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 2020

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 2020 (the "**Reporting Period**"). These interim results have been reviewed by the Company's audit committee and the Company's auditors, Deloitte Touche Tohmatsu.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

IFRS Measure:

- **Total revenue** was RMB984.2 million for the six months ended 30 June 2020, representing an increase of 184.9% from 345.5 million for the six months ended 30 June 2019. Product revenue of TYVYT® (sintilimab injection), as the only programmed cell death protein 1 ("**PD-1**") inhibitor admitted to the National Reimbursement Drug List ("**NRDL**") of the People's Republic of China ("**China**" or "**PRC**"), achieved RMB920.9 million for the six months ended 30 June 2020, representing an increase of 177.7% from RMB331.6 million for the six months ended 30 June 2019, despite the lowered price of TYVYT® (sintilimab injection) after its inclusion in the NRDL effective from 1 January 2020 and the impact of COVID-19.

- **Gross profit margin**, which was 81.2% for the six months ended 30 June 2020, decreased slightly as compared with 88.1% for the six months ended 30 June 2019. This was primarily due to the lowered effective price of TYVYT® (sintilimab injection) after being included in NRDL and was partly offset by cost efficiency improvement and high utilization of capacity.

- **Research and development ("R&D") expenses** increased by RMB137.3 million from RMB670.7 million for the six months ended 30 June 2019 to RMB808.0 million for the six months ended 30 June 2020. The spending was mainly incurred for multiple pivotal or registrational trials of TYVYT® (sintilimab injection), as well as the increased trial need of other promising late-stage assets and prioritized assets.

- **Selling and marketing expenses** were RMB446.6 million, or 45.4% of total revenue for the six months ended 30 June 2020, as compared with RMB266.7 million, or 77.2% of total revenue for the six months ended 30 June 2019. Such increase was primarily attributable to the continuous commercialization efforts to explore the potential markets and raise public awareness of our products, as well as the continuous expansion of our sales and marketing team from 408 employees as at 30 June 2019 to 1,176 employees as at 30 June 2020. The selling and marketing expense ratio was lowered due to the improved efficiency along with the rapid sales growth of TYVYT® (sintilimab injection), as well as reduced promotion activities particularly in the first quarter of 2020 due to the impact of COVID-19.

- **Loss and total comprehensive expenses** were RMB608.2 million for the six months ended 30 June 2020, representing a decrease of 14.9% or RMB106.2 million from RMB714.4 million for the six months ended 30 June 2019, primarily attributable to the sales growth of TYVYT® (sintilimab injection).

- **Net cash from financing activities** was RMB2,186.2 million for the six months ended 30 June 2020, mainly attributable to net cash generated from our successful placement in February 2020. As of 30 June 2020, the company had approximately US$875.0 million cash on hand.

Non-IFRS Measure:

- **Adjusted loss and total comprehensive expenses**[1] were RMB453.5 million for the six months ended 30 June 2020, representing a decrease of RMB214.1 million from RMB667.6 million for the six months ended 30 June 2019, primarily attributable to the significant increase of TYVYT® (sintilimab injection) sales.

Excluding the effect of share-based compensation expenses, (i) R&D expenses were RMB766.2 million for the six months ended 30 June 2020, as compared to RMB660.0 million for the six months ended 30 June 2019; and (ii) selling and marketing expenses were RMB424.7 million, or 43.1% of total revenue, for the six months ended 30 June 2020, as compared to RMB257.5 million, or 74.5% of total revenue, for the six months ended 30 June 2019.

[1] Adjusted loss and total comprehensive expenses for the period is not a financial measure defined under the IFRS. It represents the loss and total comprehensive expenses for the period excluding the effect brought by certain non-cash item, namely share-based compensation expenses. For the calculation and reconciliation of this non-IFRS measure, please refer to "Management Discussion and Analysis – Financial Review – 10. Non-IFRS Measure".

BUSINESS HIGHLIGHTS

During the six months ended 30 June 2020, we have continued to deliver on our investors' expectations by making significant progress with respect to our drug pipeline and business operations in the Reporting Period, including the following major milestones and achievements:

- We generated RMB920.9 million in revenue for TYVYT® (sintilimab injection) for the six months ended 30 June 2020, despite the COVID-19 pandemic. This represents an increase of 177.7% from RMB331.6 million for the six months ended 30 June 2019, despite the lowered price of TYVYT® (sintilimab injection) after its inclusion in the NRDL effective from 1 January 2020.

- In January 2020, we entered into a collaboration agreement with Coherus Biosciences, Inc. ("**Coherus**") to out-license commercial rights for our IBI-305 (bevacizumab biosimilar) in the United States ("**U.S.**") and Canada.

- In January 2020, we entered into a strategic collaboration with Sirnaomics Inc. ("**Sirnaomics**") to use TYVYT® (sintilimab injection) and Sirnaomics' RNAi drug candidate STP705 (cotsiranib) to conduct clinical studies for combination treatment in advanced cancers, such as Hepatocellular Carcinomas ("**HCC**"), with high unmet need in the U.S..

- In February 2020, we successfully raised approximately HK$2.3 billion through a placing of new shares.

- In March 2020, we entered into an in-licensing agreement with Alector Inc. ("**Alector**"), to develop and commercialize AL008, a first-in-class anti-signal regulatory protein ("**SIRP**") alpha antibody, for the treatment of oncology indications in China.

- In April 2020, the National Medical Products Administration of China (the "**NMPA**") accepted the supplemental new drug application ("**sNDA**") in China for TYVYT® (sintilimab injection), in combination with ALIMTA® (pemetrexed) and platinum chemotherapy as first-line therapy in non-squamous non-small cell lung cancer ("**nsqNSCLC**") without sensitizing epidermal growth factor receptor ("**EGFR**") mutation or anaplastic lymphoma kinase ("**ALK**") rearrangement.

- In May 2020, we entered into a strategic collaboration agreement with the University of Texas MD Anderson Cancer Center ("**MD Anderson Cancer Center**") to co-develop TYVYT® (sintilimab injection) in rare cancers in the U.S..

- In June 2020, we entered into a strategic collaboration with Roche Group ("**Roche**") that focuses on the discovery and development of bispecific antibodies and multiple cell therapies, which enables us to access certain Roche's technologies in the discovery and development of specific 2:1 T-cell bispecific antibodies (TCB) as well as its universal CAR-T platform.

- In June 2020, BYVASDA® (bevacizumab biosimilar) was officially approved by the NMPA for patients with advanced non-small cell lung cancer ("**NSCLC**") and metastatic colorectal cancer in China, becoming the second commercial stage product of our Company.

- In June 2020, the "B" marker was removed from the Company's stock name and stock short name following the dis-application of Rules 18A.09 to 18A.11 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the Company now satisfies the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules.

- During the six months ended 30 June 2020, we entered into registrational clinical trials for four of our assets in China, including IBI-376 (parsaclisib, PI3Kδ inhibitor) in pivotal Phase 2 trial in China with recurrent or refractory follicular lymphoma ("**r/r FL**") and marginal zone lymphoma ("**MZL**"), IBI-310 (anti-cytotoxic T-lymphocyte-associated protein 4 ("**CTLA-4**")) in Phase 3 trial in China for adjuvant treatment of melanoma, IBI-306 (proprotein convertase substilisin/kexin type 9 enzyme ("**PCSK9**") antibody) in Phase 3 trial in China for follicular lymphoma, and IBI-375 (fibroblast growth factor receptor ("**FGFR**") tyrosine kinase inhibitor ("**TKI**")) in pivotal Phase 2 trial in China for second-line advanced or metastatic cholangiocarcinoma ("**mCCA**").

- During the six months ended 30 June 2020, we have made significant progress on our prioritized assets with exceptional clinical and commercial potential both in China and overseas: (i) we completed Phase 1a dosage escalation for IBI-188 (anti-cluster differentiation 47 ("**CD47**" antibody) in the U.S. in the first half of 2020 and are finalizing the Phase 1a in China. We are planning a registrational Phase 1b/2 study and a registrational Phase1b/3 study for IBI-188 in China, and a Phase 1b study in the U.S. with plan for a registrational development thereafter; (ii) we also completed Phase 1a dosage escalation for IBI-318 (anti-PD-1/PD-Lgand1 ("**PD-L1**") bispecific antibody), and we are planning IBI-318 for further development; and (iii) we have dosed the first patient for the Phase 1a study of IBI-939 (T-cell immunoreceptor with Ig and ITIM domains ("**TIGIT**")) antibody) in China, and plan to file investigational new drug ("**IND**") for IBI-939 in the U.S. in the second half of 2020.

- During the six months ended 30 June 2020, we progressed two more drug candidates into Phase 1 studies (TIGIT antibody and oxyntomodulin analog ("**OXM3**")), received IND approvals for 2 more drug candidates (PD-L1/CD47 bispecific antibody and anti-IL-23), and newly entered 4 Phase 1 trials.

We have continued to make significant progress in our drug pipeline and business operations after the end of the Reporting Period, including the following major milestones and achievements:

- In July 2020, we successfully raised approximately HK$2.8 billion through a new placing of shares, mainly to fund our production facility expansion and increased international clinical trial needs.

- In August 2020, the NMPA accepted our sNDA for TYVYT® (sintilimab injection) in combination with GEMZAR® (gemcitabine for injection) and platinum chemotherapy as first-line therapy in squamous non-small cell lung cancer ("**sqNSCLC**").

- In August 2020, Hang Seng Indexes announced to include the Company's shares into the Hang Seng Composite Index, with the change taking effect from 7 September 2020. The Company's share may be considered for inclusion in the Stock Connect in the future.

