Innovent

2024 INTERIM REPORT 中期報告

信達生物製藥
Innovent Biologics, Inc.

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock Code 股份代號：1801

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Company Profile

Overview

Innovent is a leading biopharmaceutical company founded in 2011 with the mission to empower patients worldwide with affordable, high-quality biopharmaceuticals. Leveraging an established fully-integrated platform, the Company discovers, develops, manufactures and commercializes innovative medicines that treat some of the most intractable diseases. Its pioneering therapies treat cancer, CVM, autoimmune and eye diseases, with a robust pipeline covering a variety of novel modalities including monoclonal antibodies, multi-specific antibodies, immuno-cytokine, ADCs, cell therapy and small molecules etc.

Guided by the motto, “Start with Integrity, Succeed through Action”, the Company maintains the highest standard of industry practices and works collaboratively to advance the biopharmaceutical industry so that first-rate pharmaceutical drugs can become widely accessible.

Pipeline summary

Leveraging on the Company’s fully-integrated multi-functional platform and strategic partnerships and collaborations, the Company has developed a robust pipeline of 36 valuable assets. We have 11 products in the market. These include: TYVYT® (sintilimab injection), BYVASDA® (bevacizumab injection), SULINNO® (adalimumab injection), HALPRYZA® (rituximab injection), Pemazyre® (pemigatinib), olverembatinib, Cyramza® (ramucirumab injection), Retsevmo® (selpercatinib), FUCASO® (Equecabtagene Autoleucel), SINTBILO® (tafolecimab injection) and Dupert® (fulzerasib). In addition, we have three new drug applications under regulatory review, four assets in Phase 3 or pivotal clinical trials and 18 molecules in early clinical stage.

Corporate Information

Board of Directors

Executive Directors

Dr. De-Chao Michael Yu *(Chairman of the Board and Chief Executive Officer)*
Mr. Ronald Hao Xi Ede
Ms. Qian Zhang *(appointed on 3 May 2024)*

Independent Non-Executive Directors

Dr. Charles Leland Cooney
Ms. Joyce I-Yin Hsu
Dr. Kaixian Chen
Mr. Gary Zieziula
Dr. Shun Lu
Mr. Shuyun Chen *(appointed on 3 May 2024)*

Audit Committee

Ms. Joyce I-Yin Hsu *(Chairwoman)*
Dr. Kaixian Chen
Dr. Charles Leland Cooney
Mr. Gary Zieziula
Mr. Shuyun Chen *(appointed on 30 August 2024)*

Remuneration Committee

Ms. Joyce I-Yin Hsu *(Chairwoman)*
Dr. De-Chao Michael Yu *(resigned on 30 August 2024)*
Dr. Kaixian Chen
Mr. Shuyun Chen *(appointed on 3 May 2024)*

Nomination Committee

Mr. Shuyun Chen *(Chairman) (appointed on 3 May 2024 and redesignated as the Chairman on 30 August 2024)*
Dr. De-Chao Michael Yu *(redesignated as a member on 30 August 2024)*
Dr. Charles Leland Cooney
Dr. Kaixian Chen

Strategy Committee

Dr. De-Chao Michael Yu *(Chairman)*
Mr. Ronald Hao Xi Ede
Ms. Qian Zhang *(appointed on 3 May 2024)*
Dr. Charles Leland Cooney
Mr. Gary Zieziula
Dr. Shun Lu
Mr. Shuyun Chen *(appointed on 3 May 2024)*

Joint Company Secretaries

Ms. Yanju Wang
Ms. Lok Yee Chan *(ACG/HKACG)*

Authorised Representatives

Mr. Ronald Hao Xi Ede
Ms. Lok Yee Chan *(ACG/HKACG)*

Auditor

Deloitte Touche Tohmatsu
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88 Queensway Admiralty
Hong Kong

Registered Office

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168 Dongping Street
Suzhou Industrial Park
China 215123

Principal Place of Business in Hong Kong

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Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Corporate Information

Legal Advisors

As to Hong Kong law and United States law
Skadden, Arps, Slate, Meagher & Flom and affiliate
42/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law
Han Kun Law Offices
33/F, HKRI Centre Two
HKRI Taikoo Hui
288 Shimen Road (No.1)
Shanghai 200041
PRC

