信達生物製藥

INNOVENT BIOLOGICS, INC.

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 1801)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board (the "**Board**") of directors (the "**Directors**") of Innovent Biologics, Inc. (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2019 (the "**Reporting Period**"). These interim results have been reviewed by the Company's audit committee and the Company's auditor, Deloitte Touche Tohmatsu.

In this announcement, "we", "us" and "our" refer to the Company or where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

IFRS Measures:

- **Total revenue** for the six months ended 30 June 2019 was RMB345.5 million, including RMB331.6 million attributable to sales of Tyvyt® (sintilimab injection), which is the Group's first commercial drug product and commenced sales on 9 March 2019, as compared to total revenue of RMB4.4 million for the six months ended 30 June 2018. The successful launch of Tyvyt® (sintilimab injection) has propelled us to the commercial phase of the business cycle and has unleashed the full power of our fully-integrated multi-function platform for the discovery, development, manufacture and commercialization of innovative drugs in a variety of therapeutic areas.

- **Gross profit margin** was 88.1% for the six months ended 30 June 2019, reflecting the ability of the Company to produce Tyvyt® (sintilimab injection) with consistent quality, even at its initial phase of commercial production.

- **Research and development expenses** increased by RMB250.7 million to RMB670.7 million for the six months ended 30 June 2019 from RMB420.0 million for the six months ended 30 June 2018. The increase was primarily attributable to (i) the milestone payment of RMB164.4 million we made to Incyte Biosciences International Sàrl ("**Incyte**"), a subsidiary of Incyte Corporation (Nasdaq ticker symbol: INCY), pursuant to its collaboration and license agreement with us due to the investigation new drug application ("**IND**") filed with the National Medical Products Administration (the "**NMPA**") of the People's Republic of China ("**China**"), and (ii) increased clinical trial expenses as more of our drug candidates progressed into late-stage clinical development in the first half of 2019.

- **Selling and marketing expenses** increased by RMB269.5 million to RMB279.6 million for the six months ended 30 June 2019, from RMB10.1 million for the six months ended 30 June 2018. The increase was primarily due to the successful commercial launch of Tyvyt® (sintilimab injection) in the first half of 2019.

- **Loss and total comprehensive expenses** increased by RMB656.8 million to RMB714.4 million for the six months ended 30 June 2019, from RMB57.6 million for the six months ended 30 June 2018. The increase was mainly attributable to (i) a one-time, non-cash adjustment of RMB448.8 million on recognized fair value gain of preferred shares in the six months ended 30 June 2018 as required under the International Financial Reporting Standard (the "**IFRS**"), and (ii) the increase of the adjusted loss and total comprehensive expenses in the amount of RMB203.2 million primarily due to the increase in research and development expenses and selling and marketing expenses, partially offset by the sales of Tyvyt® (sintilimab injection).

Non-IFRS Measure:

- Adjusted loss and total comprehensive expenses for the period represents the loss and total comprehensive expenses for the period excluding the effect brought by share-based compensation expenses and certain non-cash items and one-time events, namely the loss on fair value changes of preferred shares (other financial liabilities measured at fair value through profit or loss). The term adjusted loss and total comprehensive expenses for the period is not defined under the IFRS. The table below sets forth a reconciliation of the loss and total comprehensive expenses for the period to adjusted loss and total comprehensive expenses for the period during the periods indicated:

	Six Months Ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Loss and total comprehensive expenses for the period	**(714,406)**	(57,596)
Added:		
Gain on changes in fair value of preferred shares	**–**	(448,797)
Share-based compensation expenses	**46,767**	41,975
Adjusted loss and total comprehensive expenses for the period	**(667,639)**	(464,418)

BUSINESS HIGHLIGHTS

During the six months ended 30 June 2019, we continued to make significant progress with respect to our drug pipeline and business operations, including the following milestones and achievements:

Commercialized Product and Related Late-stage Clinical Development

- Tyvyt® (sintilimab injection), our innovative anti-PD-1 monoclonal antibody co-developed with Eli Lilly and Company ("**Eli Lilly**"), was granted marketing approval by the NMPA for relapsed/refractory classical Hodgkin's lymphoma ("**r/r cHL**") in December 2018. We commenced sales of Tyvyt® (sintilimab injection) on 9 March 2019 and, as of 30 June 2019, recorded revenue of RMB331.6 million.

  – Tyvyt® (sintilimab injection) has been listed into the 2019 Guidelines of the Chinese Society of Clinical Oncology (the "**CSCO**") for Lymphoid Malignancies.

  – We are conducting more than 20 clinical studies for sintilimab injection to evaluate its safety and efficacy in a wide variety of cancer indications, including eight registration or pivotal clinical trials. Three of these trials, evaluating sintilimab injection in second-line squamous non-small cell lung cancer ("**NSCLC**") (ORIENT-3), first-line squamous NSCLC (in combination with gemcitabine and platinum, ORIENT-12) and first-line non-squamous NSCLC (in combination with pemetrexed and platinum, ORIENT-11), respectively, have completed patient enrollment.

  – We have completed first patient dosing in (i) a phase III clinical trial (ORIENT-15) to evaluate sintilimab injection, in combination with paclitaxel and cisplatin, as first-line treatment in patients with advanced, recurrent or metastatic esophageal squamous cell carcinoma, (ii) a phase III clinical trial (ORIENT-16) to evaluate sintilimab injection, in combination with capecitabine and oxaliplatin, as first-line treatment for patients with advanced, recurrent or metastatic gastric or gastroesophageal junction adenocarcinoma, (iii) a phase II/III clinical trial (ORIENT-32) to evaluate sintilimab injection, in combination with our IBI-305 (bevacizumab biosimilar), as first-line treatment for patients with advanced hepatocellular carcinoma, and (iv) a phase III clinical trial (ORIENT-31) to evaluate sintilimab injection with or without IBI-305 (bevacizumab biosimilar), in combination with pemetrexed and cisplatin in patients with EGFR-mutant locally advanced or metastatic non-squamous NSCLC who have progressed from prior treatment with epidermal growth factor receptor tyrosine kinase inhibitor ("**EGFR-TKI**").

  – We entered into collaboration agreements with Shenzhen Chipscreen Biosciences Co., Ltd. ("**Chipscreen Biosciences**") and Shenogen Pharma Group Ltd. ("**Shenogen**") respectively to evaluate Tyvyt® (sintilimab injection) in combination with Chipscreen Biosciences' and Shenogen's respective products in China.

  – Key clinical results of Tyvyt® (sintilimab injection) in r/r cHL (ORIENT-1) were published in *The Lancet Haematology* and featured as a cover story.

– We presented a key results update of six clinical studies of Tyvyt® (sintilimab injection) at the 55th Annual Meeting of the American Society of Clinical Oncology (the "**ASCO**"), including oral presentation of the results from the study of sintilimab injection in relapsed/refractory extranodal natural killer (NK)/T cell lymphoma (ORIENT-4).

Other Late-stage Clinical Development

- **IBI-303** (adalimumab biosimilar): We have submitted a new drug application ("**NDA**") to the NMPA for IBI-303 for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis, which was accepted on 12 November 2018, and was subsequently granted priority review status on 6 March 2019 by the NMPA.

- **IBI-305** (bevacizumab biosimilar):

  – We have submitted an NDA to the NMPA for IBI-305 for the treatment of metastatic colorectal cancer and advanced, metastatic or recurrent NSCLC, which was accepted on 28 January 2019, and subsequently granted priority review status on 29 April 2019 by the NMPA.

  – We also presented the clinical efficacy and safety results of IBI-305 compared with bevacizumab in advanced, first-line, non-squamous NSCLC patients at the 55th Annual Meeting of the ASCO.

- **IBI-301** (rituximab biosimilar): We have submitted an NDA to the NMPA for IBI-301 for the treatment of non-Hodgkin's lymphoma ("**NHL**"), which was accepted on 28 June 2019, and subsequently granted priority review status on 16 August 2019 by the NMPA.

- **IBI-306** (novel anti-PCSK9 monoclonal antibody): We have completed a phase II clinical trial of IBI-306 in Chinese patients with hypercholesterolemia and are about to enter a phase III clinical trial in China for the same disease indication.