- In August 2020, we entered into a strategic milestone agreement to license out the exclusive rights of TYVYT® (sintilimab injection) for geographies outside of China to Eli Lilly and Company ("**Lilly**"), which plans to pursue registration of TYVYT® (sintilimab injection) in the U.S. and other markets. We will receive an upfront payment of US$200 million and will be eligible for up to US$825 million in potential development and commercial milestones, as well as tiered double-digit royalties on net sales.

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 Stock Exchange and the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a Cayman Island-based global biopharmaceutical company committed to developing and commercialising high-quality innovative therapeutics that are affordable to ordinary people. Founded in 2011 by Dr. De-Chao Michael Yu, we have instituted global quality standards in every aspect of our business operations, and have built a fully-integrated multi-functional biopharmaceutical platform consisting of R&D, chemistry, manufacturing and controls ("**CMC**"), clinical development and commercialisation capabilities.

We have developed a rich pipeline covering a variety of novel and validated therapeutic targets and drug modalities (including monoclonal antibodies, bispecific antibodies, fusion proteins, CAR-T and small molecules), spanning multiple major therapeutic areas including oncology, metabolic, immunology and ophthalmology diseases, and promising tremendous clinical and commercial potential as monotherapies or combination therapies to address unmet medical needs.

During the first half of 2020 until the date of this announcement, despite the spread of the COVID-19 pandemic in China and overseas, we have continued to deliver on our investors' expectations. We are proud of the significant achievements we have made with respect to our business operations and pipeline development, as summarized below.

Strong growth of TYVYT® (sintilimab injection) with uninterrupted production during COVID-19. Despite the challenges from COVID-19 in 2020, we have ensured the uninterrupted production and supply of TYVYT® (sintilimab injection) to patients even during the height of the pandemic in February. For the six months ended 30 June 2020, we achieved revenue of RMB920.9 million for sales of TYVYT® (sintilimab injection), an increase of approximately 177.7% as compared to the six months ended 30 June 2019. We have leveraged our unique advantage as the only PD-1 inhibitor included in the NRDL to expedite the process of entering hospital channels, expanding coverage in both major cities and lower tier cities, and building up recognition from doctors and patients. To support the strong growth of TYVYT® (sintilimab injection), our sales and marketing team of TYVYT® (sintilimab injection) has expanded from about 700 employees as of 31 December 2019 to over 1,100 employees as of 30 June 2020. Our coverage has expanded from about 2,000 hospitals and 500 Direct-To-Patient ("**DTP**")/pharmacies as at 31 December 2019 to about 3,500 hospitals and 900 DTP/pharmacies across more than 300 cities as at 30 June 2020.

In the rest of 2020, we will continue to broaden the hospital and pharmacy coverage of TYVYT® in tiered cities. In addition, NMPA has accepted our sNDA for TYVYT® (sintilimab injection) in combination with ALIMTA® (pemetrexed) and platinum chemotherapy for first-line therapy in nsqNSCLC in April 2020 and sNDA for TYVYT® (sintilimab injection) in combination with Gemzar® (gemcitabine for injection) and platinum chemotherapy for first-line therapy in sqNSCLC in August 2020. We plan to submit two more sNDA for TYVYT® (sintilimab injection) in China in the end of 2020 or early 2021, including second-line therapy in NSCLC and first-line therapy in HCC. We believe the potential expansion of indications will bring TYVYT® (sintilimab injection) to broader patient groups with unmet medical needs and support continued revenue growth of the product.

Expansion of our product portfolio with the successful launch of our second commercial product BYVASDA® (bevacizumab biosimilar). In June 2020, BYVASDA® (bevacizumab biosimilar) was officially approved by the NMPA for patients with advanced NSCLC and metastatic colorectal cancer in China, becoming the second commercial product of our Company.

As at the date of this announcement, we have 3 assets under NDA or sNDA review in China, including IBI-303 (adalimumab biosimilar) with expected approval in the third quarter of 2020, IBI-301 (rituximab biosimilar) with expected approval by late 2020 or early 2021, and TYVYT® (sintilimab injection) under sNDAs review in combination with ALIMTA® (pemetexed) and platinum chemotherapy for first-line therapy in nsqNSCLC and in combination with GEMZAR® (gemcitabine for injection) and platinum chemotherapy for first-line therapy in sqNSCLC. Having a total of 23 assets with over 50 clinical trials ongoing, we are confident that the assets and development programs, especially the late-stage assets and the Company's prioritized assets such as IBI-188 (anti-CD47 monoclonal antibody) and IBI-318 (anti-PD-1/PD-L1 bispecific antibody), will lead to a greater number of successful commercial launches and yield tremendous value for patients and shareholders.

Rapid clinical progress both in China and overseas. During the first half of 2020, despite the impact of COVID-19, we have kept progressing our clinical studies smoothly both in China and overseas. During the six months ended 30 June 2020, we entered registrational or pivotal clinical trials for: (i) IBI-376 (parsaclisib, PI3Kδ inhibitor) in pivotal Phase 2 trial in China with r/r FL and MZL patients; (ii) IBI-310 (anti-CTLA-4 monoclonal antibody) in combination with TYVYT® (sintilimab injection) in Phase 3 trial in China for adjuvant treatment of melanoma; (iii) IBI-306 (anti-PCSK9 monoclonal antibody) in Phase 3 trial in China for non-familial hypercholesterolemia; and (iv) IBI-375 (FGFR inhibitor) in pivotal Phase 2 trial in China for second-line mCCA.

We are also on track and progressing our other prioritized assets during the first half of 2020, including the following: (i) we completed the Phase 1a dosage escalation study of IBI-188 (anti-CD47 monoclonal antibody) in the U.S., and we are finalizing the Phase 1a study of IBI-188 in China; (ii) we completed the Phase 1a dosage escalation study of IBI-318 (anti-PD-1/PD-L1 bispecific antibody) in advanced malignancies in China; and (iii) we have dosed the first patient for the Phase 1a study of IBI-939 (TIGIT antibody) in China. As at the date of this announcement, we have also dosed the first patient for the Phase 1a study of IBI-322 (PD-L1/CD47 bispecific antibody) in China in August 2020.

In the second half of 2020, we expect to initiate pivotal clinical trial including: (i) a Phase 3 trial of TYVYT® (sintilimab injection) in combination with ramucirumab in first-line gastric carcinoma ("**GC**") in China; (ii) a pivotal Phase 1b/2 trial for IBI-188 (anti-CD47 monoclonal antibody) in r/r acute myeloid leukemia ("**AML**") in China; and (iii) a pivotal Phase 1b/3 trial in myelodysplastic syndrome ("**MDS**") in China. We also plan to: (i) initiate a Phase 1b trial for IBI-188 in MDS in the U.S. with plans for registrational development thereafter; (ii) initiate a Phase 1 study for IBI-322 (anti-PD-L1/CD47 bispecific antibody) in the U.S.; and (iii) submit an IND application to the U.S. FDA for IBI-939 (TIGIT antibody).

Collaboration with world-class partners, including the strategic collaborations with Lilly and Roche. In addition to the development of our drug pipeline under our own technology platforms, we have actively collaborated with both domestic and overseas companies to seek R&D and commercialisation opportunities in the Chinese and international markets.

In the first half of 2020, we announced five important collaborations, including the out-licensing of the commercial rights for IBI-305 (bevacizumab biosimilar) to Coherus in the U.S. and Canada, the collaboration with MD Anderson Cancer Center in studying TYVYT® (sintilimab injection) in rare cancer types in the U.S., the collaboration with Sirnaomics in exploring the combination of TYVYT® (sintilimab injection) and Sirnaomics' RNAi drug candidate in advanced cancers in the U.S., the collaboration with Alector to develop and commercialize Alector's FIC anti-SIRP-alpha antibody in China, and the strategic collaboration with Roche that focuses on the discovery and development of bispecific antibodies and multiple cell therapies. In particular, we are pleased that the collaboration with Roche significantly enhances our cell therapy R&D capability, and extends our cross-company collaboration from drug clinical development and commercialization to the core drug discovery stage across technology platforms, which shows the recognition of our drug discovery and R&D capabilities by a global top-tier pharmaceutical company.

In August 2020, we entered into a strategic milestone agreement to license out the exclusive rights of TYVYT® (sintilimab injection) outside of China to Lilly, which plans to pursue registration of TYVYT® (sintilimab injection) in the U.S. and other markets. The company will receive an upfront payment of US$200 million and will be eligible for up to US$825 million in potential development and commercial milestones, as well as tiered double-digit royalties on net sales. This is the first time for a China innovative, marketed large molecule medicine out-licensed to a multinational pharmaceutical company for the global market. With international expansion being as part of our key strategy to fulfil the Company's mission and to achieve our long term objective, this is the first major step in bringing in our innovative portfolio to the global market. In the future, we will keep exploring global opportunities for our assets, with appropriate plans for R&D, clinical development and commercialisation.

Expansion and retention of talent. In the first half of 2020, we have expanded our team from about 2,000 employees as at 31 December 2019 to more than 2,600 employees as at 30 June 2020, consisting of over 750 employees in R&D, over 1,100 employees in commercialization, over 500 employees in CMC and about 200 employees in general and administrative functions. We believe our all-rounded and talented team is the ceaseless engine supporting our continuous success.

