivision, our Company's authorized share capital was US$50,000 divided into (a) 4,838,998,090 Shares; (b) 38,518,530 Series A1 Preferred Shares; (c) 64,271,700 Series A2 Preferred Shares; (d) 9,331,060 Series X Preferred Shares and (e) 48,880,620 Series B Preferred Shares.

Save for the subsequent events described in this prospectus and in note 35 to the Accountants' Report in Appendix I and this prospectus, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since June 30, 2020 (being the date on which the latest consolidated financial information of our Group was prepared) and there is no event since June 30, 2020 which would materially affect the information shown in our consolidated financial information included in the Accountants' Report in Appendix I.

IMPACT OF THE COVID-19 OUTBREAK

Since the end of December 2019, the outbreak of a novel strain of coronavirus named COVID-19 has materially and adversely affected the global economy. The outbreak of COVID-19 cases in the PRC and globally have caused governments around the world to implement unprecedented measures such as city lockdowns, travel restrictions, quarantines and business shutdowns.

The COVID-19 outbreak since the end of 2019 has not caused any early termination of our clinical trials or necessitated removal of any patients enrolled in our clinical trials. We have employed various measures to mitigate any impact the COVID-19 outbreak may have on our ongoing clinical trials in China, including cooperating with clinical trial sites to offer personal protection equipment such as masks to our enrolled patients, engaging frequent communications with our principal investigators to identify and address any issues that may arise. Although we experienced minor delays in the patient enrollment process and data entry for certain of our clinical trials in China at the beginning of the COVID-19 outbreak, we have not experienced any significant impact on our regulatory progress, especially for relma-cel. In June 2020, the NMPA accepted for review our NDA relating to relma-cel as a third-line treatment for DLBCL, and in September 2020 the NMPA granted priority review status to our NDA relating to relma-cel and Breakthrough Therapy Designation for relma-cel as a treatment for FL. The situation has improved due to the enhanced containment policies implemented by the PRC government and the gradual control of the COVID-19 outbreak in China, and we expect the situation to continue to improve. We do not expect the COVID-19 outbreak to have any material long-term impact on our clinical trials or our overall clinical development plans.

We believe the COVID-19 outbreak has not significantly impacted our ability to carry out our obligations under existing contracts or disrupted any supply chains that we rely upon. While the extent to which the COVID-19 outbreak will affect our operations cannot be predicted at this stage, we have not experienced and do not expect significant financial damage or impact to our long-term commercial prospect from the COVID-19 outbreak. We cannot guarantee, however, that the COVID-19 outbreak will not further escalate or have a material adverse effect on our results of operations. For details, please see the section headed "Risk Factors — The COVID-19 pandemic could adversely impact our business, including our clinical trials, and we face risks related to potential future health epidemics and outbreaks of contagious diseases" in this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FINANCIAL INFORMATION ON SYRACUSE HONG KONG

RESULTS OF OPERATIONS OF SYRACUSE HONG KONG

The table below sets forth the consolidated statements of comprehensive loss of Syracuse Hong Kong for the periods indicated derived from the consolidated statements of comprehensive loss of Syracuse Hong Kong set out in the Accountants' Report included in Appendix III to this prospectus:

	Year ended December 31,		Six Months ended June 30,	
	2018	**2019**	**2019**	**2020**
		(RMB'000)		
			(Unaudited)	
Research and development expenses	—	(12,075)	(6,398)	(7,121)
General and administrative expenses	—	(6,234)	(2,510)	(3,349)
Other gains/(losses), net	—	(15)	3	(37,160)
Operating loss	**—**	**(18,324)**	**(8,905)**	**(47,630)**
Finance income	—	14	6	7
Impairment of investments in joint ventures	(7,918)	(1,600)	(1,600)	—
Share of losses of joint ventures	—	(8,442)	(5,226)	(346)
Loss before income tax	**(7,918)**	**(28,352)**	**(15,765)**	**(47,969)**
Income tax expense	—	(173)	—	(51)
Loss for the year/period	**(7,918)**	**(28,525)**	**(15,765)**	**(48,020)**
Other comprehensive loss for the year/period, net of tax	**(1,293)**	**(761)**	**(192)**	**(584)**
Total comprehensive loss for the year/period attributable to the owners of Syracuse Hong Kong	**(9,211)**	**(29,286)**	**(15,957)**	**(48,604)**