Early-stage Key Products Development

- **IBI-375**, pemigatinib, a novel FGFR inhibitor in-licensed from Incyte, has an IND filed with the NMPA. This product candidate is in a phase II study in patients with advanced/metastatic or surgically unresectable cholangiocarcinoma including FGFR2 translocations who failed previous therapy in the U.S.. There is an phase III trials ongoing as well in patients with first-line advanced/metastatic cholangiocarcinoma. Incyte plans to file an NDA with the U.S. Food Drug Administration ("**FDA**") in September 2019.

- **IBI-376**, parsaclisib, a novel PI3Kδ inhibitor in-licensed from Incyte, has an IND filed with the NMPA. This product candidate is in a phase II study in patients with relapsed or refractory marginal zone lymphoma in the U.S.. There are 2 phase III trials as well planned in the first half of 2020 in patients with second-line follicular lymphoma & marginal zone lymphoma and first-line mantle cell lymphoma. Incyte plans to file an NDA with the U.S. FDA in the second quarter of 2020.

- **IBI-377**, itacitinib, a novel JAK1 inhibitor in-licensed from Incyte, has an IND filed with the NMPA. This product candidate is in a phase III study in patients with first-line acute graft-versus-host disease in the U.S.. Incyte plans to file an NDA with the U.S. FDA in Q1 2020.

- **IBI-188**, a novel anti-CD47 monoclonal antibody, has achieved first patient dosing in a phase I clinical trial in patients with advanced malignancies both in China and the U.S..

- **IBI-302**, a first-in-class anti-VEGF/anti-complement bi-specific fusion protein, has achieved first patient dosing in a phase I clinical trial in patients with a type of age-related macular degeneration ("**AMD**"), also called wet AMD, in China.

- **IBI-318**, a first-in-class, novel anti-PD-1/anti-PD-L1 bi-specific antibody under co-development with Eli Lilly, has achieved first patient dosing in a phase I clinical trial in patients with advanced malignancies in China.

- **IBI-101**, a novel anti-OX40 monoclonal antibody, has achieved first patient dosing in a phase Ia study as monotherapy and a phase Ib study in combination with Tyvyt® (sintilimab injection) in patients with advanced solid tumors in China.

- **IBI-315**, a novel anti-PD-1/anti-Her2 bi-specific antibody, co-developed with Hanmi Pharmaceutical Co., Ltd. ("**Hanmi**"), has received IND approval from the NMPA.

- **IBI-110**, a novel anti-LAG-3 monoclonal antibody, has received IND approval from the NMPA.

- **IBI-326**, a novel fully-human anti-B cell maturation antigen ("**BCMA**") chimeric antigen receptor ("**CAR**") T cell therapy, co-developed by us and Nanjing IASO Biotherapeutics ("**IASO BIO**") has an IND filed with the NMPA.

  – We also presented the clinical results of IBI-326 (previously designated as CT103A) for the treatment of relapsed/refractory multiple myeloma ("**RRMM**") by oral presentation and poster at two of the most prestigious clinical meetings in the worlds of hematology and oncology, the 24th Congress of the European Hematological Society (the "**EHA**") and the ASCO Annual Meeting 2019 in Chicago, Illinois. The data of IBI-326 presented at both conferences shows impressive efficacy results, persistence and safety profile and an objective response rate ("**ORR**") of 100%.

- **IBI-362**, an oxyntomodulin analog, OXM3, is a potentially global best-in-class clinical-stage molecule for diabetes that we in-licensed from Eli Lilly in order to strategically enhance the Company's drug offering in the metabolic disease therapeutic area.

Manufacturing Facilities

- Three 1,000L bioreactors supported our production of Tyvyt® (sintilimab injection) and other product candidates in our pipeline, and achieved 100% production success rate.

- Our second manufacturing facilities, housing six 3,000L stainless steel bioreactors, which have completed Good Manufacturing Practice ("**GMP**") commissioning and validation, will increase our total production capacity to 21,000L and will provide us with additional capacity to support commercial production as well as clinical trials of our drug products.

Other Events

- Our successful initial public offering (the "**IPO**") in October 2018 and stellar aftermarket trading performance earned us the International Financing Review (IFR) Asia-Pacific IPO of the Year award and the IFR Asia Review Hong Kong Equity Issue of the Year award, as well as the 10th Anniversary China Healthcare Investment Conference ("**CHIC**") "IPO of the Year" award.

- We have substantially expanded our patent portfolio. As of the date of this announcement, we owned 21 issued patents and 48 patent applications in China, 4 issued patents and 7 patent applications in the U.S., and 19 issued patents and 97 patent applications in the rest of the world relating to our products and technologies. These patent applications included 32 international patent application under the Patent Cooperation Treaty, or PCT.

For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the Company's prior announcements published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

1. OVERVIEW

Our mission is to create a world-class China-based biopharmaceutical company that develops and commercialises high quality innovative drugs that are affordable to ordinary people. During the first half of 2019, we continued to make significant progress with our drug pipeline and business operations and moved closer to completing our mission. On 9 March 2019, after more than seven years of meticulous research and development, we commenced sales of our lead drug product Tyvyt® (sintilimab injection), and have achieved strong commercial success. The successful launch of our first commercial product has propelled us to the commercial phase of the business cycle and has unleashed the full power of our fully-integrated multi-function platform for the discovery, development, manufacture and commercialization of innovative drugs in a variety of therapeutic areas. Leveraging this platform, we continue to strengthen and develop our pipeline products while upholding global standards in every aspect of our business operations.

Sales of our Tyvyt® (sintilimab injection) generated RMB331.6 million in revenue within approximately four months since the commercial launch date of 9 March 2019 through 30 June 2019. Meanwhile, we also achieved significant progress with respect to our other pipeline products. We have expanded our pipeline to include 21 innovative assets in the fields of oncology, metabolic diseases and other major therapeutic areas, encompassing both biologics and small molecules and formulating a staggered product launching plan.

In addition to our strong product pipeline, we believe we are well-positioned to capture tremendous market opportunities with scalable commercial and manufacturing capabilities. Our second manufacturing facilities, housing six 3,000L stainless steel bioreactors, which completed GMP commissioning and validation, will increase our total production capacity to 21,000L and will provide us with additional capacity to support commercial production as well as clinical trials of our drug products.