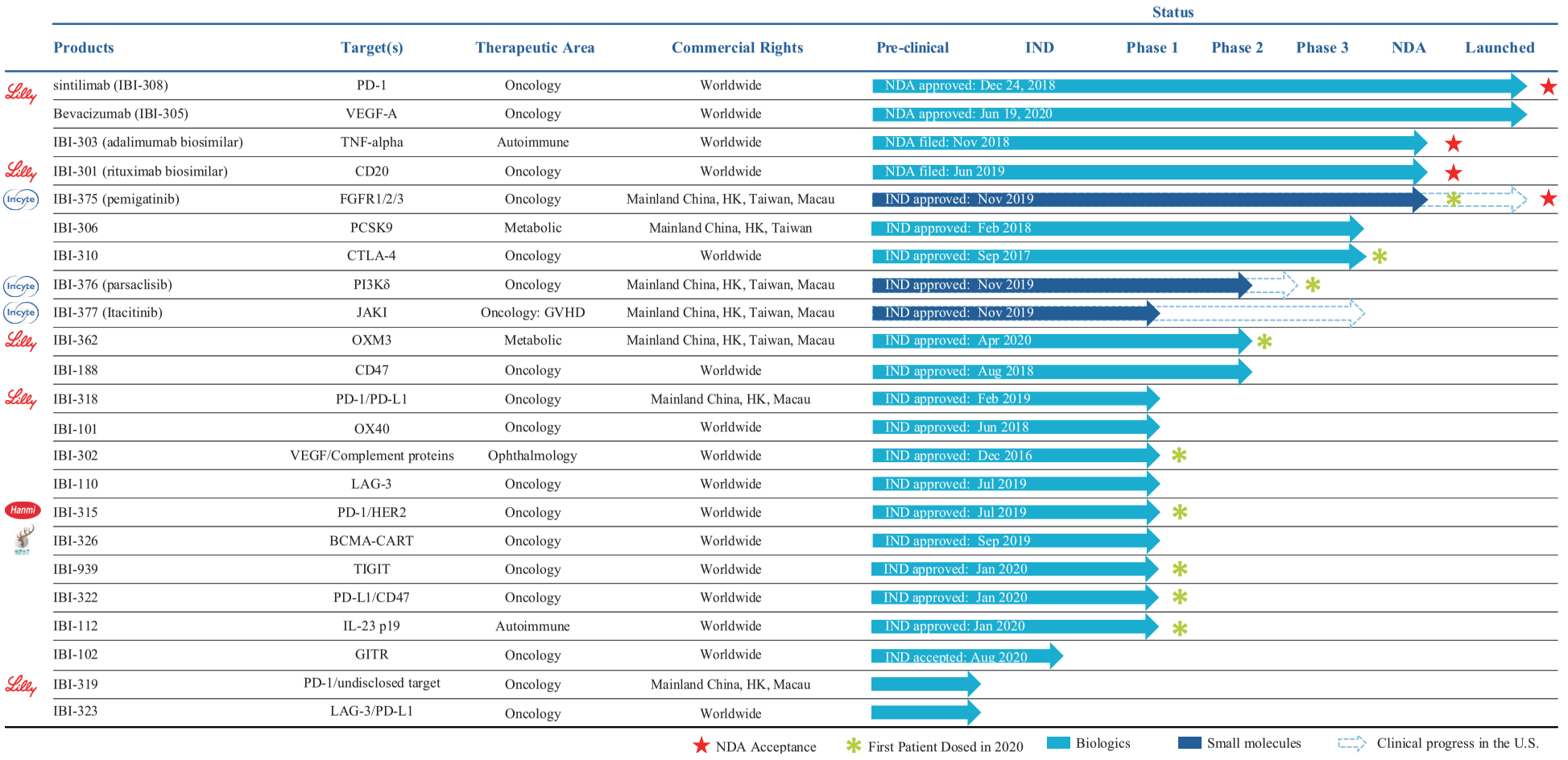
Major achievements in capital markets. In February 2020 and July 2020, we successfully raised fund of approximately HK$2.3 billion and HK$2.8 billion, respectively, through placings of new shares. As of the date of this announcement, we have approximately US$1.2 billion cash on hand. We believe the sufficient cash balance provides a strong support to our R&D development, production facility expansion and increased international clinical trial needs, as well as a good mobility in the face of changes in the macroeconomic and industry environments.

In June 2020, the "B" marker was removed from the Company's stock name and stock short name following the dis-application of Rules 18A.09 to 18A.11 of the Listing Rules, as the Company now satisfies the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules. In August 2020, Hang Seng Indexes announced the inclusion of the Company's shares into the Hang Seng Composite Index, with the change taking effect from 7 September 2020. The Company's Shares may be considered for inclusion in the Stock Connect in the future.

Pipeline summary

Leveraging the Company's fully-integrated multi-functional platform and strategic partnerships and collaborations, the Company has developed a robust pipeline of 23 valuable assets in a total of more than 50 ongoing clinical trials, as of the date of this announcement. The Company's pipeline assets cover a variety of novel and validated therapeutic targets and drug modalities (including monoclonal antibodies, bispecific antibodies, fusion proteins, CAR-T and small molecules), span multiple major therapeutic areas including oncology, metabolic, immunology and ophthalmology diseases, and promise tremendous clinical and commercial potential as monotherapies or combination therapies to address unmet medical needs.

The following chart summarizes the therapeutic targets, therapeutic areas, commercial rights and development status of our pipeline assets as of the date of this announcement.


Status
Products
Target(s)
Therapeutic Area
Commercial Rights
Pre-clinical
IND
Phase 1
Phase 2
Phase 3
NDA
Launched
sintilimab (IBI-308)
PD-1
Oncology
Worldwide
NDA approved: Dec 24, 2018
Bevacizumab (IBI-305)
VEGF-A
Oncology
Worldwide
NDA approved: Jun 19, 2020
IBI-303 (adalimumab biosimilar)
TNF-alpha
Autoimmune
Worldwide
NDA filed: Nov 2018
IBI-301 (rituximab biosimilar)
CD20
Oncology
Worldwide
NDA filed: Jun 2019
IBI-375 (pemigatinib)
FGFR1/2/3
Oncology
Mainland China, HK, Taiwan, Macau
IND approved: Nov 2019
IBI-306
PCSK9
Metabolic
Mainland China, HK, Taiwan
IND approved: Feb 2018
IBI-310
CTLA-4
Oncology
Worldwide
IND approved: Sep 2017
IBI-376 (parsaclisib)
PI3Kδ
Oncology
Mainland China, HK, Taiwan, Macau
IND approved: Nov 2019
IBI-377 (Itacitinib)
JAKI
Oncology: GVHD
Mainland China, HK, Taiwan, Macau
IND approved: Nov 2019
IBI-362
OXM3
Metabolic
Mainland China, HK, Taiwan, Macau
IND approved: Apr 2020
IBI-188
CD47
Oncology
Worldwide
IND approved: Aug 2018
IBI-318
PD-1/PD-L1
Oncology
Mainland China, HK, Macau
IND approved: Feb 2019
IBI-101
OX40
Oncology
Worldwide
IND approved: Jun 2018
IBI-302
VEGF/Complement proteins
Ophthalmology
Worldwide
IND approved: Dec 2016
IBI-110
LAG-3
Oncology
Worldwide
IND approved: Jul 2019
IBI-315
PD-1/HER2
Oncology
Worldwide
IND approved: Jul 2019
IBI-326
BCMA-CART
Oncology
Worldwide
IND approved: Sep 2019
IBI-939
TIGIT
Oncology
Worldwide
IND approved: Jan 2020
IBI-322
PD-L1/CD47
Oncology
Worldwide
IND approved: Jan 2020
IBI-112
IL-23 p19
Autoimmune
Worldwide
IND approved: Jan 2020
IBI-102
GITR
Oncology
Worldwide
IND accepted: Aug 2020
IBI-319
PD-1/undisclosed target
Oncology
Mainland China, HK, Macau
IBI-323
LAG-3/PD-L1
Oncology
Worldwide
NDA Acceptance
First Patient Dosed in 2020
Biologics
Small molecules
Clinical progress in the U.S.

BUSINESS REVIEW

During the first half of 2020, despite of the COVID-19 pandemic, we continued to deliver on our investors' expectations by making significant progress with respect to our drug pipeline and business operations, including the following milestones and achievements:

Our Commercial Stage Products

TYVYT® (sintilimab injection), *an innovative fully human anti-PD-1 monoclonal antibody co-developed with Lilly); accepted into the National Major New Drugs Innovation and Development Program; approved in China*

Commercial Development Milestones and Achievements

- During the first half of 2020, TYVYT® (sintilimab injection) generated RMB920.9 million in revenue, representing an increase of 177.7% over the same period of last year.

- During the first half of 2020, we have leveraged our unique advantage as the only PD-1 inhibitor included in the NRDL to expedite the process of entering hospital channels, expanding coverage in both major cities and lower tier cities, and building up recognition from doctors and patients.

- Our sales and marketing team of TYVYT® (sintilimab injection) has expanded from about 700 employees as of 31 December 2019 to over 1,100 employees as of 30 June 2020.

- Our coverage has expanded from about 2,000 hospitals and 500 DTP/pharmacies as at 31 December 2019 to about 3,500 hospitals and 900 DTP/pharmacies across more than 300 cities as at 30 June 2020.

Post-Reporting Period (Expected) Commercial Development Plans

- In the second half of 2020, we plan to continue leveraging our NRDL advantage to keep broadening our hospital and pharmacy coverage and deepening the penetration of TYVYT® (sintilimab injection).

- We plan to keep strengthening academic promotion among doctors and patients in the second half of 2020, especially by leveraging multiple key clinical results of TYVYT® (sintilimab injection) expected to be announced, including first-line nsqNSCLC, first-line sqNSCLC, and first-line HCC etc.