Research and Development Expenses

Syracuse Hong Kong's research and development expenses primarily consist of employee benefit expenses, R&D materials and consumables, depreciation and amortization, clinical expenses and office expenses, among others. Employee benefit expenses consist of wages, salaries and bonuses, contributions to pension plans, welfare and other expenses, share-based compensation expenses and other welfare. R&D materials and consumables represent primarily of raw materials and consumables. Depreciation and amortization represents primarily the depreciation and amortization of our right-of-use assets and machinery and our property, plant and equipment used in our research and development activities. Testing and clinical expenses consist of fees in connection with third party services in conjunction with clinical trials. Office expenses include leasing and office expenses related for research and development. The following table provides a breakdown of Syracuse Hong Kong's research and development expenses for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020:

	Year ended December 31,		Six Months ended June 30,	
	2018	2019	2019	2020
		(RMB'000)		
			(Unaudited)	
Employee benefit expenses	—	4,373	1,809	3,160
R&D materials and consumables	—	1,266	598	1,087
Depreciation and amortization	—	1,098	944	318
Testing and clinical expenses	—	4,737	2,571	2,091
Office expenses	—	432	431	64
Others	—	169	45	401
Total	**—**	**12,075**	**6,398**	**7,121**

Syracuse Hong Kong's research and development expenses increased from RMB6.4 million for the six months ended June 30, 2019 to RMB7.1 million for the six months ended June 30, 2020, mainly due to an increase in staff at Eureka Beijing and an increase in R&D materials and office expenses, partially offset by a decrease in clinical expenses due to COVID-19. It increased from nil for the year ended December 31, 2018 to RMB12.1 million for the year ended December 31, 2019, because Syracuse Hong Kong did not have operations in 2018.

General and Administrative Expenses

Syracuse Hong Kong's general and administrative expenses primarily consist of employee benefit expenses for administrative personnel, depreciation and amortization, office expenses, among others. Employee benefit expenses consist of wages, salaries and bonuses, contributions to pension plans, welfare, share-based compensation expenses and other expenses. The following table provides a breakdown of Syracuse Hong Kong's general and administrative expenses for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020:

	Year ended December 31,		Six Months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)			
			(Unaudited)	
Employee benefit expenses	—	2,380	1,056	1,724
Depreciation and amortization	—	17	9	6
Office expenses	—	2,403	1,242	1,347
Others	—	1,434	203	272
Total	**—**	**6,234**	**2,510**	**3,349**

Syracuse Hong Kong's general and administrative expenses increased from RMB2.5 million for the six months ended June 30, 2019 to RMB3.3 million for the six months ended June 30, 2020, primarily due to an increase in employee benefit expenses related to an increase in share-based compensation expenses and increased headcount. Syracuse Hong Kong's general and administrative expenses increased from nil for the year ended December 31, 2018 to RMB6.2 million for the year ended December 31, 2019, because Syracuse Hong Kong did not have operations in 2018.

Other Gains and Losses

Syracuse Hong Kong's other gains and losses consist primarily of foreign exchange gains and losses and impairment of goodwill. The following table sets forth a breakdown of our other gains and losses for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

	Year ended December 31,		Six Months ended June 30,	
	2018	2019	2019	2020
		(RMB'000)		
			(Unaudited)	
Net foreign exchange gain/(losses) . . .	—	(53)	3	(7)
Impairment of goodwill.	—	—	—	(37,210)
Others	—	38	—	(33)
Total	**—**	**(15)**	**3**	**(37,160)**

Syracuse Hong Kong's other gains and losses decreased from a gain of RMB3,000 for the six months ended June 30, 2019 to a loss of RMB37.2 million for the six months ended June 30, 2020, mainly due to the impairment of goodwill in the amount of RMB37.2 million related to the acquisition of Aeon Beijing and Aeon Wuhan. Syracuse Hong Kong's other gains and losses decreased from nil for the year ended December 31, 2018 to a loss of RMB15,000 for the year ended December 31, 2019 primarily resulting from movements in foreign exchange rates between RMB and US$, and because Syracuse Hong Kong did not have operations in 2018.