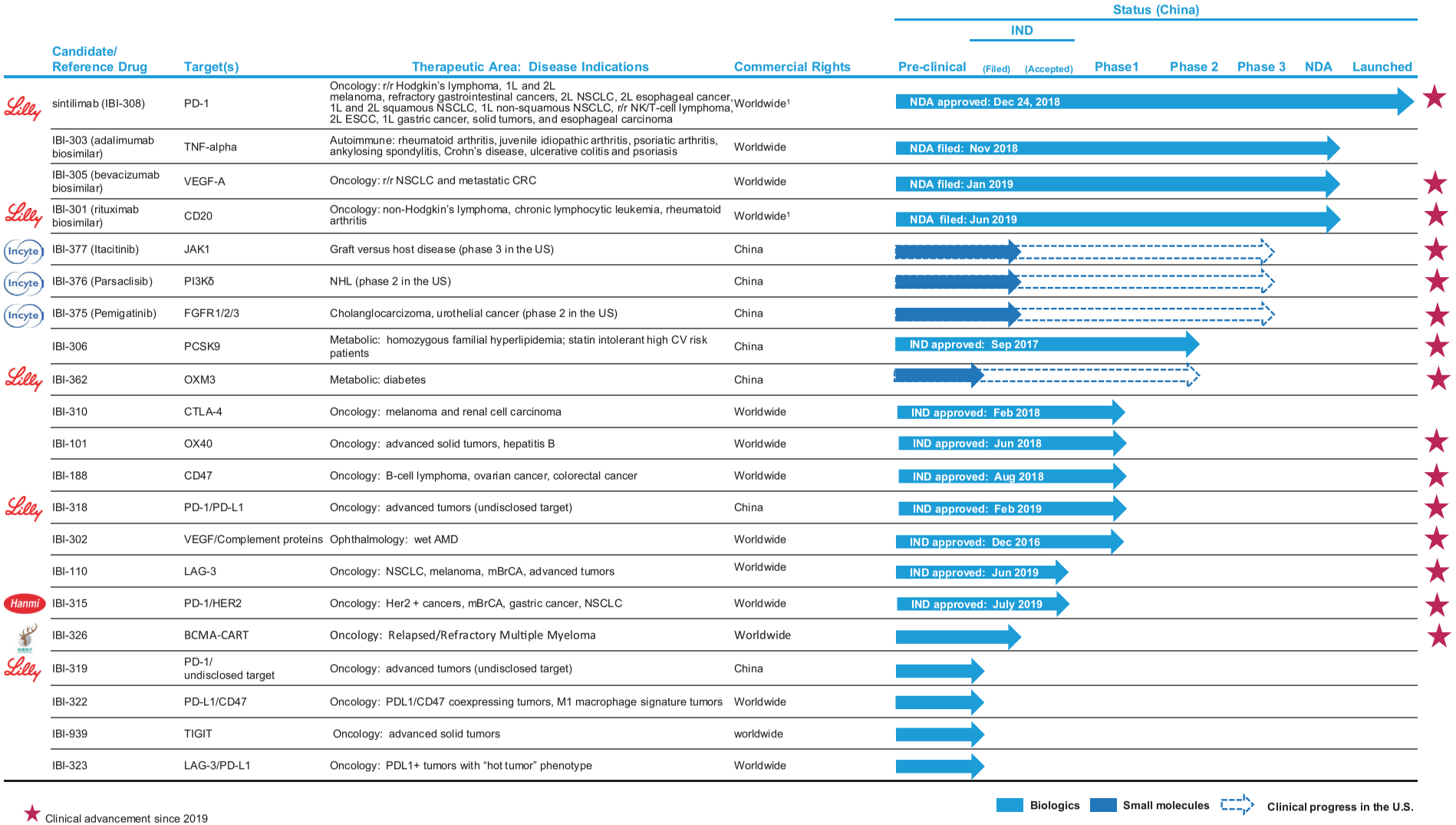
Meanwhile, our team increased to 1,445 members as of 30 June 2019, providing all-rounded talent and expertise in our drug development efforts. To pursue our mission, we are continuously committed to innovation in drug development, full integration of our multi-functional platform, strict adherence to global quality standards, and sincere promotion of our high-quality drug products to more patients in need.

2. PIPELINE

Leveraging our fully-integrated platform and through collaborations with global strategic partners, we have built up a robust pipeline of 21 innovative assets in the fields of oncology, metabolic diseases and other major therapeutic areas, encompassing both biologics and small molecules and formulating a staggered product launching plan.

Among the innovative assets in our pipeline, Tyvyt® (sintilimab injection) has been approved for the treatment of patients with r/r cHL and has achieved a successful commercial launch; sixteen assets have entered into clinical development; three NDAs for IBI-305 (bevacizumab biosimilar), IBI-303 (adalimumab biosimilar) and IBI-301 (rituximab biosimilar), respectively, have been accepted and received priority review status from the NMPA; we have made progress in eight registration pivotal clinical trials of Tyvyt® (sintilimab injection); we have completed a phase II clinical trial and will initiate a phase III clinical trial for IBI-306 (novel anti-PCSK9 monoclonal antibody); ten clinical trials have completed first patients dosing, including trials for innovative drug candidates IBI-318 (first-in-class anti-PD-1/anti-PD-L1 bi-specific antibody), IBI-302 (first-in-class anti-VEGF/anti-complement bi-specific fusion protein), IBI-188 (novel anti-CD47 monoclonal antibody), and IBI-101 (novel anti-OX40 monoclonal antibody), etc.; IBI-315 (novel anti-PD-1/anti-Her2 bi-specific antibody), co-developed with Hanmi, received IND approval from NMPA; we have submitted to the NMPA for three small molecules, IBI-375 (pemigatinib, novel FGFR inhibitor), IBI-376 (parsaclisib, novel PI3Kδ inhibitor) and IBI-377 (itacitinib, novel JAK1 inhibitor), in-licensed from Incyte; IBI-362 (oxyntomodulin analog, OXM3), potentially global best-in-class clinical-stage molecule for diabetes, in-licensed from Eli Lilly, has been added to our pipeline, strategically enhancing the drug offering of the Company in the metabolic disease therapeutic area.

The following chart summarizes the China development status of our pipeline drug assets as of the date of this announcement:



★ Clinical advancement since 2019

(1) We and Eli Lilly will co-promote sintilimab (IBI-308) and rituximab (IBI-301) in China

In addition to developing the innovative drug assets in our pipeline in China, several of our products have obtained IND approvals from the U.S. FDA and have started clinical trials in the U.S., including IBI-188 (novel anti-CD47 antibody) and IBI-318 (first-in-class novel anti-PD-1/anti-PD-L1 bi-specific antibody), both in phase I clinical trials; Tyvyt® (sintilimab injection), in a phase Ib clinical trial; IBI-110 (novel anti-LAG-3 monoclonal antibody), with IND approval from the FDA.

3. BUSINESS REVIEW

During the first half of 2019, we have met our investors' expectations by continuing to make significant progress with respect to our drug pipeline and business operations, while upholding global standards in every aspect of our business operations, including the following milestones and achievements.

Commercialized Product and Related Late-stage Clinical Development

- Tyvyt® (sintilimab injection), our first commercialized product, an innovative anti-PD-1 monoclonal antibody co-developed with Eli Lilly, and a recipient of grants for the "National Major New Drug Innovation and Development Projects" program, has been approved for the treatment of r/r cHL by the NMPA. Its sales was launched on 9 March 2019 and has achieved strong commercial success. Sales of Tyvyt® (sintilimab injection) generated RMB331.6 million in revenue within the approximately four months since the commercial launch date of 9 March 2019 through 30 June 2019. The successful launch of Tyvyt® (sintilimab injection) has propelled us to the commercial phase of the business cycle and has unleashed the full power of our fully-integrated multi-function platform for the discovery, development, manufacture and commercialization of innovative drugs in a variety of therapeutic areas.

- We are simultaneously conducting more than 20 clinical studies for sintilimab injection to evaluate its safety and efficacy in a wide variety of cancer indications, including eight registration or pivotal clinical trials. The tested cancer types include but are not limited to second-line squamous NSCLC (ORIENT-3), first-line squamous NSCLC (in combination with gemcitabine and platinum, ORIENT-12), first-line non-squamous NSCLC (in combination with pemetrexed and platinum, ORIENT-11), EGFR-mutant locally advanced or metastatic non-squamous NSCLC after prior failed treatment with EGFR-TKI (ORIENT-31), first-line hepatocellular carcinoma (ORIENT-32), first-line gastric cancer (ORIENT-16), and first-line esophageal carcinoma (ORIENT-15). We have completed three of these clinical trials of sintilimab injection, evaluating sintilimab injection in second-line squamous NSCLC (ORIENT-3), first-line squamous NSCLC (in combination with gemcitabine and platinum, ORIENT-12) and first-line non-squamous NSCLC (in combination with pemetrexed and platinum, ORIENT-11). We have completed first patient dosing in (i) a phase III clinical trial (ORIENT-15) to evaluate sintilimab in combination with paclitaxel and cisplatin, as first-line treatment in patients with advanced, recurrent or metastatic esophageal squamous cell carcinoma; (ii) a phase III clinical trial (ORIENT-16) to evaluate sintilimab in combination with capecitabine and oxaliplatin, as first-line treatment for patients with advanced, recurrent or metastatic gastric or gastroesophageal junction adenocarcinoma; (iii) a phase II/III clinical trial (ORIENT-32) to evaluate sintilimab in combination with IBI-305 (bevacizumab biosimilar), as first-line treatment for patients with advanced hepatocellular carcinoma; and (iv) a phase III clinical trial (ORIENT-31) to evaluate sintilimab with or without IBI-305 (bevacizumab biosimilar), in combination with pemetrexed and cisplatin in patients with EGFR-mutant locally advanced or metastatic non-squamous NSCLC who have progressed from prior treatment with EGFR-TKI.

- To further develop and optimize the value of sintilimab injection in combination therapies, we entered into (i) a collaboration agreement with Chipscreen Biosciences to evaluate the combination therapy of sintilimab injection and IBI-305 (bevacizumab biosimilar) with Chipscreen Biosciences' Chidamide in advanced colorectal cancer patients in China; and (ii) a collaboration agreement with Shenogen to evaluate the combination therapy of sintilimab with Shenogen's SNG1005, in patients with advanced cancer in China.