Clinical Development Milestones and Achievements during Reporting Period

We are executing a broad clinical development program for TYVYT® (sintilimab injection) and are currently conducting over 20 clinical studies to evaluate its efficacy and safety in a wide variety of cancer indications, including 12 registrational or pivotal clinical trials ongoing or completed, both as a monotherapy and as part of a combination therapy, and both in China and in the U.S..

The following chart summarizes the clinical development programs on-going for TYVYT® (sintilimab injection) as of the date of this announcement.

INDICATION	MONO-/COMBO-THERAPY (OTHER COMPONENTS)	STATUS					
		PHASE 1					
		1A	1B	PHASE 2	PHASE 3	NDA FILED	NDA APPROVED
China							
r/r Classical Hodgkin's Lymphoma	Mono						●
1L Non-squamous NSCLC	Combo (pemetrexed and cisplatin)					●	
1L Squamous NSCLC	Combo (gemcitabine and platinum)					●	
2L Squamous NSCLC	Mono				◔		
1L Hepatocellular Carcinoma	Combo (IBI-305 /biosimilar to bevacizumab)				◔		
EGFR+ TKI Failure NCSLC *(MRCT)*	Combo (IBI-305 /biosimilar to bevacizumab)				◐		
1L Gastric Cancer	Combo (capecitabine and oxaliplatin)				◐		
1L Gastric Cancer (CPS ≥10)	Combo (Ramucizumab)				◐		
1L Esophageal Carcinoma *(MRCT)*	Combo (paclixel and cisplatin/5-FU and cisplatin)				◐		
2L Classical Hodgkin's Lymphoma	Combo (ICE)				◐		
Melanoma (adjuvant)	Combo (IBI-310/CTLA-4 mAb)				◐		
2L ESCC	Mono			●			
r/r NK/T-cell Lymphoma	Mono			◔			
3L CRC	Combo (IBI-310/CTLA-4 mAb)			◐			
Refractory Gastrointestinal Cancer	Mono		●				
1L Gastric Cancer	Combo (capecitabine and oxaliplatin)		◔				
2L NSCLC	Mono		◔				
1L/2L Melanoma	Mono		◔				
1L Squamous NSCLC	Combo (gemcitabine and cisplatin)		◔				
2L Neuroendocrine Tumor	Mono		◐				
Solid Tumors/colorectal cancer	Combo (Fruquintinib)		◐				
Solid Tumors/cholangiocarcinoma	Combo (Surufatinib)	◴					
3L colorectal cancer	Combo (Chidamide)	◴					
2L Hepatocellular Carcinoma	Combo (siRNA)	◴					
U.S.							
1L Esophageal Carcinoma *(MRCT)*	Combo (paclixel and cisplatin/5-FU and cisplatin)				◔		
Solid Tumors	Mono		◔				
Late Stage Endometrial Carcinoma	Mono		◔				

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

Note: r/r: relapsed/refractory; 2L: second-line; 1L: first-line; NSCLC: non-small cell lung cancer; EGFR+ TKI: epidermal growth factor receptor-tyrosine kinase inhibitor; ESCC: esophageal squamous cell carcinoma.

- Filed sNDA for TYVYT® (sintilimab injection) in China:
  - In April 2020, we filed sNDA for TYVYT® (sintilimab injection) in China in combination with ALIMTA® (pemetrexed) and platinum chemotherapy as the first-line therapy in nsqNSCLC without sensitizing EGFR mutation or ALK rearrangement, based on the pre-specified interim analysis of the Phase 3 ORIENT-11 study.
- Met primary endpoint in:
  - the Phase 3 ORIENT-12 study to evaluate TYVYT® (sintilimab injection) in combination with gemcitabine and platinum chemotherapy in first-line sqNSCLC; and
  - the Phase 2 ORIENT-2 study in China to evaluate TYVYT® (sintilimab injection) as a monotherapy as a second-line treatment for patients with advanced or metastatic esophageal squamous cell carcinoma ("**ESCC**").
- Continued the post-enrollment patient follow-up for:
  - the Phase 3 study to evaluate TYVYT® (sintilimab injection) as a monotherapy in second-line sqNSCLC in China (ORIENT-3); and
  - the Phase 2/3 study to evaluate TYVYT® (sintilimab injection) in combination with our BYVASDA® (bevacizumab biosimilar), as a first-line treatment for patients with advanced HCC in China (ORIENT-32).
- Completed the patient enrollment of:
  - the Phase 1b/2 trial of TYVYT® (sintilimab injection) in combination with fruquitinib (developed by Hutchison China MediTech Limited ("**Chi-Med**")) in advanced solid tumors.
- Continued the patient enrollment of:
  - the Phase 3 trial for TYVYT® (sintilimab injection) in combination with capecitabine and oxaliplatin in the treatment of first line gastric cancer (ORIENT-16);
  - the China arm of the global Phase 3 study of TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin in first-line esophageal carcinoma (ORIENT-15); and
  - the Phase 3 for trial for TYVYT® (sintilimab injection) with BYVASDA® (bevacizumab biosimilar) and pemetrexed and cisplatin in the treatment of NSCLC patients with EGFR mutation after the failure of TKI treatment (ORIENT-31).

- Received IND approval for:

  – the combination of TYVYT® (sintilimab injection) plus Surufatinib (developed by Chi-Med) in advanced malignancies in China; and

  – the initiation of a global Phase 3 ORIENT-15 study in the U.S. for TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin in first-line ESCC.

- Submitted IND application for:

  – The Phase 3 study for TYVYT® (sintilimab injection) in combination with Lilly's Cyramza® (ramucirumab) in the first line treatment of advanced gastric cancer in China.

- Presented key results from four clinical studies of TYVYT® (sintilimab injection) by online posters/abstracts at the 56th Annual Meeting of the American Society of Clinical Oncology ("**ASCO**") in May-June 2020, including:

  – the Phase 1b results of TYVYT® (sintilimab injection) in combination with BYVASDA® (bevacizumab biosimilar) in the treatment of advanced HCC;

  – the long-term follow-up results of TYVYT® (sintilimab injection) in the treatment of relapsed/refractory classical Hodgkin's lymphoma (ORIENT-1);

  – the two-year follow-up results of TYVYT® (sintilimab injection) in relapsed/refractory extranodal NK/T-cell lymphoma (nasal type, ORIENT-4); and

  – the results of the pivotal Phase 2 study in China to evaluate TYVYT® (sintilimab injection) as a monotherapy as a second-line treatment for patients with advanced or metastatic ESCC (ORIENT-2).

- Entered into collaborations with strategic partners to explore the potential of TYVYT® (sintilimab injection), including:

  – the collaboration with MD Anderson Cancer Center to co-develop TYVYT® (sintilimab injection) in rare cancers in the U.S.. The collaboration will provide us with opportunities to pursue approval of TYVYT® (sintilimab injection) by the U.S. FDA for multiple rare cancer indications in addition to larger cancer indications for TYVYT® (sintilimab injection) that we are independently pursuing for approval;

  – the collaborations with Sirnaomics to conduct clinical studies combining TYVYT® (sintilimab injection) and Sirnaomics' RNAi drug candidate STP705 (cotsiranib), for combination treatment in advanced cancers, such as HCC, with high unmet need in the U.S..

Post-Reporting Period (Expected) Milestones and Achievements

- In July 2020, the first patient was successfully dosed in a Phase 1b trial of TYVYT® (sintilimab injection) and Surufatinib (developed by Chi-Med) in advanced malignancies in China.

- In August 2020, the NMPA accepted the sNDA for TYVYT® (sintilimab injection) in combination with GEMZAR® (gemcitabine for injection) and platinum chemotherapy as first-line therapy in sqNSCLC.

- In August 2020, we announced the interim analysis data of the phase 3 trial ORIENT-11 in an oral presentation at the International Association for the Study of Lung Cancer 2020 World Conference on Lung Cancer Virtual Presidential Symposium. This trial was to assess the efficacy of TYVYT® (sintilimab injection) in combination with ALIMTA® (pemetrexed) and platinum chemotherapy as first-line therapy in nsqNSCLC.

- In late 2020 or early 2021, we expect to submit two sNDAs to the NMPA for TYVYT® (sintilimab injection) in various cancer indications, including:

  – second-line NSCLC; and

  – first-line HCC.

- In the second half of 2020, we expect to complete patient enrollment in:

  – Phase 3 trial for TYVYT® (sintilimab injection) in combination with capecitabine and oxaliplatin in the treatment of first line gastric cancer (Orient-16); and

  – the China arm of the global Phase 3 trial of TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin in first-line esophageal carcinoma (ORIENT-15).

- In the second half of 2020, we expect to complete first patient dosing in:

  – the Phase 3 study for TYVYT® (sintilimab injection) in combination with Lilly's Cyramza (ramucirumab) in the first line treatment of advanced gastric cancer in China; and

  – the ex-China arm of our global Phase 3 ORIENT-15 study for TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin in first-line esophageal carcinoma.