As to Cayman Islands law
Maples and Calder (Hong Kong) LLP
53rd Floor, The Center
99 Queen's Road Central
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Principal Share Registrar

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PO Box 1093
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Cricket Square
KY1-1102
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
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Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank Building
4-4A Des Voeux Road
Central
Hong Kong

China Construction Bank
Suzhou Industrial Park Subbranch
CSSD Building, No. 158 Wangdun Road
Suzhou Industrial Park
215028 China

Stock Code

1801

Company Website

www.innoventbio.com

Financial Highlights

IFRS Measure:

Six Months Ended 30 June 2024 Compared to Six Months Ended 30 June 2023

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers	**3,952,291**	2,701,532
Cost of sales	**(677,551)**	(504,615)
Gross profit	**3,274,740**	2,196,917
Other income	**300,606**	232,421
Other gains and losses	**85,516**	280,607
Research and development expenses	**(1,399,432)**	(922,817)
Administrative and other expenses	**(319,801)**	(368,388)
Selling and marketing expenses	**(1,879,356)**	(1,347,414)
Royalties and other related payments	**(416,838)**	(277,143)
Finance costs	**(38,020)**	(50,292)
Loss before tax	**(392,585)**	(256,109)
Income tax (expense) credit	**(35)**	116,960
Loss for the period	**(392,620)**	(139,149)
Other comprehensive expense		
Item that will not be reclassified to profit or loss		
Fair value loss on investment in equity instruments at FVTOCI	**(12,538)**	(30,913)
Item that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	**(6,296)**	(18,539)
Other comprehensive expense for the period, net of income tax	**(18,834)**	(49,452)
Total comprehensive expense for the period	**(411,454)**	(188,601)

Financial Highlights

- **Total revenue** was RMB3,952.3 million for the six months ended 30 June 2024, representing an increase of 46.3% from RMB2,701.5 million for the six months ended 30 June 2023. **Product revenue** increased by 55.1% to RMB3,811.4 million for the six months ended 30 June 2024, as compared with RMB2,457.5 million for the six months ended 30 June 2023. This remarkable growth was driven by strong sales performance of TYVYT® (sintilimab injection), robust expansion of other products sales, and accelerated growth and increased contributions from new products.

- **Gross profit margin** of total revenue was 82.9% for the six months ended 30 June 2024, representing an increase of 1.6 percentage points as compared with 81.3% for the six months ended 30 June 2023. The improvement was primarily attributable to increased production volume, as well as continuous improvement and optimization of production cost of our manufactured products.

- **R&D expenses** were RMB1,399.4 million for the six months ended 30 June 2024, as compared with RMB922.8 million for the six months ended 30 June 2023. During the Reporting Period, the Company continued investment in R&D to strategically advance its prioritized late-stage assets and early-stage pipeline in support of sustainable growth and global innovation of the Company.

- **Selling and marketing expenses** were RMB1,879.4 million, accounting for 47.6% of total revenue, or 49.3% of product revenue for the six months ended 30 June 2024, as compared with RMB1,347.4 million, or 49.9% of total revenue, or 54.8% of product revenue for the six months ended 30 June 2023. During the Reporting Period, the Company devoted continuous efforts in enhancing productivity and efficiency of product commercialization under a healthy and sustainable operation model.

- **Loss for the period** was RMB392.6 million for the six months ended 30 June 2024, representing an increase of RMB253.5 million, as compared with RMB139.1 million for the six months ended 30 June 2023. The increase was primarily due to a decrease in the non-cash item of net foreign exchange gains and the reduction of a one-time income tax credit. Net foreign exchange gains were RMB278.3 million for the six months ended 30 June 2023 and decreased to RMB65.3 million for the six months ended 30 June 2024. In addition, the Company recorded a one-time income tax credit of RMB144.5 million for the six months ended 30 June 2023. Despite these impacts, the Company achieved strong revenue growth and improved operational efficiency during the Reporting Period.

- In view of above, **LBITDA** was RMB393.2 million for the six months ended 30 June 2024, as compared with RMB216.1 million for the six months ended 30 June 2023.