Impairment of Investments in Joint Ventures

Syracuse Hong Kong's impairment of investments in joint ventures increased from a loss of RMB1.6 million for the six months ended June 30, 2019 to nil for the six months ended June 30, 2020, mainly due to the acquisition of 49% in Aeon Beijing and Aeon Wuhan. Syracuse Hong Kong's impairment of investments in joint ventures decreased from a loss of RMB7.9 million for the year ended December 31, 2018 to a loss of RMB1.6 million primarily resulting from impairment loss of the investments in joint ventures, Aeon Beijing and Aeon Wuhan.

Share of Losses of Joint Venture

Syracuse Hong Kong's share of losses of joint venture primarily relates to Syracuse Hong Kong's share of loss arising from the 50% equity interests in Aeon Beijing and its subsidiary Aeon Wuhan it acquired on December 20, 2018. Upon Syracuse Hong Kong's acquisition of the remaining 1% equity interests on July 31, 2019 and the remaining 49% equity interests on June 30, 2020, Syracuse Hong Kong ceased to account for Aeon Beijing and Aeon Wuhan through the equity method and became wholly-owned subsidiaries.

Income Tax Expense

Hong Kong

No provision for Hong Kong profits tax has been provided for at the rate of 16.5% as the Company has no estimated assessable profit.

Mainland China

No provision for Mainland China income tax has been provided for at a rate of 25% pursuant to the CIT Law and the respective regulations, as Syracuse Hong Kong's PRC entities do not have material estimated assessable profits.

DESCRIPTION OF CONSOLIDATED STATEMENTS OF CASH FLOWS OF SYRACUSE HONG KONG

The following table sets forth Syracuse Hong Kong's cash flows for the periods indicated:

	Year ended December 31,		Six Months ended June 30,	
	2018	2019	2019	2020
	(RMB'000)		(Unaudited)	
Cash used in operations before movements in working capital	—	(17,209)	(7,952)	(9,928)
Decrease/(increase) in prepayments and other receivables	—	286	(253)	453
(Increase)/decrease in other non-current assets	—	(187)	(35)	125
Increase in accruals and other payable	—	919	244	1,414
Cash used in operations	—	(16,191)	(7,996)	(7,936)
Interest received	—	14	6	7
Income taxes paid	—	(173)	—	(51)
Net cash used in operating activities	—	(16,350)	(7,990)	(7,980)
Net cash used in investing activities	(2,341)	(10,319)	(7,000)	(152)
Net cash generated from financing activities	7,918	30,687	19,629	46,228
Net increase in cash and cash equivalents	**5,577**	**4,018**	**4,639**	**38,096**
Cash and cash equivalents at the beginning of the year/period	—	4,539	4,539	7,796
Exchange gain on cash and cash equivalents	(1,038)	(761)	(192)	(584)
Cash and cash equivalents at the end of the year/period	**4,539**	**7,796**	**8,986**	**45,308**

Net Cash Used in Operating Activities

For the six months ended June 30, 2020, Syracuse Hong Kong's net cash used in operating activities was RMB8.0 million, which was primarily attributable to its loss before tax of RMB48.0 million, adjusted by impairment loss on goodwill of RMB37.1 million.

In 2019, Syracuse Hong Kong's net cash used in operating activities was RMB16.4 million, which was primarily attributable to its loss before tax of RMB28.4 million, adjusted by share of loss from joint venture with Aeon Beijing.

In 2018, Syracuse Hong Kong's net cash used in operating activities was nil.

Net Cash Used in Investing Activities

For the six months ended June 30, 2020, Syracuse Hong Kong's net cash used in investing activities was RMB152,000, mainly attributable to purchases of items of property, plant and equipment and cash acquired from the acquisition of its subsidiary Aeon Beijing.

In 2019, Syracuse Hong Kong's net cash used in investing activities was RMB10.3 million, mainly attributable to investments in a joint venture with Aeon Beijing of RMB7.8 million.

In 2018, Syracuse Hong Kong's net cash used in investing activities was RMB2.3 million, mainly attributable to the acquisition of its subsidiary Eureka Beijing.

Net Cash Generated from Financing Activities

During the Track Record Period, Syracuse Hong Kong derived its cash inflows from financing activities primarily from funding provided by its former parent company, Syracuse Cayman.

For 2018, 2019 and six months ended June 30, 2020, Syracuse Hong Kong had RMB7.9 million, RMB30.7 million and RMB46.2 million of net cash flow from financing activities, respectively.