- We plan to present key results of trials for TYVYT® (sintilimab injection) at medical meetings in the second half of 2020, including:

  – the biomarker data of the Phase 3 ORIENT-11 study to evaluate TYVYT® (sintilimab injection) in combination with pemetrexed and platinum chemotherapy in first-line nsqNSCLC at the virtual annual meeting of European Society for Medical Oncology ("**ESMO**");

  – the results of the Phase 3 ORIENT-12 study to evaluate TYVYT® (sintilimab injection) in combination with gemcitabine and platinum chemotherapy in first-line sqNSCLC at the virtual annual meeting of ESMO;

– the result of the Phase 2 part of the Phase 2/3 ORIENT-32 study to evaluate TYVYT® (sintilimab injection) in combination with BYVASDA® (bevacizumab biosimilar) as a first-line treatment for patients with advanced HCC in China at the virtual annual meeting of ESMO;

– the interim data of the Phase 2/3 ORIENT-32 study to evaluate TYVYT® (sintilimab injection) in combination with our BYVASDA® (bevacizumab biosimilar), as a first-line treatment for patients with advanced HCC in China at the annual meeting of the Society for Immunotherapy of Cancer ("**SITC**") or the annual meeting of ESMO Asia Congress; and

– the final data of the Phase 3 study to evaluate TYVYT® (sintilimab injection) as a monotherapy in second-line sqNSCLC in China (ORIENT-3) with presentation at appropriate medical meeting under planned.

BYVASDA® (bevacizumab biosimilar), *a fully-human anti-vascular endothelium growth factor ("**VEGF**") monoclonal antibody; accepted into the National Major New Drugs Innovation and Development Program; approved in China*

Milestones and Achievements during Reporting Period

- In January 2020, we entered into an out-license agreement with Coherus, a leading biosimilar company, to commercialise our IBI-305 (bevacizumab biosimilar) in the U.S. and Canada.

- In June 2020, BYVASDA® (bevacizumab biosimilar) was officially approved by the NMPA for patients with advanced NSCLC and metastatic colorectal cancer in China, becoming our second commercial stage drug in China. We have launched BYVASDA® (bevacizumab biosimilar) on market after we received the approval.

Post-Reporting Period (Expected) Milestones and Achievements

- We will continue working on the province listing and hospital entry for BYVASDA® (bevacizumab biosimilar) during the second half of 2020. We will leverage the rich oncology promotion experience of our sales and marketing team for TYVYT® (sintilimab injection) in the commercialisation of BYVASDA® (bevacizumab biosimilar).

Our NDA Stage Drug Candidate

IBI-303 (adalimumab biosimilar), *a fully-human anti-TNF-α monoclonal antibody; accepted into the National Major New Drugs Innovation and Development Program; NDA submitted in China*

Post-Reporting Period (Expected) Milestones and Achievements

- We expect to receive approval in China for the NDA for IBI-303 in the second half of 2020, and we plan to start the commercialisation of IBI-303 once after receiving NDA approval.

- With IBI-303 (adalimumab biosimilar) potentially to be launched as the first non-oncology drug in our portfolio, we have separately established an experienced sales and marketing team focusing on the promotion of non-oncology drugs.

IBI-301 (rituximab biosimilar), *a recombinant chimeric murine/human anti-CD20 monoclonal antibody co-developed with Lilly; accepted into the National Major New Drugs Innovation and Development Program; NDA submitted in China*

Post-Reporting Period Expected Milestones and Achievements

- We expect to receive approval for the NDA by the end of 2020 or early 2021. Our preparation for the launch of IBI-301's commercialisation has been in progress.

Our Clinical-Stage Drug Candidates

IBI-306, *a novel anti-PCSK9 monoclonal antibody; accepted into the National Major New Drugs Innovation and Development Program*

Milestones and Achievements during Reporting Period

- We have initiated a Phase 3 clinical trial in China evaluating IBI-306 as monotherapy for the treatment of non-familial hypercholesterolemia, and have enrolled the first patient.

- During the first half of 2020, we have continued to enroll patients for:

  – a Phase 3 clinical trial in China for heterozygous familial hypercholesterolemia ("**HeFH**"); and

  – a pivotal Phase 2b/3 clinical trial in China for homozygous familial hypercholesterolemia.

Post-Reporting Period Expected Milestones and Achievements

- By the end of 2020 or the first half of 2021, we expect to complete patient enrollment for:

  – the Phase 3 trial in China for the treatment of non-familial hypercholesterolemia; and

  – the Phase 3 clinical trial in China for HeFH.

- We plan to present the results of the Phase 1 and Phase 2 study in the annual meeting of European Society of Cardiology in August 2020.

IBI-310, *an anti-CTLA-4 monoclonal antibody*

Milestones and Achievements during Reporting Period

- In April 2020, we enrolled the first patient in the Phase 3 registrational study in China for IBI-310 in combination with our TYVYT® (sintilimab injection) in the adjuvant treatment of melanoma.

- In June 2020, we announced the preliminary results of a Phase 1 clinical study of IBI-310 and its combination with TYVYT® (sintilimab injection) in the form of online publication at the 56th annual meeting of ASCO.

Post-Reporting Period (Expected) Milestones and Achievements

- In July 2020, we enrolled the first patient for a Phase 1 clinical study of IBI-310 in previously treated HCC, and we expect to complete the patient enrolment for the Phase 1b study in the second half of 2020.

IBI-188, *a novel fully human anti-CD47 monoclonal antibody; with best-in-class potential*

Milestones and Achievements during Reporting Period

- We dosed the first patient of the Phase 1a dosage escalation studies for IBI-188 in both the U.S. and China in 2019. As at 30 June 2020:
  - in the U.S., we completed the Phase 1a dosage escalation study to evaluate IBI-188 in advanced malignant tumors and lymphomas;
  - in China, we are finalizing the Phase 1a trial to evaluate IBI-188 in advanced malignant tumors.

Post-Reporting Period Expected Milestones and Achievements

- In the second half of 2020, we plan to:
  - in China, initiate a pivotal Phase 1b/2 trial in r/r AML with first patient of the Phase 1b study enrolled;
  - in China, initiate a pivotal Phase 1b/3 trial in MDS with first patient of the Phase 1b study enrolled; and
  - in the U.S., initiate the Phase 1b trial in MDS with plans for registrational development thereafter.
- We plan to present the safety result of the phase 1a study to evaluate IBI-188 in advanced malignant tumors and lymphomas in the U.S. at the annual meeting of SITC.

IBI-375 (pemigatinib), *a novel FGFR inhibitor in-licensed from Incyte Biosciences International Sarl ("**Incyte**", a subsidiary of Incyte Corporation (NASDAQ ticker symbol: INCY))*

Milestones and Achievements during Reporting Period

- In January 2020, Incyte announced that the European Medicines Agency validated Incyte's marketing authorization application for pemigatinib for the treatment of adults with locally advanced or metastatic cholangiocarcinoma (mCCA) with FGFR2 fusion or rearrangement that is relapsed or refractory after at least one line of systemic therapy.
- In April 2020, Pemazyre® (pemigatinib) was approved by the U.S. FDA as the first targeted treatment for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 (FGFR2) fusion or other rearrangement as detected by an FDA-approved test.
- We dosed the first patient in the Phase 2 potentially registrational trial of IBI-375 (pemigatinib) as treatment for patients with second-line mCCA with FGFR2 fusion or rearrangement in China.

- We submitted NDA application in Taiwan for IBI-375 (pemigatinib) for the treatment of patients with second-line mCCA with FGFR2 fusion or rearrangement. The NDA application was accepted by Taiwan FDA.

Post-Reporting Period (Expected) Milestones and Achievements

- In the second half of 2020, we expect to complete enrollment of the Phase 2 potentially registrational trial of IBI-375 (pemigatinib) as treatment for patients with second-line mCCA with FGFR2 fusion or rearrangement in China.

- We joined the Incyte-sponsored global Phase 3 clinical trial (FIGHT-302) evaluating the efficacy and safety of IBI-375 (pemigatinib) versus gemcitabine plus cisplatin chemotherapy in first-line treatment of mCCA with FGFR2 fusion or rearrangement. We expect to dose the first patient in Q4 2020 in China.

IBI-376 (parsaclisib), *a novel PI3Kδ inhibitor in-licensed from Incyte*

Milestones and Achievements during Reporting Period

- In April 2020, we dosed the first Chinese patient in the Phase 2 potentially registrational trial evaluating the efficacy and safety of parsaclisib in patients with r/r FL or MZL.

Post-Reporting Period (Expected) Milestones and Achievements

- We plan to continue enrolling patients for the Phase 2 potentially registrational trial in China.

IBI-377 (itacitinib), a novel JAK1 inhibitor in-licensed from Incyte

Milestones and Achievements during Reporting Period

- In January 2020, Incyte announced that its Phase 3 trial of IBI-377 (itacitinib) in patients with newly diagnosed acute graft-versus-host disease did not meet the primary endpoint.

IBI-318, *a first-in-class anti-PD-1/PD-L1 bispecific antibody co-developed with Lilly*

Milestones and Achievements during Reporting Period

- In the first half of 2020, we have completed dosage escalation of the Phase 1a study of IBI-318 in advanced malignancies in China.

- In June 2020, we presented the preliminary results of the Phase 1a study of IBI-318 in patients with advanced tumors at the 56th annual meeting of ASCO.

Post-Reporting Period (Expected) Milestones and Achievements

- We plan to further develop IBI-318.

IBI-315, *a first-in-class anti-PD-1/Human epidermal growth factor receptor 2 bispecific antibody co-developed with Hanmi Pharmaceutical Co., Ltd.*

Milestones and Achievements during Reporting Period

- Since the first patient was dosed in November 2019 for the Phase 1 trial in patients with advanced malignancies in China, we have been enrolling patients for the trial in the first half of 2020.

IBI-326, *a novel fully-human anti-BCMA CAR-T therapy, co-developed with Nanjing IASO Biotherapeutics ("**IASO BIO**")*

- In September 2019, we received IND approval from the NMPA to evaluate IBI-326 in hematology.

Milestones and Achievements during Reporting Period

- We are in active communication with IASO BIO on conducting the clinical trial of IBI-326 in the patients with hematology.