Financial Highlights

Non-IFRS Measure[1]

- **Adjusted gross profit margin** of total revenue was 84.1% for the six months ended 30 June 2024, as compared with 82.3% for the six months ended 30 June 2023.

- **Adjusted R&D expenses** increased by RMB467.6 million from RMB826.3 million for the six months ended 30 June 2023 to RMB1,293.9 million for the six months ended 30 June 2024.

- **Adjusted administrative and other expenses** were RMB205.5 million and RMB272.9 million for the six months ended 30 June 2024 and 2023, respectively. The ratio of adjusted administrative and other expenses to total revenue decreased by 4.9 percentage points from 10.1% for the six months ended 30 June 2023 to 5.2% for the six months ended 30 June 2024.

- **Adjusted selling and marketing expenses** were RMB1,851.2 million, accounting for 46.8% of total revenue, or 48.6% of product revenue for the six months ended 30 June 2024, as compared with RMB1,339.6 million, accounting for 49.6% of total revenue, or 54.5% of product revenue for the six months ended 30 June 2023. The Company has devoted continuous efforts in enhancing productivity and efficiency under a healthy and sustainable operation model, which could further support the Company's sustainable growth.

- **Adjusted loss for the period** was RMB160.2 million for the six months ended 30 June 2024, representing a decrease of 15.9% or RMB30.2 million from RMB190.4 million for the six months ended 30 June 2023.

- **Adjusted LBITDA** was RMB160.8 million for the six months ended 30 June 2024, reflecting a decrease of 39.9% or RMB106.6 million from RMB267.4 million for the six months ended 30 June 2023. This significant improvement was primarily due to strong revenue growth, improved operational efficiency and better financial performance.

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[1] We adopted non-IFRS measures in order to more clearly illustrate our 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. Non-IFRS measures are not financial measures defined under the IFRS, and represent corresponding financial measures under IFRS excluding the effect brought by certain non-cash items, such as (a) share-based compensation expenses; and (b) net foreign exchange gains or losses. For the calculation and reconciliation of these non-IFRS measures, please refer to "Management Discussion and Analysis – Financial Review – 10. Non-IFRS Measure".

Business Highlights

Guided by long-term strategic goals of sustainable growth and global innovation, our Company continued to reinforce its business and R&D presence. Throughout the Reporting Period and up to the Latest Practicable Date, we achieved strong revenue growth, improved operational efficiency, and made significant strides in both our late-stage and early-stage pipeline, as highlighted below:

Product revenue continued its strong momentum to RMB3,811.4 million for the six months ended 30 June 2024, representing a robust 55.1% year-over-year growth compared to RMB2,457.5 million in the same period of the prior year. This robust growth is a testament to the high demand for our innovative portfolio and our commercial presence, demonstrating our ability to effectively meet diverse patient needs.

Operational efficiency and financial performance were further improved under continuous efforts in all aspects, including increased gross profit margin, lowered selling and marketing expenses ratio and administration expenses ratio. These comprehensive improvements have led to continued reduction in LBITDA, reaffirming the sustainability of our long-term business model.

Commercial product portfolio has expanded to a total of 11 products, with approval of Dupert® (fulzerasib), the first KRAS G12C inhibitor in China, for the treatment of patients with advanced NSCLC harboring KRAS G12C mutation who have received at least one systemic therapy.

Six NDAs are under review by the NMPA including:

- Two NDAs of IBI344 (taletrectinib), a next generation ROS1 TKI, for the treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC who have been previously treated with ROS1 TKIs, and for the first-line treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC.
- TVYVT® (sintilimab injection), in combination with fruquintinb for the 2L treatment of patients with advanced EMC.
- Two NDAs of IBI362 (mazdutide), a new generation GLP-1 and GCGR dual agonist, for chronic weight management in adults with obesity or overweight, and for glycemic control in adults with T2D.
- IBI311, a recombinant anti-IGF-1R monoclonal antibody, for the treatment of patients with TED.

