
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See the section headed “Business – Our Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$2,952.4 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$13.25 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$12.50 to HK\$14.00 per Offer Share in this prospectus. We intend to use the net proceeds we will receive from this offering for the following purposes:

- 65% allocated to our four core products as follows:
 - (i) 52% of net proceeds, or approximately HK\$1,535.2 million, to fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of sintilimab (IBI-308). We do not plan to conduct head-to-head clinical trials for sintilimab (IBI-308) against any other approved PD-1 antibodies and no proceeds from the Global Offering will be applied for such purpose;
 - (ii) 8% of net proceeds, or approximately HK\$236.2 million, to fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of IBI-305;
 - (iii) 4% of net proceeds, or approximately HK\$118.1 million, to fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of IBI-301; and
 - (iv) 1% of net proceeds, or approximately HK\$29.5 million, to fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of IBI-303.
- 25% of net proceeds, or approximately HK\$738.1 million, 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 our pipeline.
- 10% of net proceeds, or approximately HK\$295.2 million, for working capital and general corporate purposes.

In the event that the Offer Price is set at the high point or the low point of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease by approximately HK\$340.3 million, respectively. Under such circumstances, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro-rata basis.

FUTURE PLANS AND USE OF PROCEEDS

If the Over-allotment Option is exercised in full, the additional net proceeds that the Company will receive will be approximately HK\$450.9 million, assuming an Offer Price of HK\$13.25 per Share, being the mid-point of the proposed Offer Price range. The Company may be required to issue up to an aggregate of 35,452,000 additional Shares pursuant to the Over-allotment Option.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in short-term deposits so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

Since we are an offshore holding company, we will need to make capital contributions and loans to our PRC subsidiaries such that the net proceeds of this offering can be used in the manner described above. Such capital contributions and loans are subject to a number of limitations and approval processes under PRC laws and regulations. There are no costs associated with registering loans or capital contributions with relevant PRC authorities, other than nominal processing charges. Under PRC laws and regulations, the PRC governmental authorities or designated banks are required to process such approvals or registrations or deny our application within a prescribed period, which are usually less than 90 days. The actual time taken, however, may be longer due to administrative delay. We cannot assure you that we can obtain the approvals from the relevant governmental authorities, or complete the registration and filing procedures required to use our net proceeds as described above, in each case on a timely basis, or at all, as PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC operating subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business. See the section headed “Risk Factors – Risk Relating to Our Doing Business in China.”