- Sintilimab injection has earned substantial academic prestige. With significant efficacy, safety and tolerance, the key clinical results of Tyvyt® (sintilimab injection) in r/r cHL were published in The *Lancet Haematology* and featured as a cover story in January 2019. In addition, CSCO included Tyvyt® (sintilimab injection) in its 2019 Guidelines for Lymphoid Malignancies. In the 55th Annual Meeting of the ASCO at the end of May and the beginning of June of 2019, we presented key results of six clinical studies of sintilimab injection either orally or by posters/abstracts, including (i) the results for relapsed/refractory extranodal NK/T cell lymphoma (ORIENT-4), (ii) the results of extended follow-up on sintilimab injection for r/r cHL (ORIENT-1), (iii) the preliminary results of sintilimab injection in combination with chemotherapy for first-line advanced or metastatic NSCLC, (iv) the preliminary efficacy and safety results of neoadjuvant PD-1 blockade with sintilimab in resectable squamous NSCLC, (v) the results of circulating tumor DNA (ctDNA) for predicting response and resistance by anti-PD-1 therapy in Chinese patients with r/r cHL, and (vi) the preliminary efficacy and safety results of sintilimab in combination with CAPOX in first-line gastric or gastroesophageal junction carcinoma (GC/GEJC).

The following chart summarizes the current clinical development programs for sintilimab:

Indication[1, 2, 3]	Mono-/Combo-Therapy (Other Components)	Status					
		Phase 1		Phase 2	Phase 3	NDA Filed	NDA Approved
		1a	1b				
China							
r/r Classical Hodgkin's Lymphoma	Mono						●
2L Classical Hodgkin's Lymphoma	Combo (ICE)				◔		
2L Squamous NSCLC	Mono				◔		
1L Squamous NSCLC	Combo (gemcitabine and platinum)				◔		
1L Non-squamous NSCLC	Combo (pemetrexed and platinum)				◔		
EGFR+ TKI Failure NCSLC	Combo (IBI-305)				◐		
1L Hepatocellular Carcinoma	Combo (IBI-305)				◐		
1L Gastric Cancer	Combo (capecitabine and oxaliplatin)				◐		
1L Esophageal Carcinoma	Combo (paclixel and cisplatin)				◐		
2L ESCC	Mono			◐			
r/r NK/T-cell Lymphoma	Mono		◐				
2L NSCLC	Mono		◐				
1L/2L Melanoma	Mono		◐				
Refractory Gastrointestinal Cancer	Mono		◐				
2L Neuroendocrine Tumor	Mono		◐				
1L Squamous NSCLC	Combo (gemcitabine and cisplatin)		◐				
1L Gastric Cancer	Combo (capecitabine and oxaliplatin)		◐				
Refractory Solid Tumors	Mono	◐					
U.S.							
Solid Tumors	Mono		◐				
Late Stage Endometrial Carcinoma	Mono		◐				

Notes:

1. *Abbreviations: r/r = relapsed/refractory; 2L = second-line; 1L = first-line; NK/T-cell lymphoma = natural killer/T-cell lymphoma; ESCC = esophageal squamous cell carcinoma; NSCLC = non-small cell lung cancer; EGFR = epidermal growth factor receptor; TKI = tyrosine kinase inhibitor.*

2. *Symbols: ● = completed; ◔ = completed patient enrollment; ◐ = in progress; ◴ = to be initiated within next quarter.*

3. *Some indications may not require every clinical trial indicated on this chart to be completed prior to the filing of an NDA.*

Other Late-stage Clinical Development

- **IBI-301** (rituximab biosimilar), an anti-CD20 monoclonal antibody co-developed with Eli Lilly, met pre-defined primary endpoints in two randomized clinical trials comparing IBI-301 to rituximab, namely a phase III clinical trial (CIBI301A301) in patients with diffuse large B-cell lymphoma (DLBCL) and a pharmacokinetic ("**PK**") study (CIBI301A201) in patients with CD20-positive B-cell lymphoma. Our NDA for IBI-301 for the treatment of NHL was accepted by the NMPA on 27 June 2019, and was granted priority review status on 16 August 2019.

- **IBI-301** is our fourth NDA accepted and granted priority review status by the NPMA, following (i) Tyvyt® (sintilimab injection), novel anti-PD-1 monoclonal antibody which has been approved for marketing for r/r cHL and has been successfully launched commercially, (ii) IBI-303 (adalimumab biosimilar, anti-TNF-α monoclonal antibody) which has an NDA submitted for the treatment of patients with rheumatoid arthritis, ankylosing spondylitis and psoriasis, and (iii) IBI-305 (bevacizumab biosimilar, anti-VEGF monoclonal antibody) which has an NDA submitted for the treatment of patients with metastatic colorectal cancer and advanced, metastatic or recurrent NSCLC. We also presented the clinical efficacy and safety results of IBI-305 compared with bevacizumab in advanced, first-line, non-squamous NSCLC patients at the 55th Annual Meeting of the ASCO. We believe that our biosimilar products (IBI-303, IBI-305 and IBI-301) will offer high-quality and affordable alternatives to patients in China.

- For **IBI-306** (novel anti-PCSK9 monoclonal antibody), our other late-stage drug candidate, we have completed a phase II clinical trial in Chinese patients with hypercholesterolemia and are about to enter a phase III clinical trial in China for the same disease indication.

Early-stage Key Products Development

We continuously develop the early-stage drug candidates in our pipeline so as to achieve IND approval and clinical development, and we have achieved significant progress in the first six months of 2019, including the following:

- **IBI-375**, pemigatinib, a novel FGFR inhibitor in-licensed from Incyte, has an IND filed with the NMPA. This product candidate is in a phase II study in patients with advanced/metastatic or surgically unresectable cholangiocarcinoma including FGFR2 translocations who failed previous therapy in the U.S.. There is an phase III trials ongoing as well in patients with first-line advanced/metastatic cholangiocarcinoma. Incyte plans to file an NDA with the U.S. FDA in September 2019.

- **IBI-376**, parsaclisib, a novel PI3Kδ inhibitor in-licensed from Incyte, has an IND filed with the NMPA. This product candidate is in a phase II study in patients with relapsed or refractory marginal zone lymphoma in the U.S.. There are 2 phase III trials as well planned in the first half of 2020 in patients with second-line follicular lymphoma & marginal zone lymphoma and first-line mantle cell lymphoma. Incyte plans to file an NDA with the U.S. FDA in the second quarter of 2020.

- **IBI-377**, itacitinib, a novel JAK1 inhibitor in-licensed from Incyte, has an IND filed with the NMPA. This product candidate is in a phase III study in patients with first-line acute graft-versus-host disease in the U.S.. Incyte plans to file an NDA with the U.S. FDA in the first quarter of 2020.

- **IBI-188**, a novel anti-CD47 monoclonal antibody, has achieved first patient dosing in a phase I clinical trials in patients with advanced malignancies both in China and the U.S.

- **IBI-302**, a first-in-class anti-VEGF/anti-complement bi-specific fusion protein, has achieved first patient dosing in a phase I clinical trial in patients with wet AMD in China.

- **IBI-318**, a first-in-class anti-PD-1/anti-PD-L1 bi-specific antibody, developed in collaboration with Eli Lilly, has achieved first patient dosing in a phase I clinical trial in patients with advanced malignancies in China.

- **IBI-101**, a novel anti-OX40 monoclonal antibody, has achieved first patient dosing in a phase Ia study as monotherapy and a phase Ib study in combination with Tyvyt® (sintilimab injection) in patients with advanced solid tumors in China.

- **IBI-315**, a novel anti-PD-1/anti-Her2 bi-specific antibody, co-developed with Hanmi, has received IND approval from the NMPA.

- **IBI-110**, a novel anti-LAG-3 monoclonal antibody, has received IND approval from the NMPA.