IBI-302, *a potential first-in-class anti-VEGF/complement bispecific fusion protein; accepted into the National Major New Drugs Innovation and Development Program*

Milestones and Achievements during Reporting Period

- In the first half of 2020, we have completed Phase 1a study of IBI-302 and have enrolled the first patient for a Phase 1b study in China to evaluate IBI-302 for wet age-related macular degeneration ("**wet AMD**").

Post-Reporting Period Expected Milestones and Achievements

- We expect to have the data readout for the Phase 1 study in China to evaluate IBI-302 for wet AMD in the second half of 2020.

- We also expect to present the clinical results of the Phase 1 study at the annual meeting of American Academy of Ophthalmology in November 2020.

IBI-101, *a novel fully humanized anti-OX40 monoclonal antibody*

Milestones and Achievements during Reporting Period

- We completed patient enrollment of the Phase 1 trials to evaluate IBI-101 in advanced solid tumors in the first half of 2020.

IBI-110, *a novel anti-LAG-3 monoclonal antibody*

Milestones and Achievements during Reporting Period

- In December 2019, we dosed the first patient in a Phase 1 clinical trial in China to evaluate IBI-110 in advanced solid tumors. During the first half of 2020, we have continued to enroll patients for the Phase 1 clinical trial.

Post-Reporting Period Expected Milestones and Achievements

- We expect to complete the Phase 1 patient enrolment in late second half of 2020 or the first half of 2021.

IBI-322, *a novel first-in-class anti-CD47/PD-L1 bispecific antibody*

Milestones and Achievements during Reporting Period

- In January 2020, we received IND approvals from the NMPA and the U.S. FDA, respectively.

Post-Reporting Period (Expected) Milestones and Achievements

- In August 2020, we have dosed the first patient of IBI-322 in a Phase 1a/1b clinical study to evaluate IBI-322 in the treatment of patients with advanced malignancies in China.

- We plan to initiate Phase 1 study for IBI-322 and dose the first patient in the U.S. later this year.

IBI-939, *a novel anti-TIGIT monoclonal antibody*

Milestones and Achievements during Reporting Period

- In January 2020, we received IND approval from the NMPA for IBI-939 in the treatment of advanced solid tumors and hematological malignancies.

- In May 2020, we have successfully dosed the first patient in a Phase 1 clinical study conducted in China to evaluate IBI-939 in the treatment of patients with advanced malignancies.

Post-Reporting Period Expected Milestones and Achievements

- We plan to submit IND application for a Phase 1 study of IBI-939 in the U.S. by the end of 2020.

IBI-362, *an oxyntomodulin analog (OXM3) in-licensed from Lilly, potential global best-in-class clinical-stage diabetes drug candidate*

Milestones and Achievements during Reporting Period

- We received IND approval from the NMPA and we successfully dosed the first patient in a Phase 1b/2 clinical trial of IBI-362 in China to evaluate the safety and tolerability of IBI-362 in overweight or obese subjects.

- We received IND approval from the NMPA to evaluate the safety and tolerability of IBI-362 in Type II diabetes patients.

Post-Reporting Period Expected Milestones and Achievements

- We plan to dose the first patient in a Phase 1b/2 clinical trial of IBI-362 in China to evaluate the safety and tolerability of IBI-362 in Type II diabetes.

IBI-112, *a novel anti-IL-23 (p19 subunit) monoclonal antibody*

Milestones and Achievements during Reporting Period

- We received IND approval from the NMPA for IBI-112 in inflammatory enteritis and other autoimmune diseases.

Post-Reporting Period (Expected) Milestones and Achievements

- In August 2020, we initiated phase 1 study in China to evaluate the safety and tolerance of IBI-112 in China.

Our Select Preclinical Drug Candidates

IBI-323, *a novel LAG-3/PD-L1 bi-specific antibody*

Post-Reporting Period Expected Milestones and Achievements

- We submitted IND application for IBI-323 to the NMPA in advanced cancer in August 2020.

IBI-319, *a bispecific antibody incorporating sintilimab anti-PD-1-binding backbone*

Post-Reporting Period Expected Milestones and Achievements

- We submitted IND application for IBI-319 to the NMPA in August 2020.

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: The Company cannot guarantee that it will be able to develop, or ultimately market, any of the products in its pipeline successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

Our Strategic Collaboration with Domestic and Overseas Partners

- In January 2020, we entered a strategic collaboration with Sirnaomics to use our TYVYT® (sintilimab injection) and Sirnaomics' RNAi drug candidate STP705 (cotsiranib) to conduct clinical studies for combination treatment in advanced cancers, such as HCC, with high unmet need in the U.S..

- In January 2020, we entered into an out-license agreement with Coherus to commercialise IBI-305 (bevacizumab biosimilar) in the U.S. and Canada.

- In March 2020, the Company entered into an in-licensing agreement with Alector to develop and commercialize AL008, a first-in-class anti-SIRP-alpha antibody targeting CD47-SIRP-alpha pathway, a potent survival pathway co-opted by tumors to evade the innate immune system, for the treatment of oncology indications in China. AL008 has a unique dual mechanism of action that non-competitively antagonizes the CD47-SIRP-alpha pathway by inducing the internalization and degradation of the inhibitory receptor on macrophages to relieve immune suppression (a don't eat me signal) while also engaging FcγR2A, an activating IgG Fc receptor, to promote immuno-stimulatory pathways that drive anti-tumor immunity.

- In May 2020, we entered into a strategic collaboration agreement with MD Anderson Cancer Center to co-develop TYVYT® (sintilimab injection) in rare cancers in the U.S..

- In June 2020, we announced a strategic collaboration with Roche that focuses on the discovery, clinical development and commercialization of bispecific antibodies and multiple cell therapies. The collaboration enables us to access certain Roche technologies in the discovery and development of specific 2:1 T-cell bispecific antibodies (TCB) as well as its universal CAR-T platform. We believe the collaboration with Roche significantly enhances our R&D capability in cell therapy, and also extends our cross-company collaboration one step ahead from drug clinical development and commercialization to the core drug discovery stage across technology platforms, which shows the recognition of global top-tier pharmaceutical company on our drug discovery and R&D capability.

- In August 2020, we entered into a strategic milestone agreement to license out the exclusive rights of TYVYT® (sintilimab injection) outside of China to Eli Lilly, which plans to pursue registration of TYVYT® (sintilimab injection) in the U.S. and other markets. The company will receive an upfront payment of US$200 million and will be eligible for up to US$825 million in potential development and commercial milestones, as well as tiered double-digit royalties on net sales.

Our Manufacturing Facilities

- We are currently operating 5*1,000L bioreactors to support our production needs for TYVYT® (sintilimab injection), BYVASDA® (bevacizumab biosimilar) and other product candidates in our pipeline.

  In addition, we have completed Good Manufacturing Practice ("**GMP**") commissioning and process validation and commenced GMP production with our second manufacturing facilities housing 6*3,000L stainless steel bioreactors. This expansion has increased our total production capacity to 23,000L and further boosted our manufacturing capacity per batch by multiple times through continued process optimization. This expansion of manufacturing capacity will also contribute to the lowered production cost owing to greater economies of scale, and facilitate accelerated introduction of new drugs through more clinical trials.

- We plan 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 Corporate Development

- In February 2020, in support of our solid business and commercial operations, we drew strong financial backing and raised approximately HK$2.3 billion through a placing of new shares.

- In June 2020, the Stock Exchange approved the dis-application of Rules 18A.09 to 18A.11 of the Listing Rules as we now satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules. As a result of the approval by the Stock Exchange, the "B" marker was removed from the Company's stock name and stock short name.

- In July 2020, the Company successfully raised approximately HK$2.8 billion through a placing of new shares mainly to fund our production facility expansion and increased international clinical trial needs.

- In August 2020, Hang Seng Indexes announced the inclusion of the Company's shares into the Hang Seng Composite Index, with the change taking effect from 7 September 2020. The Company's shares may be considered for inclusion in the Stock Connect in the future.

- We have substantially expanded our patent portfolio. As of 30 June 2020, we owned 28 issued patents and 82 patent applications in China, 5 issued patents and 14 patent applications in the U.S., and 29 issued patents and 157 patent applications in the rest of the world relating to our products and technologies. These patent applications included 48 international patent applications under the Patent Cooperation Treaty.

Important Events after the End of the Reporting Period

Save as disclosed above, there are no important events that have occurred after the end of Reporting Period and up to the date of this announcement.

FINANCIAL REVIEW

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

IFRS measure	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers	**984,206**	345,517
Cost of sales	**(184,817)**	(40,952)
Gross profit	**799,389**	304,565
Other income	**107,357**	55,956
Other gains and losses	**97,549**	(9,765)
Research and development expenses	**(807,954)**	(670,700)
Administrative and other expenses	**(186,835)**	(78,110)
Selling and marketing expenses	**(446,623)**	(266,721)
Royalties and other related payments	**(134,936)**	(12,897)
Finance costs	**(32,613)**	(36,734)
Loss before tax	**(604,666)**	(714,406)
Income tax expense	**(3,528)**	–
Loss and total comprehensive expenses for the period	**(608,194)**	(714,406)
Non-IFRS measure:		
Adjusted loss and total comprehensive expenses for the period	**(453,533)**	(667,639)

Note: Comparative figures of royalties and other related payments have been reclassified from selling and marketing expenses to conform to the current period's presentation as the Directors consider that the new presentation is more relevant and appropriate to the consolidated financial statements.