Business Highlights

We have progressed late-stage programs with immense clinical value, demonstrating our commitment to key therapeutic areas across oncology, CVM, autoimmune and eye diseases:

- IBI362 (mazdutide), a GLP-1 and GCGR dual agonist. Five Phase 3 clinical trials of mazdutide are currently underway, conducted in Chinese adults with overweight or obesity (GLORY-1 and GLORY-2) and in Chinese T2D patients (DREAMS-1, DREAMS-2 and DREAMS-3). Among them, GLORY-1, DREAMS-1 and DREAMS-2 have reached the study endpoints in support of mazdutide's two NDAs stated above.

- IBI311, a recombinant IGF-1R monoclonal antibody. The Phase 3 clinical trial (RESTORE-1) in patients with TED has reached study endpoints in support of the NDA stated above.

- IBI112 (picankibart), a recombinant anti-IL23p19 antibody. The Phase 3 clinical trial (CLEAR) of IBI112 in patients with moderate-to-severe psoriasis reached the study endpoints in May 2024 and the NDA is anticipated in the second half of 2024.

- IBI302 (efdamrofusp alfa), an anti-VEGF/complement bispecific fusion protein. Positive Phase 2 results were achieved for IBI302 and the Phase 3 trial (STAR) of IBI302 8mg in patients with nAMD was in patient enrollment during the Reporting Period.

- IBI128, a potentially best-in-class XOI for the treatment of hyperuricemia in gout patients, entered Phase 2 studies in China during the Reporting Period. Its development will align with the overseas registrational progress of IBI128 led by our partner LG Chem.

- IBI310, a novel anti-CTLA-4 monoclonal antibody. During the Reporting Period, a Phase 3 clinical study was initiated to evaluate IBI310 in combination with sintilimab as neoadjuvant therapy for resectable MSI-H/dMMR colon cancer.

- IBI343, a novel CLDN18.2 ADC. IBI343 reported positive Phase 1b clinical results in the treatment of GC at the ESMO GI Congress 2024 in June 2024. IBI343 also received Breakthrough Therapy Designation from the NMPA for this indication.

Business Highlights

We reported encouraging results and continued to follow Phase 1 studies of novel assets, such as:

- IBI363, a PD-1/IL-2$^{\alpha\text{-bias}}$ bispecific antibody fusion protein. In the Phase 1 clinical trial, IBI363 shows promising anti-tumor efficacy in multiple tumor types, including IO-treated driver gene wild-type NSCLC, IO-treated melanoma, IO-naïve mucosal melanoma, and the immunologically 'cold' colorectal cancer. The clinical data were presented at the ASCO 2024 Annual Meeting and the ESMO Virtual Plenary.

- IBI343, a novel CLDN18.2 ADC. In a Phase 1 clinical study, IBI343 shows preliminary efficacy in PDAC as presented at the ASCO 2024 Annual Meeting. Fast Track Designation from the FDA was received for IBI343 as monotherapy for 2L PDAC.

- IBI389, a novel CLDN18.2/CD3 bispecific antibody. In a Phase 1 clinical study, IBI389 shows preliminary efficacy in GC and PDAC as presented at the ASCO 2024 Annual Meeting.

We continued to advance a promising set of novel molecules in early clinical stages, aligned with our global innovation strategy. This includes mono-/bi-specific antibody and ADC programs in difficult-to-treat cancers, as well as novel targets and modalities across CVM, autoimmune and eye diseases, such as:

- IBI3002, a novel IL-4Rα/TSLP bispecific fusion protein. In January 2024, the first patient was dosed in a Phase 1 clinical trial of IBI3002 in healthy volunteers and participants with asthma.

- IBI3016, a siRNA drug candidate targeting AGT co-developed with SanegeneBio USA Inc.. In August 2024, the first participant was dosed in a Phase 1 clinical trial of IBI3016 in healthy volunteers and participants with mild hypertension.

- IBI356, a potential best-in-class anti-OX40L monoclonal antibody. In January 2024, the first patient was dosed in the Phase 1 clinical trial of IBI356 in healthy volunteers and participants with AD.

- IBI355, a potential best-in-class anti-CD40L monoclonal antibody. In October 2023, the first patient dosed in the Phase 1 clinical trial of IBI355 in healthy volunteer and pSS.

- During the Reporting Period, Innovent Academy successfully advanced six molecules to the IND enabling stage, supporting global innovation and long-term sustainable growth.

