IPO FACT SHEET

Innovent Biologics, Inc. (1801 HK)

ISSUE STATISTICS

Offer Size:	HK$2,954.4m – HK$3,308.9m
Placement Tranche:	236.35m
Price:	HK$12.50 – HK$14.00
Board lot:	500
Entry fee:	HK$7,070.54
Historical PE	N/A
Net tangible asset per share:	HK$4.54 – HK$4.84
Market Cap (post-IPO):	HK$13.98b – HK$15.65b
Open:	18 Oct 2018
Close:	12.00 noon on 23 Oct 2018
Trading:	31 Oct 2018
Sponsor:	Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities (Far East) Limited and China Merchants Securities (HK) Co., Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2016	-	N/A
2017	18,538	N/A
(Loss) profit and total comprehensive (expenses) income for the year/period attributable to owners of the Company		
2016	-504,204	N/A
2017	-562,318	11.5%

BACKGROUND

- They were founded in 2011 by their visionary leader, Dr. De-Chao Michael Yu, a highly accomplished scientist, innovator and entrepreneur. Dr. Yu invented the world's first oncolytic virus-based immunotherapeutic product, Oncorine, and also co-invented and led the development of the first domestic innovative fully human antibody-like therapeutic approved for marketing in China, Conbercept.
- They have developed their fully integrated platform which boasts advanced research, discovery, development, manufacturing and commercialization capabilities. These capabilities have enabled them to build a robust pipeline of innovative and commercially promising monoclonal antibodies and other biologics in the fields of oncology, ophthalmology, and autoimmune and metabolic diseases.
- Leveraging their platform, they have built up a pipeline of 17 antibody drug candidates in the last seven years, led by their four core products that are in late-stage clinical development in China, including sintilimab (IBI-308), their novel PD-1 antibody; IBI-305, their bevacizumab (Avastin) biosimilar; IBI-301, their rituximab (MabThera/Rituxan) biosimilar; and IBI-303, their adalimumab (Humira) biosimilar. In addition, out of their pipeline of 17 antibody drug candidates, six are in clinical development in China. Four other drug candidates in their pipeline.
- They have three bi-specific monoclonal antibody candidates based on sintilimab (IBI-308) in co-development with Eli Lilly, two of which, IBI-318 and IBI-319, are under development in China.
- In addition to developing their pipeline drug candidates in China, they have obtained FDA approval for their IND applications for sintilimab (IBI-308) and IBI-188 and plan to initiate a multi-center Phase 1b/2 clinical trial for sintilimab (IBI-308) and a Phase 1a clinical trial for IBI-188 in the U.S.

BUSINESS STRATEGY AND FUTURE PLANS

- Expedite regulatory approval and commercialization of their lead product candidates
- Rapidly advance their clinical programs for pipeline products
- Continue to enhance their fully-integrated platform
- Maximize the value of their fully-integrated platform through a global strategy of organic growth and collaboration

COMPETITIVE STRENGTHS

- Fully-integrated biological therapeutics platform
- Potentially best-in-class innovative PD-1 monoclonal antibody with NDA accepted and priority review status granted by the NMPA
- Three biosimilar drug candidates in Phase 3 clinical trials in China
- Robust pipeline of innovative monoclonal antibody and bi-specific antibody drug candidates
- State-of-the-art manufacturing facilities designed to, built to and operating at international standards
- Strategic partnerships with leading global companies, such as Eli Lilly and Adimab
- Senior management with a proven track record of success, led by their co-founder, the co-inventor and developer of the first innovative fully human antibody-like drug in China

KEY RISKS

- The price and trading volume of their Shares could be volatile, which may lead to substantial losses to investors.
- They have incurred significant net losses since their inception and anticipate that they will continue to incur net losses for the foreseeable future and may never become profitable.
- They have a limited operating history, which may make it difficult to evaluate their current business and predict their future performance.
- They depend substantially on the success of their drug candidates, all of which are in pre-clinical or clinical development, and their ability to identify additional drug candidates. If they are unable to successfully identify new drug candidates, complete clinical development, obtain regulatory approval and commercialize their drug candidates, or experience significant delays in doing so, their business will be materially harmed.
- Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials and non-head-to-head analyses (e.g., comparisons with competing drugs based on their publicly available study and trial data) may not be predictive of future trial results.
- They have no experience in launching and marketing drug candidates. If they are unable to further develop marketing and sales capabilities or enter into agreements with third parties to market and sell their drug candidates, they may not be able to generate product sales revenue.
- They face substantial competition, which may result in others discovering, developing or commercializing competing drugs before or more successfully than they do.
- If they are unable to obtain and maintain patent protection for their drug candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to their and complete directly against them, and their ability to successfully commercialize any product or technology may be adversely affected.
- Their rights to develop and commercialize our drug candidates are subject, in part, to the terms and conditions of licenses granted to them by others.
- Their future success depends on their ability to retain key executives and to attract, retain and motivate qualified personnel.

DIVIDEND POLICY

- No fixed dividend policy

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
To fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of sintilimab IBI-308, IBI-305, IBI-301 and IBI-303.	1,919.10	65.0%
To fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launches (including sales and marketing) of the other drug candidates in their pipeline.	738.10	25.0%
For working capital and general corporate purposes.	295.20	10.0%
Total:	**2,952.40**	**100.00%**

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is a licensed corporation providing securities brokerage and securities advisory services in Hong Kong.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHHK. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHHK may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHHK and its associates (as defined in the Securities and Futures Ordinance, Chapter 571 of Hong Kong) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKHHK to be reliable. HoTheyver, UOBKHHK makes no representation as to the accuracy or completeness of such sources or the Information and UOBKHHK accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKHHK and its associates may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKHHK and its associates are subject to change without notice. UOBKHHK reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKHHK, its associates and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKHHK, its associate and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKHHK may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKHHK may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report is prepared by UOBKHHK, a company authorized, as noted above, to engage in securities activities in Hong Kong. UOBKHHK is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKHHK (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKHHK by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKHHK.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Certification/Regulation AC

Each research analyst of UOBKHHK who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKHHK or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. HoTheyver, the compensation received by each such research analyst is based upon various factors, including UOBKHHK's total revenues, a portion of which are generated from UOBKHHK's business of dealing in securities.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Securities, which is regulated by Financial Services Authority of Indonesia (OJK). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

http://www.utrade.com.hk