1. Revenue

For the six months ended 30 June 2020, the Group generated revenue from contracts with customers of RMB984.2 million. The Group generates revenue from (i) sales of pharmaceutical products; (ii) license fee income; and (iii) R&D 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	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers:		
Sales of pharmaceutical products	**920,888**	331,630
License fee income	**63,212**	10,939
Research and development service fee income	**106**	2,948
Total revenue from contracts with customers	**984,206**	345,517

During the six months ended 30 June 2020, the Group recorded revenue from sales of TYVYT® (sintilimab injection) of RMB920.9 million, as compared with RMB331.6 million for the six months ended 30 June 2019.

During the six months ended 30 June 2020, the Group recorded license fee income of RMB63.2 million, as compared with RMB10.9 million for the six months ended 30 June 2019. In January 2020, the Group entered into an out-license agreement with a customer and realised license fee income of RMB35.3 million. Under the Exclusive License and Collaboration Agreement for China and Co-Development Agreement entered into between the Group and Lilly in March 2015 (the "**Lilly China Agreement**") on the products of TYVYT® (sintilimab injection) and IBI-301 (rituximab biosimilar), the group received collaboration payments and started to recognise revenue at the commercialization stage of relevant products. During the six months ended 30 June 2020 and 2019, such license fee income recorded was RMB27.9 million and RMB10.9 million, respectively.

In addition, the Group continued to provide R&D services to customers. During the six months ended 30 June 2020, the Group generated R&D service revenue of approximately RMB0.1 million.

2. Cost of Sales

The Group's cost of sales consists of cost of raw material, direct labor, manufacturing cost and manufacturing overhead related to the production of the products sold. For the six months ended 30 June 2020, the Group recorded cost of sales of RMB184.8 million, mainly attributable to the production costs of TYVYT® (sintilimab injection), as compared with RMB41.0 million for the six months ended 30 June 2019.

3. 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; (ii) incentive and other subsidies for R&D activities, which are recognised upon compliance with certain conditions; and (iii) incentive which has no specific conditions attached to the grants.

For the six months ended 30 June 2020, other income of the Group increased by RMB51.4 million to RMB107.4 million, from RMB56.0 million for the six months ended 30 June 2019. The increase was primarily due to the interest earned on the total proceeds of two placements of new shares for approximately RMB4,222.4 million in October 2019 and February 2020.

4. Other Gains and Losses

The Group's other gains and losses mainly consist of (i) changes in foreign currency exchange rates; and (ii) fair value changes of other financial assets (financial assets mandatorily measured at fair value through profit or loss).

For the six months ended 30 June 2020, other gains and losses of the group was a gain of RMB97.5 million, primarily benefit from the favorable impact of foreign exchange rates and higher net gains on other financial assets.

5. Research and Development Expenses

The Group's R&D expenses comprise of third-party contracting costs, including clinical trial expenses, raw material cost, staff costs, initial costs and subsequent milestone payment under collaboration and license agreements during development stage, and depreciation and amortisation.

For the six months ended 30 June 2020 and 2019, the group incurred R&D expenses of RMB808.0 million and RMB670.7 million, respectively. The increase was mainly driven by (i) increased expense of clinical trials and other associated R&D activities; and (ii) increased staff costs accompanied with expanding of relative R&D departments.

6. Administrative and Other Expenses

For the six months ended 30 June 2020, administrative and other expenses of the Group increased to RMB186.8 million from RMB78.1 million for the six months ended 30 June 2019. The significant increase was caused by hiring of new administrative staff and other administrative expenses in line with business expansion.

7. Selling and Marketing Expenses

Selling and marketing expenses represent staff costs for selling and marketing personnel and related expenses of marketing and promotion activities. Selling and marketing expenses were RMB446.6 million for the six months ended 30 June 2020, as compared with RMB266.7 million for the six months ended 30 June 2019. The Group continuously devotes commercialization efforts to explore potential market for our products to yield tremendous value for the patients and shareholders.

8. Royalties and Other Related Payments

Royalties and other related payments were RMB134.9 million for the six months ended 30 June 2020, as compared with RMB12.9 million for the six months ended 30 June 2019. This represented the royalties for various licensing-in products as well as other related payments to the third parties.

9. Income Tax Expense

Income tax expense was RMB3.5 million for the six months ended 30 June 2020, which represented the withholding tax paid for out-license income. The Group had no provision for taxation for the six months ended 30 June 2019.

10. 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 item, namely the 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 you should not consider it 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 are reflections of the Group's normal operating results by eliminating potential 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	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss and total comprehensive expenses for the period	**(608,194)**	(714,406)
Added:		
Share-based compensation expenses	**154,661**	46,767
Adjusted loss and total comprehensive expenses for the period	**(453,533)**	(667,639)

The table below sets forth a reconciliation of the R&D expenses to adjusted R&D expenses for the periods:

	Six Months Ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Research and development expenses	**(807,954)**	(670,700)
Added:		
Share-based compensation expenses	**41,791**	10,792
Adjusted research and development expenses for the period	**(766,163)**	(659,908)

The table below sets forth a reconciliation of the selling and marketing expenses to adjusted selling and marketing expenses for the periods:

	Six Months Ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Selling and marketing expenses	**(446,623)**	(266,721)
Added:		
Share-based compensation expenses	**21,953**	9,259
Adjusted selling and marketing expenses for the period	**(424,670)**	(257,462)

Selected Data from Statement of Financial Position

	As at 30 June 2020 ***RMB'000*** **(unaudited)**	As at 31 December 2019 *RMB'000* (audited)
Total current assets	**7,162,472**	5,455,423
Total non-current assets	**1,791,720**	1,775,106
Total assets	**8,954,192**	7,230,529
Total current liabilities	**1,084,885**	1,043,556
Total non-current liabilities	**1,464,742**	1,430,842
Total liabilities	**2,549,627**	2,474,398
Net current assets	**6,077,587**	4,411,867

11. Liquidity and Source of Funding and Borrowing

As at 30 June 2020, the Group's cash and cash equivalents and current portion of other financial assets increased to RMB6,194.4 million from RMB4,695.2 million as at 31 December 2019. The increase primarily resulted from the placement of new shares for approximately RMB2,122.7 million in February 2020.

As at 30 June 2020, the current assets of the Group were RMB7,162.5 million, including bank balances and cash of RMB4,633.3 million and other financial assets of RMB1,561.1 million. As at 30 June 2020, the current liabilities of the Group were RMB1,084.9 million, including trade payables of RMB196.1 million, other payables and accrued expenses of RMB617.1 million, contract liabilities of RMB110.2 million, borrowings of RMB146.0 million and lease liabilities of RMB15.5 million. As at 30 June 2020, the Group has available unutilised short-term bank loan facilities of approximately RMB85.0 million, which is the same as at 31 December 2019.

12. Key Financial Ratios

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

	As at 30 June 2020	As at 31 December 2019
Current ratio [(1)]	**6.6**	5.2
Quick ratio [(2)]	**6.2**	4.9
Gearing ratio [(3)]	**NM[(3)]**	NM[(3)]

13. Material Investments

The Group did not make any material investments during the six months ended 30 June 2020.

14. 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 2020.

15. Pledge of Assets

As at 30 June 2020, the Group had a total of RMB548.0 million of property, plant and equipment, RMB52.2 million of land use rights and RMB130.0 million of financial assets pledged to secure its loans and banking facilities.

16. Contingent Liabilities

As at 30 June 2020, the Group did not have any material contingent liabilities.

17. Foreign Exchange Exposure

During the six months ended 30 June 2020, the Group mainly operated in China and a majority of its transactions were settled in Renminbi (RMB), the functional currency of the Company's primary subsidiaries. As at 30 June 2020, 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 2020. 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.

Notes:

(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.

18. Employees and Remuneration

As at 30 June 2020, the Group had a total of 2,673 employees. The following table sets forth the total number of employees by function as of 30 June 2020:

Function	**Number of employees**	**% of total**
Research and Development	751	28
Manufacturing	546	20
Selling and Marketing	1,176	44
General and Administrative	200	8
Total	2,673	100

The total remuneration cost incurred by the Group for the six months ended 30 June 2020 was RMB578.7 million, as compared to RMB326.5 million for the six months ended 30 June 2019.

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**"), the Innovent Biologics, Inc. 2018 Restricted Share Plan (the "**2018 RS Plan**") and the Innovent Biologics, Inc. 2020 Restricted Share Plan (the "**2020 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 of the Pre-IPO Plan, the Post-IPO ESOP and the 2018 RS Plan and the circular of the Company dated 28 May 2020 for further details of the 2020 RS Plan, the termination of the 2018 RS Plan and the survival of the restricted shares granted or earmarked pursuant to the 2018 RS Plan.

INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2020.

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 2020, 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 Listing Rules except for the following deviation.

Pursuant to code provision A.2.1 of the CG Code, the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. The Company does not have separate chairman 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 2020.

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 of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made to all the Directors and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2020. 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 2020.

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 2020 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. The audit committee considers that the interim results for the six months ended 30 June 2020 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

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 2020.

6. Material Litigation

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2020. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended 30 June 2020.