Our high-quality preclinical research and clinical results have been showcased in leading scientific conferences and journals. During the Reporting Period, more than 20 study results from our oncology pipeline were presented at AACR, ASCO, ESMO Virtual Plenary and ESMO GI conferences, including 10 oral presentations. Key results from our general biomedicines pipeline mazdutide and IBI311 (IGF-1R) were presented at major conferences, including ADA, APAO, ICE, CSE and WOC conferences.

Business Highlights

We remained commitment to sustainable development, corporate responsibility and ethical business practices. During the Reporting Period, we launched our ESG website to enhance our efforts in sustainability, corporate responsibility and ethical business conduct. The new platform highlights our initiatives, policies and performance in key ESG areas, including “Excellent Governance”, “Enjoying Good Health”, “Ensuring High-Quality Products”, “Empowering Employees”, and “Embracing Ecology”. The Company holds an ESG rating of ‘A’ from Morgan Stanley Capital International (MSCI), positioning us as a leader in the biotechnology industry.

For details of any of the foregoing, please refer to the rest of this interim report and, where applicable, the Company’s prior announcements published on the websites of the Stock Exchange and the Company.

Management Discussion and Analysis

Overview

Innovent is a leading biopharmaceutical company founded in 2011 with the mission to empower patients worldwide with affordable, high-quality biopharmaceuticals. Leveraging an established fully-integrated platform, the Company discovers, develops, manufactures and commercializes innovative medicines that treat some of the most intractable diseases. Its pioneering therapies treat cancer, CVM, autoimmune and eye diseases, with a robust pipeline covering a variety of novel modalities including monoclonal antibodies, multi-specific antibodies, immuno-cytokine, ADCs, cell therapy and small molecules etc.

Guided by the motto, "Start with Integrity, Succeed through Action", the Company maintains the highest standard of industry practices and works collaboratively to advance the biopharmaceutical industry so that first-rate pharmaceutical drugs can become widely accessible.

2024 Half-Year Review and Outlook: Strong First Half of 2024 Results and Significant Pipeline Milestones Support Sustained Growth and Innovation

Positioned as a leading biopharmaceutical company in China, we have set sustainable growth and global innovation as our long-term strategic goals for our second decade of operations.

During the Reporting Period and up to the Latest Practicable Date, we have made significant progress and delivered strong results guided by our strategies. We have consistently strengthened our market presence in both business and R&D. The robust sales performance of our commercial portfolio, enhanced operational efficiency, and substantial progress in late-stage assets further position us for sustained growth in the second decade. In addition, promising results from several early-to-mid-stage next-generation pipeline assets highlight their potential to meet global unmet needs in cancer treatment. With a compelling preclinical and early-stage pipeline in oncology and general biomedicine, we are on track to evolve Innovent into a global biopharmaceutical company and deliver long-term value.

[1] Strong Revenue Growth Achieved in First Half of 2024; Preparing for CVM Commercialization

In the first half of 2024, product revenue continued its strong momentum to RMB3,811.4 million, representing a 55.1% year-over-year growth. Our comprehensive portfolio, which includes broad NRDL and indication coverage, along with a solid franchise, gave us a significant competitive advantage in meeting diverse patient needs for innovative medicines. The sales performance of TYVYT® (sintilimab injection) and other key products remained strong, while new products increasingly contributed to revenue, underscoring our effective launch strategies and market penetration efforts.

In the second half of 2024, we anticipate the approval and launch of two new oncology products, including Dupert® (fulzerasib, KRAS G12C inhibitor) which was just approved in August 2024, and IBI344 (taletrectinib, ROS1 inhibitor) to be approved in coming months, for the treatment of NSCLC, which will increase our total product offering to 12 by the end of 2024.

We have consistently worked to improve the productivity and efficiency of product commercialization. By expanding market access, enhancing professional academic promotion capabilities, strategically allocating resources to high-potential markets, and utilizing advanced analysis tools for daily management, we have created a more agile and effective commercial team capable of driving stronger sales performance and supporting the sustained growth of our product portfolio.