- We have filed an IND with the NMPA for IBI-326, a novel fully-human anti-BCMA CAR-T, co-developed by us and IASO BIO. We presented the clinical results of IBI-326 (previously designated as CT103A) for the treatment of RRMM by oral presentation and poster at two of the most prestigious clinical meetings in the worlds of hematology and oncology, the 24th Congress of EHA and the ASCO Annual Meeting 2019 in Chicago, Illinois. The data of IBI-326 presented at both conferences showed an impressive efficacy results, persistence and safety profile and an ORR of 100%.

- **IBI-362**, an oxyntomodulin analog, OXM3, is a potentially global best-in-class clinical stage molecule for diabetes we in-licensed from Eli Lilly, in order to strategically enhance the Company's drug offering in the metabolic disease therapeutic area. Diabetes is recognized as the world's fastest growing chronic condition. There are a greater number of diabetic patients in China than any other country in the world, and we hope to develop OXM3 as a potentially innovative treatment that could address the significant unmet medical needs of overweight/obese type 2 diabetes patients in China.

Manufacturing Facilities

As one of our important development strategies, we have always strived to invest in and build our own high-quality large-scale manufacturing facilities that comply strictly with global standards.

- In the first half of 2019, our three 1,000L bioreactors, which commenced operation in 2014, supported our production of Tyvyt® (sintilimab injection) and other product candidates in our pipeline, and achieved 100% production success rate.

- Our second manufacturing facilities, housing six 3,000L stainless steel bioreactors, have completed GMP commissioning and validation. This expansion has increased our total production capacity to 21,000L, becoming one of the largest manufacturing capacity in China and providing us with additional capacity to support commercial production as well as clinical trials of our drug products. Leveraging our manufacturing capacity, we anticipate further lowering the cost of production and increasing our productivity, while all in compliance with global quality standards, and allowing us take a big step forward towards completing our mission "to deliver affordable and high-quality drugs to our patients".

- Meanwhile, we are planning to further expand our manufacturing facilities to provide sufficient capacity commensurate with our growing and maturing drug pipeline and to support our continued business expansions.

Other Highlights

- Our successful IPO in October 2018 and stellar aftermarket trading performance earned us the International Financing Review (IFR) Asia-Pacific IPO of the Year award and the IFR Asia Review Hong Kong Equity Issue of the Year award, as well as the 10th Anniversary CHIC "IPO of the Year" award.

- We have substantially expanded our patent portfolio. As of the date of this announcement, we owned 21 issued patents and 48 patent applications in China, 4 issued patents and 7 patent applications in the United States, and 19 issued patents and 97 patent applications in the rest of the world relating to our products and technologies. These patent applications included 32 international patent application under the Patent Cooperation Treaty, or PCT.

- There has not been any material change in respect of the business of the Group since the publication of the latest annual report of the Group.

Events after the Reporting Period

For a description of significant events after the Reporting Period, please refer to the Business Review section of this announcement and the Company's prior announcements published on the websites of the Stock Exchange and the Company after 30 June 2019.

4. FUTURE DEVELOPMENT

We will continue our unwavering quest to build a world-class China-based biopharmaceutical company that develops and commercializes high quality innovative drugs that are affordable to ordinary people. We will continue to roll out the commercialization of our Tyvyt® (sintilimab injection) for the remainder of 2019. We expect that the strong sales momentum we have created during the first approximately four months of sales of Tyvyt® (sintilimab injection) will continue for the remainder of 2019 and beyond. Our newly built additional manufacturing facilities have completed GMP commissioning and validation and will deliver sufficient manufacturing capacity to support our growing production needs and continued business expansions.

In the meantime, we will continue to prepare the commercialization of our late-stage pipeline assets after receipt of marketing approvals, and to rapidly advance both ongoing and planned clinical programs for our pipeline products both in China and in the U.S. We will seek both expedited regulatory review of our upcoming NDAs and ultimately marketing approvals. We will cooperate with partners around the world who share our vision and will spare no efforts to fulfill people's shared dream of combating diseases and living a better life.

FINANCIAL REVIEW

Six Months Ended 30 June 2019 Compared to Six Months Ended 30 June 2018

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Revenue from contracts with customers	**345,517**	4,436
Cost of sales	**(40,952)**	–
Gross profit	**304,565**	4,436
Other income	**55,956**	7,892
Other gains and losses	**(9,765)**	498,966
Research and development expenses	**(670,700)**	(420,040)
Administrative expenses	**(78,110)**	(73,108)
Selling and marketing expenses	**(279,618)**	(10,094)
Listing expenses	**–**	(32,740)
Finance costs	**(36,734)**	(32,908)
Loss and total comprehensive expenses for the period	**(714,406)**	(57,596)
Non-IFRS measure:		
Adjusted loss and total comprehensive expenses for the period	**(667,639)**	(464,418)

1. Overview

For the six months ended 30 June 2019, the Group recorded revenue from contracts with customers of RMB345.5 million, including sales of pharmaceutical products of RMB331.6 million attributable to the successful launch of Tyvyt® (sintilimab injection) as its first commercial drug product in March 2019, as compared with RMB4.4 million for the six months ended 30 June 2018, and the loss and total comprehensive expenses of RMB714.4 million, as compared with RMB57.6 million for the six months ended 30 June 2018.

The research and development expenses of the Group increased by RMB250.7 million to RMB670.7 million for the six months ended 30 June 2019 as compared with RMB420.0 million for the six months ended 30 June 2018, primarily due to (i) the milestone payment of RMB164.4 million incurred under its collaboration and license agreement with Incyte and (ii) increased expenses incurred for additional clinical trials and research and development activities as more drug candidates transitioned into clinical trial stage in the first half of 2019. The selling and marketing expenses increased by RMB269.5 million to RMB279.6 million for the six months ended 30 June 2019 as compared with RMB10.1 million for the six months ended 30 June 2018, primarily due to the significant expansion of the sales and marketing department from 23 employees as of 30 June 2018 to 408 employees as of 30

June 2019, the marketing efforts related to the proposal on Tyvyt® (sintilimab injection)'s entry into the national reimbursement drug list, and the launch of more marketing activities for the commercialisation of Tyvyt® (sintilimab injection) in the first half of 2019. The administrative expenses were RMB78.1 million for the six months ended 30 June 2019, as compared with RMB73.1 million for the six months ended 30 June 2018.

The adjusted loss and total comprehensive expenses of the Group was RMB667.6 million for the six months ended 30 June 2019, representing an increase of RMB203.2 million from RMB464.4 million for the six months ended 30 June 2018, primarily due to the increase in research and development expenses and selling and marketing expenses, partially offset by the sales of Tyvyt® (sintilimab injection).

2. Revenue

For the six months ended 30 June 2019, the Group generated revenue from contracts with customers of RMB345.5 million. The Group generates revenue from (i) sales of pharmaceutical products; (ii) license fee income; and (iii) the research and development services provided to its customers. The following table sets forth the components of the revenue from contracts with customers for the periods presented:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Revenue from contracts with customers:		
Sales of pharmaceutical products	**331,630**	–
License fee income	**10,939**	–
Research and development service fee income	**2,948**	4,436
Total revenue from contracts with customers	**345,517**	4,436

For the sales of pharmaceutical products, revenue is recognised when control of the goods has transferred to the customers. As the Group's lead drug Tyvyt® (sintilimab injection), an anti-PD-1 monoclonal antibody co-developed with Eli Lilly, received marketing approval in China in December 2018, the Group commenced marketing and sales of Tyvyt® (sintilimab injection) as its first commercial drug product in March 2019. During the six months ended 30 June 2019, the Group recorded revenue from sales of Tyvyt® (sintilimab injection) of RMB331.6 million, while no such revenue was recorded for the six months ended 30 June 2018.

The license fee income was recognised over time after the customer receives and consumes the benefits during the commercialisation stage of drug products. Under the Exclusive License and Collaboration Agreement for China and Co-Development Agreement entered into between the Group and Eli Lilly in March 2015 (the "**Lilly China Agreement**"), the Group received upfront payment for development and manufacturing of drug products, including Tyvyt® (sintilimab injection) and IBI-301 (rituximab biosimilar), and collaboration fees on development cost sharing, which would be recognised as revenue over time after Eli Lilly receives benefits during the commercialization stage of the relevant drug products. After the Group officially launched Tyvyt® (sintilimab injection), the Group commenced to recognise the license fee income under the Lilly China Agreement. During the six months ended 30 June 2019, the Group recorded license fee income of RMB10.9 million, while no such revenue was recorded for the six months ended 30 June 2018.