7. Use of Proceeds

(a) Use of Net Proceeds from Global Offering

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 (equivalent to RMB3,234.7 million). There was no change in the intended use of net proceeds as previously disclosed in the Prospectus, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 24 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

As at 30 June 2020, approximately RMB2,733.7 million of the net proceeds of the global offering had been utilised as follows:

	Allocation of net proceeds from the global offering in the proportion disclosed in the Prospectus *RMB million*	**Utilisation as at 30 June 2019** *RMB million*	**Unutilised as at 30 June 2019** *RMB million*	**Utilisation as at 30 June 2020** ***RMB million***	**Unutilised as at 30 June 2020** ***RMB million***
Fund ongoing and planned clinical trials, preparation for registration filings and commercial launches (including production, sales and marketing) of TYVYT® (sintilimab injection)	1,682.1	493.8	1,188.3	**1,641.3**	**40.8**
Fund ongoing and planned clinical trials, preparation for registration filings and commercial launches (including production, sales and marketing) of BYVASDA® (bevacizumab biosimilar)	258.8	24.2	234.6	**99.2**	**159.6**
Fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of IBI-301 (rituximab biosimilar)	129.3	40.6	88.7	**93.3**	**36.0**
Fund ongoing and planned clinical trials, preparation for registration filings and commercial launches (including production, sales and marketing) of IBI-305 (adalimumab biosimilar)	32.4	7.3	25.1	**28.9**	**3.5**
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	808.7	511.6	297.1	**555.2**	**253.5**
For working capital and general corporate purposes	323.4	215.0	108.4	**315.8**	**7.6**
	3,234.7	1,292.5	1,942.2	**2,733.7**	**501.0**

(b) Use of Net Proceeds from the 2019 Placing

The placing of existing Shares and top-up subscription of new shares pursuant to the share placing and subscription agreement dated 9 October 2019 was completed on 18 October 2019 (the "**2019 Placing**"). The net proceeds raised from the 2019 Placing were approximately HK$2,351.3 million (approximately RMB2,122.7 million). The net proceeds have been and will be utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the 2019 Placing, that is, for development of key pipeline products, such as late stage clinical and registration trials for our three in-licensed products from Incyte and our two first-in-class bispecific products IBI-302 (anti-VEGF/anti-complement bispecific fusion protein) and IBI-318 (anti-PD-1/anti-PD-L1 bispecific antibody, developed in collaboration with Lilly) that are currently in Phase I clinical trial, and for future capacity expansion and general corporate use, as appropriate.

As at 31 December 2019, approximately RMB219.3 million of the net proceeds of the 2019 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the 2019 Placing, and RMB1,903.4 million remained unutilised. As at 30 June 2020, approximately RMB587.2 million of the net proceeds of the 2019 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the 2019 Placing, and RMB1,535.5 million remained unutilized. The table below sets out the use of proceeds from the 2019 Placing as at 31 December 2019 and 30 June 2020:

Use of net proceeds from the 2019 Placing as disclosed in the Company's announcements relating to the 2019 Placing	**Utilisation as at 31 December 2019** *RMB million*	**Unutilised as at 31 December 2019 (2)** *RMB million*	**Utilisation as at 30 June 2020** ***RMB million***	**Unutilised as at 30 June 2020 (2)** ***RMB million***
Incyte in-licensed products (1)	201.3	N/A	**273.7**	**N/A**
IBI-302 (anti-VEGF/complement bispecific fusion protein)	10.3	N/A	**18.4**	**N/A**
IBI-318 (anti-PD-1/PD-L1 bispecific antibody)	7.7	N/A	**12.3**	**N/A**
Development of other pipeline candidates	–	N/A	**209.7**	**N/A**
Future capacity expansion	–	N/A	**–**	**N/A**
General corporate use	–	N/A	**73.1**	**N/A**
	219.3	1,903.4	**587.2**	**1,535.5**

Notes:

(1) Incyte in-licensed products include IBI-375 (pemigatinib), IBI-376 (parsaclisib), and IBI-377 (itacitinib).

(2) The use of unutilised proceeds will be dependent upon actual business needs and therefore an exact breakdown is not currently available.

There was no change in the intended use of net proceeds as previously disclosed, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 36 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

(c) Use of Net Proceeds from the 2020 Placing

The placing of new shares pursuant to the placing agreement dated 12 February 2020 was completed on 20 February 2020 (the "**2020 Placing**"). The net proceeds raised from the 2020 Placing were approximately HK$2,330.6 million (approximately RMB2,099.7 million). The net proceeds have been and will be utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the 2020 Placing, that is, preparing for future capacity expansion of the possible rapid growth due to the inclusion of TYVYT® (sintilimab injection) in the NRDL, as well as in anticipation of the other new drugs the Company expects to launch in the next few years, and general corporate use, as appropriate.

As at 30 June 2020, approximately RMB85.2 million of the net proceeds of the 2020 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the 2020 Placing, and RMB2,014.5 million remained unutilised. The table below sets out the use of proceeds from the 2020 Placing as at 30 June 2020:

Use of net proceeds from the 2020 Placing as disclosed in the Company's announcements relating to the 2020 Placing	**Utilisation as at 30 June 2020** ***RMB million***	**Unutilised as at 30 June 2020** ***RMB million*** [(2)]
Future capacity expansion	**71.5** [(1)]	**N/A**
General corporate use	**13.7**	**N/A**
	85.2	**2,014.5**

Notes:

(1) This included the supplement of 5*1000L production line and 6*3000L capacity expansion.

(2) The use of unutilised proceeds will be dependent upon actual business needs and therefore an exact breakdown is not currently available.

There was no change in the intended use of net proceeds as previously disclosed, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 36 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020

		Six months ended 30 June	
	NOTES	**2020**	2019
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Revenue from contracts with customers	*4*	**984,206**	345,517
Cost of sales		**(184,817)**	(40,952)
Gross profit		**799,389**	304,565
Other income		**107,357**	55,956
Other gains and losses		**97,549**	(9,765)
Research and development expenses		**(807,954)**	(670,700)
Administrative and other expenses		**(186,835)**	(78,110)
Selling and marketing expenses		**(446,623)**	(266,721)
Royalties and other related payments		**(134,936)**	(12,897)
Finance costs		**(32,613)**	(36,734)
Loss before tax		**(604,666)**	(714,406)
Income tax expense	*5*	**(3,528)**	–
Loss and total comprehensive expenses for the period		**(608,194)**	(714,406)
Loss per share	*6*		
– Basic (RMB Yuan)		**(0.46)**	(0.62)
– Diluted (RMB Yuan)		**(0.46)**	(0.62)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2020

	NOTES	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
Non-current assets			
Property, plant and equipment		**1,391,908**	1,344,788
Right-of-use assets		**82,786**	91,516
Intangible assets		**35,207**	–
Deposits for acquisition of property, plant and equipment		**56,353**	84,849
Other receivables and tax recoverables		**223,482**	251,969
Other financial assets		**1,984**	1,984
		1,791,720	1,775,106
Current assets			
Inventories		**467,136**	358,597
Trade receivables	*7*	**377,769**	247,854
Deposits, prepayments and other receivables		**120,910**	151,626
Contract assets		**2,256**	2,185
Other financial assets		**1,561,115**	462,519
Bank balances and cash		**4,633,286**	4,232,642
		7,162,472	5,455,423
Current liabilities			
Trade payables	*8*	**196,065**	84,275
Other payables and accrued expenses		**617,129**	885,004
Contract liabilities		**110,241**	41,727
Borrowings		**146,000**	17,000
Lease liabilities		**15,450**	15,550
		1,084,885	1,043,556
Net current assets		**6,077,587**	4,411,867
Total assets less current liabilities		**7,869,307**	6,186,973

	NOTES	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
Non-current liabilities			
Contract liabilities		**635,574**	581,786
Borrowings		**793,000**	808,000
Government grants		**19,765**	16,518
Lease liabilities		**16,403**	24,538
		1,464,742	1,430,842
Net assets		**6,404,565**	4,756,131
Capital and reserves			
Share capital		**93**	87
Reserves		**6,404,472**	4,756,044
Total equity		**6,404,565**	4,756,131

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 ("**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of 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 2020 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2019.

Application of amendments to IFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in IFRS Standards and the 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 and/or on the disclosures set out in these condensed consolidated financial statements.

Impacts of application on Amendments to IAS 1 and IAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

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 2019.

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	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Timing of revenue recognition		
A point in time		
Sales of pharmaceutical products	**920,888**	331,630
License fee income	**35,286**	–
Overtime		
Research and development service fee income	**106**	2,948
Licence fee income	**27,926**	10,939
	984,206	345,517

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. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

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	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
The PRC	**948,920**	345,517
United States of America ("**US**")	**35,286**	–
	984,206	345,517

5. INCOME TAX EXPENSE

The income tax represents the withholding tax arising from the licence-out income received from a customer in the US during the six months ended 30 June 2020 (during the six months ended 30 June 2019: nil).

6. LOSS PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of diluted loss per share	**(608,194)**	(714,406)
Number of shares		
Weight average number of ordinary shares for the purpose of diluted loss per share	**1,321,066,386**	1,151,936,239

The computation of basic loss earnings per share excluded the unvested restricted shares of the Company.

(b) Diluted

30 June 2019 and 2020

The Company had two categories of potential ordinary shares, unvested restricted shares of the Company and the shares options awarded under the Pre-IPO Plan, the 2018 RS Plan and Post-IPO ESOP. As the Group incurred losses for the period ended 30 June 2019 and 30 June 2020, 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 period ended 30 June 2019 and 30 June 2020 is the same as basic loss per share.

7. TRADE RECEIVABLES

The Group allows an average credit period of 45 to 60 days to its trade customers. The following is an analysis of trade receivables by age, presented based on the invoice date, which approximated the revenue recognition date.

	At	At
	30 June	31 December
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 60 days	**367,769**	247,854
61 – 90 days	**10,000**	–
	377,769	247,854

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 six months ended 30 June 2020. The directors of the Company have determined that no dividend will be paid in respect of the six months ended 30 June 2020.

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 2020 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, 26 August 2020

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.