Management Discussion and Analysis

We are in active preparation for new commercial opportunities in general biomedicine. Following the approval of our first CVM product SINTBILO® (tafolecimab injection) in 2023, during the Reporting Period, three NDAs in CVM area were successfully achieved, unlocking significant growth opportunities in general biomedicine. These include mazdutide's two NDAs for the obesity/overweight population and for T2D treatment, as well as the NDA of IBI311 (IGF-1R) for TED treatment. We are actively expanding our CVM commercial team and working on key commercial strategies for new launches in 2025.

[2] Enhanced Financial Performance and Solid Financial Position

During the Reporting Period, we continued to implement effective management measures to improve efficiency in all aspects of our business operations, resulting in 1.8 percentage points improvement in gross profit margin of total revenue and 5.9 percentage points reduction in selling and marketing expenses as a percentage of product sales revenue. Administrative expenses as a percentage of total revenue also decreased by 4.9 percentage points, resulting in a 39.9% decrease of LBITDA to RMB160.8 million (Note: financial numbers mentioned in this paragraph are under non-IFRS measurement).

As of 30 June 2024, Innovent had approximately RMB10,112.3 million in bank balances and cash, structured products and investment notes in other financial assets. We continued disciplined financial planning and efficient investment in R&D and facility expansion to ensure sustainable long-term growth.

[3] R&D: Strong Pipeline Delivery Supports Strategic Goals

As we aspire to be a global biopharmaceutical company, we have increased our investment in innovation in oncology and general biomedicine through science-based research, unmet-need-driven development, and efficient capital allocation. The solid advancement of late-stage assets during the Reporting Period provides us substantial growth opportunities in the mid to long term. Simultaneously, we are making substantial progress with our next wave of innovative assets, which will support our sustainable long-term growth and globalization ambitions.

[3.1] Substantial Milestones Delivered for Key Late-Stage Assets

New NDAs and registrational trials to expand oncology presence and leadership. We have developed new indications for our launched and late-stage oncology pipeline to maximize their value to patients. During the Reporting Period, we filed the eighth NDA for TYVYT® (sintilimab injection) for the treatment of patients with EMC in China. New Phase 3 trials for TYVYT® (sintilimab injection) in combination with IBI310 (CTLA-4) for neoadjuvant treatment of colorectal cancer and for TYVYT® (sintilimab injection) in perioperative therapy for NSCLC were also initiated to meet the unmet needs of early-stage cancer treatment.

Management Discussion and Analysis

Accelerating new launch momentum in general biomedicine to unlock significant opportunities. During the Reporting Period, five positive Phase 3 results were achieved for multiple high-potential assets in general biomedicine across CVM, autoimmune, and ophthalmology areas. Their competitive profiles solidify our confidence in general biomedicine as a significant growth pillar in the coming years.

- **Mazdutide (GLP-1R/GCGR dual agonist):** Our key CVM asset mazdutide demonstrated superior potential as next-generation GLP-1-based medicine in Phase 3 studies for robust weight loss and glycemic control, differentiated liver benefits, comprehensive cardiometabolic benefits, and superior safety profile. Currently, two regulatory applications for mazdutide have been accepted for the NMPA's review, including the NDA for chronic weight management in obese or overweight populations and the NDA for T2D treatment. To fully realize the potential of our CVM cornerstone asset, we are advancing the development of mazdutide for additional metabolic-related diseases such as adolescent obesity, MASH, OSA, and heart failure.

- **IBI311 (anti-IGF-1R monoclonal antibody):** Supported by robust Phase 3 study results in TED, the NDA for IBI311 was accepted and under the NMPA's review since May 2024. Given the lack of innovative drugs for TED in China over past decades, IBI311 is poised as a transformational therapy for this significant unmet need once approved.

- **IBI112 (IL-23p19):** The strong Phase 3 (CLEAR) readouts in May 2024 demonstrated IBI112's best-in-class potential in psoriasis treatment. It is the only IL-23p19 that reported over 80% subjects achieving ≥90% improvement in Psoriasis and Severity Index (PASI 90) in 16 weeks of treatment, along with strong long-term skin clearance maintenance and quarterly dosing interval advantage. An NDA submission to the NMPA is planned in the second half of 2024.