Research and development revenue was recognised in accordance with the completion percentage of the services over the period. During the six months ended 30 June 2019, the Group continued to generate revenue under research and development agreements with customers and received non-refundable upfront and milestone payments of RMB9.1 million, which would be recognised in accordance with the completion percentage of relevant services. For the six months ended 30 June 2019, the research and development revenue decreased by RMB1.5 million, or 33.5%, to RMB2.9 million from RMB4.4 million for the six months ended 30 June 2018.

3. Cost of Sales

The Group's cost of sales consists of cost of direct labor, manufacturing cost and raw material and manufacturing overhead related to the production of the products sold. For the six months ended 30 June 2019, the Group recorded cost of sales of RMB41.0 million attributable to the production costs of Tyvyt® (sintilimab injection), while no such cost was recorded for the six months ended 30 June 2018.

4. Other Income

The Group's other income consists of bank interest income and government grants income. Government grants consist of (i) government subsidies specifically for the capital expenditure related to the purchase of plant and machinery, which is recognised over the useful life of related assets, and (ii) incentive and other subsidies for research and development activities and interest subsidies, which are recognised upon the fulfillment of certain conditions set by the government.

For the six months ended 30 June 2019, the other income of the Group increased by RMB48.1 million to RMB56.0 million, from RMB7.9 million for the six months ended 30 June 2018. The increase was primarily due to the interest earned on the proceeds of the Company's IPO on the Stock Exchange and the increase in the government grant attributable to more research and development activities of the Group that are eligible for government subsidies.

5. Other Gains and Losses

The Group's other gains and losses consist of unrealised gains and losses related to (i) changes in foreign currency exchange rates, (ii) fair value changes of wealth management plans (financial assets mandatorily measured at fair value through profit or loss), and (iii) fair value changes of preferred shares (other financial liabilities measured at fair value through profit or loss).

For the six months ended 30 June 2019, other gains and losses of the Group decreased by RMB508.8 million to a loss of RMB9.8 million from a gain of RMB499.0 million for the six months ended 30 June 2018, primarily due to RMB448.8 million of gain on the fair value changes of preferred shares recognised in the first half of 2018 while no such gain was recorded for the six months ended 30 June 2019.

6. Research and Development Expenses

The Group's research and development expenses, including on the Group's four core drug candidates (i.e. Tyvyt® (sintilimab injection), IBI-305 (bevacizumab biosimilar), IBI-301 (rituximab biosimilar) and IBI-303 (adalimumab biosimilar), collectively the "**Core Drug Candidates**"), primarily consisted of:

- third-party contracting costs incurred under agreements with consultants, contract research organisations, and clinical trial sites that conduct research and development activities on the Group's behalf;
- costs associated with purchasing raw materials for research and development of the Group's drug candidates;
- employee salaries and related benefit costs, including share-based compensation expenses, for research and development personnel;
- payment of license fees pursuant to collaboration agreements and/or license agreements; and
- expenses associated with inspection and maintenance of facilities, depreciation and amortisation expenses, travel expenses, insurance, utilities and other supplies used in research and development activities.

The following table sets forth the components of the Group's research and development expenses for the period indicated:

	Six months ended 30 June		**Changes**	
	2019	2018		
	RMB'000	*RMB'000*	*RMB'000*	*%*
	(unaudited)	(audited)		
Third-party Contracting Costs	**244,298**	173,060	71,238	41.2
Raw material	**75,992**	114,509	(38,517)	(33.6)
Staff Costs	**112,461**	68,331	44,130	64.6
Depreciation and Amortization	**15,474**	29,593	(14,119)	(47.7)
License Fee	**198,227**	1,695	196,532	11,594.8
Other	**24,248**	32,852	(8,604)	26.2
Total research and development expenses	**670,700**	**420,040**	**250,660**	**59.7**

For the six months ended 30 June 2019, the research and development expenses of the Group increased by RMB250.7 million, or 59.7%, to RMB670.7 million from RMB420.0 million for the six months ended 30 June 2018. The increase was primarily attributable to (i) the milestone payments of RMB164.4 million and RMB27.7 million incurred under the collaboration and license agreements with Incyte and Adimab, LLC, respectively, and (ii) increased expenses incurred for additional clinical trials and research and development activities as more drug candidates transitioned into clinical trial stage in the first half of 2019.

7. Administrative Expenses

For the six months ended 30 June 2019, the administrative expenses of the Group slightly increased by RMB5.0 million, or 6.8%, to RMB78.1 million from RMB73.1 million for the six months ended 30 June 2018, which is caused by the increase in administrative staff costs.

8. Selling and Marketing Expenses

Selling and marketing expenses of the Group consisted of salaries and other expenses such as benefits, travel and share-based compensation expenses for selling and marketing personnel, and the expenses of marketing and promotion activities.

For the six months ended 30 June 2019, the selling and marketing expenses of the Group increased by RMB269.5 million to RMB279.6 million from RMB10.1 million for the six months ended 30 June 2018. The increase was primarily due to the significant expansion in headcount of the sales and marketing department from 23 employees as of 30 June 2018 to 408 employees as of 30 June 2019 due to the commercialisation of Tyvyt® (sintilimab injection), the marketing efforts related to the proposal on Tyvyt® (sintilimab injection)'s entry into the national reimbursement drug list and the launch of more marketing activities for the commercialisation of Tyvyt® (sintilimab injection) in the first half of 2019.

9. Listing Expenses

For the six months ended 30 June 2018, the Group recognised one-off listing expenses of RMB32.7 million incurred in connection with the IPO and listing of the Company's shares on the Stock Exchange on 31 October 2018. No such expenses was recognised for the six months ended 30 June 2019.

10. Finance Costs

Finance costs include interest on the Group's bank borrowings, interest arising from a contract containing a significant financing component and interest expenses on lease liabilities.

For the six months ended 30 June 2019, the finance costs of the Group increased by RMB3.8 million, or 11.6%, to RMB36.7 million from RMB32.9 million for the six months ended 30 June 2018. This increase was primarily due to the increase in the average balance of the payments that we have received in advance from Eli Lilly in connection with the commercialisation license so far pursuant to the Lilly China Agreement, which governs the development and commercialisation activities concerning Tyvyt® (sintilimab injection) and IBI-301 (rituximab biosimilar). In accordance with IFRS, revenue from the Lilly China Agreement will commence to be recognised over time once the customers receive and consume the benefits during the commercialisation stage. During the six months ended 30 June 2019, the Group received collaboration fee on development cost sharing of approximately RMB141.0 million, as compared to RMB74.2 million for the six months ended 30 June 2018. Since the period between the transfer of license and customer's payments was, at contract inception, expected to be more than one year, the Group concluded that the contract contains a significant financing component and determined to use a return rate of 11% in adjusting for the effect of time value of money over the promised amount of

consideration, and the interest expenses so recognised during the six months ended 30 June 2019 was RMB24.0 million, and was RMB20.5 million during the six months ended 30 June 2018. Both consideration received and interest expenses recognised are recorded under contract liabilities at the end of each reporting period.

11. Loss for the Reporting Period

As a result of the above factors, the loss and total comprehensive expenses of the Company increased by RMB656.8 million to RMB714.4 million for the six months ended 30 June 2019 from RMB57.6 million for six months ended 30 June 2018.

12. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss and total comprehensive expenses for the period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss and total comprehensive expenses for the period represents the loss and total comprehensive expenses for the period excluding the effect of certain non-cash items and one-time events, namely the gain on fair value changes of preferred shares (other financial liabilities measured at fair value through profit or loss) and share-based compensation expenses. The term adjusted loss and total comprehensive expenses for the period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and it should not be considered in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures reflect the Group's normal operating results by eliminating impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

The table below sets forth a reconciliation of the loss and total comprehensive expenses for the period to adjusted loss and total comprehensive expenses for the period during the periods indicated:

	Six Months Ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Loss and total comprehensive expenses for the period	**(714,406)**	(57,596)
Added:		
Gain on changes in fair value of preferred shares	**–**	(448,797)
Share-based compensation expenses	**46,767**	41,975
Adjusted loss and total comprehensive expenses for the period	**(667,639)**	(464,418)

Selected Data from Statement of Financial Position

	As at 30 June 2019 ***RMB'000*** **(unaudited)**	As at 31 December 2018 *RMB'000* (audited)
Total current assets	**4,049,269**	4,686,261
Total non-current assets	**1,555,815**	1,426,316
Total assets	**5,605,084**	6,112,577
Total current liabilities	**673,463**	670,321
Total non-current liabilities	**1,403,101**	1,247,842
Total liabilities	**2,076,564**	1,918,163
Net current assets	**3,375,806**	4,015,940

13. Liquidity and Source of Funding and Borrowing

As at 30 June 2019, the Group's cash and cash equivalents decreased by RMB3,243.1 million to RMB1,281.8 million from RMB4,524.9 million as at 31 December 2018. The decrease primarily resulted from the increase in additional clinical trials and research and development activities, the increase in selling and marketing activities, as well as placement of term deposits with maturity dates over three months.

As at 30 June 2019, the current assets of the Group were RMB4,049.3 million, including bank balances and cash of RMB3,431.0 million and other current assets of RMB618.3 million. As at 30 June 2019, the current liabilities of the Group were RMB673.5 million, including trade payables of RMB60.4 million, contract liabilities of RMB38.5 million, other payables and accrued expenses of RMB556.5 million and borrowings of RMB11.0 million and lease liabilities of RMB7.1 million. As at 30 June 2019, the Group had available unutilised short-term bank loan facilities of approximately RMB113.0 million, as compared to RMB128.0 million as at 31 December 2018.

14. Key Financial Ratios

The following table sets forth the key financial ratios for the dates indicated:

	As at 30 June 2019	As at 31 December 2018
Current ratio[(1)]	**6.0**	7.0
Quick ratio[(2)]	**5.7**	6.9
Gearing ratio[(3)]	**NM[(3)]**	NM[(3)]

15. Material Investments

The Group did not make any material investments during the six months ended 30 June 2019.

16. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the six months ended 30 June 2019.

17. Pledge of Assets

As at 30 June 2019, the Group had total RMB586.1 million of property, plant and equipment and RMB53.5 million of land use rights pledged to secure its loans and banking facilities.

18. Contingent Liabilities

As at 30 June 2019, the Group did not have any material contingent liabilities.

19. Foreign Exchange Exposure

During the six months ended 30 June 2019, the Group mainly operated in China and a majority of its transactions were settled in Renminbi, the functional currency of the Company's primary subsidiaries. As at 30 June 2019, a significant amount of the Group's bank balances and cash was denominated in U.S. dollars. Except for certain bank balances and cash, other receivables, and trade and other payables denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations as at 30 June 2019. We currently do not have a foreign currency hedging policy as our Directors consider that our foreign exchange risk exposure is minimal. We will consider hedging significant foreign currency exposure if such need arises.

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(1) Current ratio is calculated using current assets divided by current liabilities as of the same date.

(2) Quick ratio is calculated using current assets less inventories and divided by current liabilities as of the same date.

(3) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by (deficiency of) total equity and multiplied by 100%. Gearing ratio is not meaningful as our interest-bearing borrowings less cash equivalents was negative.

20. Employees and Remuneration

As at 30 June 2019, the Group had a total of 1,445 employees. The following table sets forth the total number of employees by function as of 30 June 2019:

	Number of employees	% of total
Function		
Research and Development	525	36.3
Manufacturing	404	28.0
Selling and Marketing	408	28.2
General and Administrative	108	7.5
Total	**1,445**	**100**

The total remuneration cost incurred by the Group for the six months ended 30 June 2019 was RMB326.5 million, as compared to RMB121.4 million for the six months ended 30 June 2018.

The remuneration of the employees of the Group comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based payment expenses. In accordance with applicable Chinese laws, the Group has made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for the Group's employees.

The Company also has adopted a Pre-IPO Share Incentive Plan (the "**Pre-IPO Plan**"), a post-IPO share option scheme (the "**Post-IPO ESOP**") and the Innovent Biologics, Inc. 2018 Restricted Share Plan (the "**RS Plan**"). Please refer to the section headed "Statutory and General Information – D. Equity Plan" in Appendix IV to the prospectus of the Company dated 18 October 2018 (the "**Prospectus**") for further details.

INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2019.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on 28 April 2011 as an exempted company with limited liability, and the shares of the Company were listed on the Stock Exchange on 31 October 2018.

1. Compliance with the Corporate Governance Code

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability. During the six months ended 30 June 2019, the Company has complied with all applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") except for the following deviation.

Pursuant to code provision A.2.1 of the CG Code, the responsibilities between the chairman of the Board and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have separate chairman of the Board and chief executive officer, and Dr. De-Chao Michael Yu currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ending 31 December 2019.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

2. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2019. No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the six months ended 30 June 2019.

3. Audit Committee

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules. The audit committee comprises three non-executive Directors (including independent non-executive Directors), namely, Ms. Joyce I-Yin Hsu, Mr. Shuyen Chen and Dr. Kaixian Chen. Ms. Joyce I-yin Hsu, the independent non-executive Director, is the chairman of the audit committee.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2019 have been reviewed by the Group's external auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants, and by the audit committee. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

4. Other Board Committees

In addition to the audit committee, the Company has also established a nomination committee, a remuneration committee and a strategy committee.

5. Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any member of the Group purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2019.

6. Material Litigation

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2019. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the six months ended 30 June 2019.

7. Use of Proceeds

The Company's shares were listed on the Stock Exchange on 31 October 2018 with a total of 271,802,000 offer shares (including shares issued as a result of the full exercise of the over-allotment option) issued and the net proceeds raised during the global offering were approximately HK$3,645.9 million. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus as follows and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes depending on actual business needs.

As at 30 June 2019, approximately RMB1,292.5 million of the net proceeds of the global offering had been utilized as follows:

	Allocation of net proceeds from the global offering in the proportion disclosed in the Prospectus *HK$ million*	**Utilization as at 30 June 2019** *RMB million*
Fund ongoing and planned clinical trials, preparation for registration filings and commercial launches (including production, sales and marketing) of Tyvyt® (sintilimab injection)	1,895.9	493.8
Fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of IBI-305 (bevacizumab biosimilar)	291.7	24.2
Fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of IBI-301 (rituximab biosimilar)	145.8	40.6
Fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of IBI-303 (adalimumab biosimilar)	36.5	7.3
For the ongoing and planned clinical trials, preparation for registration filings and potential commercial launches (including sales and marketing) of the other drug candidates in the Group's pipeline	911.5	511.6
For working capital and general corporate purposes	364.5	215.0
	3,645.9	1,292.5

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019

		Six months ended 30 June	
		2019	2018
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(audited)
Revenue from contracts with customers	*4*	**345,517**	4,436
Cost of sales		**(40,952)**	–
Gross profit		**304,565**	4,436
Other income		**55,956**	7,892
Other gains and losses		**(9,765)**	498,966
Research and development expenses		**(670,700)**	(420,040)
Administrative expenses		**(78,110)**	(73,108)
Selling and marketing expenses		**(279,618)**	(10,094)
Listing expenses		**–**	(32,740)
Finance costs		**(36,734)**	(32,908)
Loss and total comprehensive expenses for the period		**(714,406)**	(57,596)
(Loss) profit and total comprehensive (expenses) income for the period attributable to:			
Owners of the Company		**(714,406)**	43,894
Non-controlling interests		**–**	(101,490)
		(714,406)	(57,596)
(Loss) earnings per share	*6*		
– Basic (RMB Yuan)		**(0.62)**	0.30
– Diluted (RMB Yuan)		**(0.62)**	(1.17)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2019

	Notes	**At 30 June 2019 *RMB'000* (unaudited)**	At 31 December 2018 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**1,166,157**	1,078,053
Right-of-use assets		**75,169**	–
Prepaid lease payments		**–**	52,842
Deposits for acquisition of property, plant and equipment		**63,956**	45,114
Other receivables and tax recoverables		**250,533**	250,307
		1,555,815	1,426,316
Current assets			
Inventories		**231,581**	66,121
Trade receivables	*7*	**178,431**	–
Deposits, prepayments and other receivables		**139,615**	72,309
Contract assets		**1,347**	7,505
Income tax recoverables		**13,753**	13,726
Prepaid lease payments		**–**	1,248
Other financial assets		**53,500**	–
Bank balances and cash		**3,431,042**	4,525,352
		4,049,269	4,686,261
Current liabilities			
Trade payables	*8*	**60,393**	42,821
Other payables and accrued expenses		**556,513**	600,498
Contract liabilities		**38,495**	17,002
Borrowings		**11,000**	10,000
Lease liabilities		**7,062**	–
		673,463	670,321
Net current assets		**3,375,806**	4,015,940
Total assets less current liabilities		**4,931,621**	5,442,256

	At 30 June 2019 *RMB'000* (unaudited)	At 31 December 2018 *RMB'000* (audited)
Non-current liabilities		
Contract liabilities	**582,488**	449,887
Borrowings	**791,000**	782,000
Government grants	**14,994**	15,955
Lease liabilities	**14,619**	–
	1,403,101	1,247,842
Net assets	**3,528,520**	4,194,414
Capital and reserves		
Share capital	**79**	79
Reserves	**3,528,441**	4,194,335
Total equity	**3,528,520**	4,194,414

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) *Interim Financial Reporting* issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as appropriate.