- Other late-stage programs aimed at elevating standard-of-care include the Phase 3 study of IBI302, a first-in-class ophthalmology VEGF/complement bispecific fusion protein, an innovative therapy designed to improve treatment convenience of nAMD patients by extending the dosing interval; the innovative XOI IBI128 in Phase 2 stage in China for the treatment of hyperuricemia in gout patients, a chronic disease with huge patient size but lack of effective and safe medicines.

[3.2] Abundant Early-Stage Pipeline to Support Long-Term Growth and Global Ambition

Building on our launched and late-stage pipeline assets, we are investing in a new wave of internal and external innovation to drive long-term and global growth. Leveraging our world-class antibody-based platform, we have expanded into new technologies and modalities, including multi-specific antibodies and ADCs. We have built a high-value preclinical and early clinical stage pipeline to address medical challenges in oncology, autoimmune, CVM, and ophthalmology areas.

Management Discussion and Analysis

Leverage "IO + ADC" strategy to transform cancer treatment. During the Reporting Period, we are encouraged by the readout results of multiple valuable assets in Phase 1 studies, such as IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$), IBI343 (CLDN 18.2 ADC), and IBI389 (CLDN18.2/CD3). Follow up and expansion studies for these assets are underway in the U.S., China and other regions. Meanwhile, more ADC programs and immunology programs will continue to enter clinical development, leveraging the powerful combinations among novel IOs and ADCs to solve the unmet needs.

- **IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$)**: the first-in-class alpha-biased IL-2 and anti-PD-1 immuno-cytokine based on breakthrough findings. As next generation IO, the Phase 1 study of IBI363 demonstrated broad and potent anti-tumor activity, with durable responses across various representative tumor types, including both IO failed and cold tumors, as published in ESMO Virtual Plenary and ASCO meetings. Further investigations of IBI363 across different tumor types are currently ongoing.

- **IBI343 (CLDN18.2 ADC)**: Phase 1b results published at ESMO GI Congress echoed IBI343's differentiated molecule design as a novel TOPO1i CLDN18.2 ADC, with strong clinical efficacy and superior safety profile in treating later lines of GC. Based on the results, a phase 3 study in GC is in preparation. IBI343 also reported initial robust anti-tumor activity in Phase 1 study in difficult-to-treat cancer PDAC. IBI343 obtained the FDA's fast track designation in this indication; expanded Phase 1b study in China is ongoing, and plans are underway for a clinical trial in the U.S..

- **IBI389 (CLDN18.2/CD3)**: first-in-class CLDN18.2/CD3 bispecific T-cell engager that reported encouraging and differentiated signals in GC and PDAC in Phase 1 studies; Phase 1b study is continuing.

Develop next-generation general biomedicine programs to improve chronic disease treatment. We are committed to expanding our next wave of innovative treatments for chronic diseases, which are increasingly burdens among growing aging populations worldwide. In CVM, we plan to build a long-term franchise and leadership through disruptive innovations. Our first siRNA asset, IBI3016 (AGT siRNA), has advanced into a Phase 1 clinical study for hypertension. In immunology, our preclinical and early-stage pipeline targets the growing and huge autoimmune disease market. During the Reporting Period, IBI355 (CD40L) and IBI356 (OX40L) Phase 1 studies were underway, and IBI3002 (IL-4Rα/TSLP) entered a Phase 1 study. In ophthalmology, we aim to elevate the treatment standard in major eye diseases with differentiated bispecific antibodies, including IBI324 (VEGF/ANG-2) and IBI333 (VEGF-C/VEGF-A) in Phase 1 studies.

[4] Conclusion: Delivering Continued Shareholder Value

The successful first half of 2024 has laid a solid foundation to achieve our full-year's growth as we pursue our goal of becoming a global innovative biopharmaceutical company. In the second half of 2024, we expect further progress in key therapeutic areas, including commercialization preparation for multiple new product launches and R&D milestones. Meanwhile, we will continue expanding our global presence through solid data results and effective development of prioritized novel assets. With strong commercial and financial execution, a high-value late-stage pipeline, and disciplined investments in next-generation innovation, we are confident that Innovent is well-positioned to create sustainable value for our patients, employees, society, and Shareholders.