Other than the addition of the accounting policy for revenue recognition of sales of pharmaceutical products as stated below and changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidation financial statements for the six months ended 30 June 2019 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2018.

Revenue recognition of sales of pharmaceutical products

For sales of pharmaceutical products to customers, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customers' specific location. Following delivery, the customers have full discretion over the manner of distribution and price to sell the goods, and have the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by International Accounting Standards Board which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015 – 2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current interim period. IFRS 16 superseded IAS 17 Leases ("**IAS 17**"), and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of IFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of IFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Short-term leases

The Group applies the short term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

a. the amount of the initial measurement of the lease liability;

b. any lease payments made at or before the commencement date, less any lease incentives received;

c. any initial direct costs incurred by the Group; and

d. an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments ("**IFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

a. fixed payments (including in-substance fixed payments) less any lease incentives receivable;

b. variable lease payments that depend on an index or a rate;

c. amounts expected to be paid under residual value guarantees;

d. the exercise price of a purchase option reasonably certain to be exercised by the Group; and

e. payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments. The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

a. the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

b. the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

2.1.2 Transition and summary of effects arising from initial application of IFRS 16

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

On transition, the Group has made the following adjustments upon application of IFRS 16:

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying IFRS 16.C8(b)(ii) transition.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 4.75%.

	At 1 January 2019 *RMB'000*
Operating lease commitments disclosed as at 31 December 2018	26,835
Lease liabilities discounted at relevant incremental borrowing rates	26,025
Less: Recognition exemption – short-term leases	(955)
Lease liabilities as at 1 January 2019	25,070
Analysed as	
Current	7,723
Non-current	17,347
	25,070

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Notes	**Right-of-use assets** *RMB'000*
Right-of-use assets relating to operating leases recognised upon application of IFRS 16		25,070
Reclassified from prepaid lease payments	*(a)*	54,090
Adjustments on rental deposits at 1 January 2019	*(b)*	331
		79,491
By class:		
Leasehold lands		54,090
Buildings		25,401
		79,491

(a) Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of IFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB1,248,000 and RMB52,842,000 respectively were reclassified to right-of-use assets.

(b) Before the application of IFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which IAS 17 applied. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, RMB331,000 was adjusted to refundable rental deposits paid and right-of-use assets.

There is no impact of transition to IFRS 16 on accumulated losses at 1 January 2019.

Impact on the condensed consolidated statement of financial position

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line that were not affected by the changes have not been included.

	Notes	**Carrying amounts previously reported at 31 December 2018** *RMB'000*	**Adjustments** *RMB'000*	**Carrying amounts under IFRS 16 at 1 January 2019** *RMB'000*
Non-current assets				
Right-of-use assets	*(a), (b)*	–	79,491	79,491
Prepaid lease payment	*(a)*	52,842	(52,842)	–
Current assets				
Prepaid lease payment	*(a)*	1,248	(1,248)	–
Deposit, prepayments and other receivables - rental deposit	*(b)*	2,791	(331)	2,460
Current liabilities				
Lease liabilities		–	7,723	7,723
Non-current liabilities				
Lease liabilities		–	17,347	17,347

Note: For the purpose of reporting cash flows for the six months ended 30 June 2019, movements have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018, except for the addition on estimation over recognition of revenue arising from license, as set out below.

Key sources of estimation uncertainty

Recognition of revenue arising from license

The Group entered into a collaboration agreement and to provide a commercialisation license to a customer. Upfront fee received is recognised as revenue only when customers have ability to use the licence. Accordingly, revenue is recognise over time upon customer receives and consumes the benefits during the commercialisation stage of the respective products. During the six months ended 30 June 2019, license fee income of RMB10,939,000 was recognised based on the actual sales against the total budged sales during the commercialisation period. Management revise its total budged sales from time to time based on changes in facts and circumstances including but not limited to market demand and timing on launch of new products.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Timing of revenue recognition		
A point in time		
Sales of pharmaceutical products	**331,630**	–
Overtime		
Research and development service fee income	**2,948**	4,436
Licence fee income	**10,939**	–
	345,517	4,436

Geographical information

Substantially all of the Group's operations and non-current assets are located in the PRC. An analysis of the Group's revenue from external customers, analysed by their respective country/region of operation, is detailed below:

Revenue by geographical location

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
The PRC	**345,517**	4,436

Segment information

For the purposes of resource allocation and assessment of segment performance, the chief executive officer of the Company, being the chief operating decision maker, focuses and reviews on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out in note 2. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

5. INCOME TAX EXPENSE

No income tax expense has been incurred by the Group during the six months ended 30 June 2019 and 2018.

6. (LOSS) EARNINGS PER SHARE

(a) Basic

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
(Loss) earnings		
(Loss) profit for the period attributable to owners of the Company	**(714,406)**	43,894
Effect of dilutive potential ordinary shares:		
Gain from changes in fair value of Series D Preferred Shares	**–**	(466,644)
Loss for the purpose of diluted loss per share	**(714,406)**	(422,750)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,151,936,239**	145,822,859
Effect of dilutive potential ordinary shares:		
Series D Preferred Shares	**–**	214,751,790
Weight average number of ordinary shares for the purpose of diluted loss per share	**1,151,936,239**	360,574,649

The computation of basic and diluted (loss) earnings per share excluded the unvested restricted shares of the Company.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share has been retrospectively adjusted for the share subdivision.

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

30 June 2019

The Company had two categories of potential ordinary shares, unvested restricted shares of the Company and the shares options and/or the restricted shares awarded under the Pre-IPO Plan, the RS Plan and the Post-IPO ESOP. As the Group incurred losses for the six months ended 30 June 2019, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the six months ended 30 June 2019 is the same as basic loss per share.

30 June 2018

The Company had three categories of potential ordinary shares, unvested restricted shares of the Company, preferred shares issued by the Company and the shares options awarded under the Pre-IPO Plan. Diluted earnings per share for the six months ended 30 June 2018 did not assume vesting of restricted shares, conversion of series A, B, C and E preferred shares, and exercise of share options, as their inclusion would be anti-dilutive.

7. TRADE RECEIVABLES

	At 30 June 2019 RMB'000	At 31 December 2018 RMB'000
Current – not yet due (on the basis of the relevant invoice or demand note)	**178,431**	–

8. TRADE PAYABLES

A majority of the trade payables aged less than one year.

9. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The Directors have determined that no dividend will be paid in respect of the interim period.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.innoventbio.com. The interim report of the Group for the six months ended 30 June 2019 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders in due course.

By order of the Board
Innovent Biologics, Inc.
Dr. De-Chao Michael Yu
Chairman and Executive Director

Hong Kong, China, 28 August 2019

As at the date of this announcement, the Board comprises Dr. De-Chao Michael Yu as Chairman and Executive Director and Mr. Ronald Hao Xi Ede as Executive Director, Mr. Shuyun Chen as Non-executive Director, and Dr. Charles Leland Cooney, Ms. Joyce I-Yin Hsu and Dr. Kaixian Chen as Independent Non-executive Directors.