Management Discussion and Analysis

Product Portfolio and Pipeline Summary

Leveraging the Company's fully-integrated multi-functional platform and strategic partnerships and collaborations, we develop pioneering therapies to treat cancer, CVM, autoimmune and eye diseases. The Company has launched 11 products in the market, three assets under regulatory review, four assets in Phase 3 or pivotal clinical trials and 18 molecules in early clinical stage.

The following chart summarizes the therapeutic targets, therapeutic areas, commercial rights and development status of our pipeline assets as of the Latest Practicable Date.

					Status						
Products	Target (s)	Modality	Therapeutic Area	Rights	Pre-clinical	IND	Phase 1	Phase 1b/2	Pivotal Phase 2 / Phase 3	NDA	Launched
TYVYT® (sintilimab injection)	PD-1	Monoclonal antibody	Oncology	Worldwide	Approved : 1L nsqNSCLC, 1L sqNSCLC, 1L HCC, 1L GC, 1L ESCC, 2L EGFRm nsqNSCLC, cHL; NDA: 2L EMC						
BYVASDA® (bevacizumab injection)	VEGF-A	Monoclonal antibody	Oncology	Worldwide	Approved: NSCLC, mCRC, HCC, rGBM , r/r CC, OC, 2L EGFRm nsqNSCLC						
HALPRYZA® (rituximab injection)	CD20	Monoclonal antibody	Oncology	Worldwide	Approved: nHL, CLL						
Pemazyre® (Pemigatinib)	FGFR1/2/3	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 2L CCA						
Olverembatinib (BCR-ABL TKI)	BCR/ABL	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 2L TKI-resistant CML						
Cyramza® (ramucirumab)	VEGFR-2	Monoclonal antibody	Oncology	Mainland China	Approved: 2L GC, 2L HCC						
Retsevmo® (selpercatinib)	RET	Small molecule	Oncology	Mainland China	Approved: RETm NSCLC / TC/MTC						
FUCASO® (Equecabtagene Autoleucel)	BCMA CAR-T	Cell therapy	Oncology	Worldwide	Approved: r/r MM						
DUPERT® (fulzerasib)	KRAS G12C	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 2L KRAS+ NSCLC						
					1L KRAS+ NSCLC / CRC						
IBI344 (taletrectinib)	ROS1	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	2L ROS1+ NSCLC / 1L ROS1+ NSCLC						
IBI310	CTLA-4	Monoclonal antibody	Oncology	Worldwide	Neoadjuvant colon cancer						
IBI343	CLDN18.2 ADC	Antibody drug conjugate	Oncology	Worldwide	3L GC						
					GC; PDAC						
IBI363	PD-1/IL-2$^{\alpha\text{-bias}}$	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						
IBI389	CLDN18.2/CD3	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						
IBI354	HER2 ADC	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI130	TROP2 ADC	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI129	B7H3 ADC	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI133	HER3 ADC	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3003	GPRC5D/BCMA/CD3	Tri-specific antibody	Oncology	Worldwide	Advanced malignancies						
IBI3001	EGFR/B7H3 ADC	Bispecific antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3004	DR5/CEA	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						
IBI115	DLL3/CD3	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						

NSCLC: non small cell lung cancer; HCC: hepatocellular carcinoma; GC: gastric cancer; ESCC: esophageal squamous cell carcinoma; EMC: endometrial cancer
GBM: glioblastoma; CC: cervical cancer; OC: ovarian cancer; cHL: classic Hodgkin lymphoma; CML: chronic myeloid leukemia; CLL: chronic lymphocytic leukemia;
CCA: cholangiocarcinoma; FL: follicular lymphoma; TC: thyroid cancer; MTC: medullary thyroid cancer; CRC: colorectal cancer; MDS: myelodysplastic syndrome;
MM: multiple myeloma; PDAC: pancreatic ductal adenocarcinoma

Approved drugs Biologics Small molecules

					Status						
Products	Target (s)	Modality	Therapeutic Area	Rights	Pre-clinical	IND	Phase 1	Phase 1b/2	Pivotal Phase 2 / Phase 3	NDA	Launched
SUJINNO® (adalimumab)	TNF-α	Monoclonal antibody	Autoimmune	Worldwide	Approved: RA, AS, Pso, Pediatric plaque Pso, PJIA, Uveitis , CD, Pediatric CD						
SINTBILO® (tafolecimab)	PCSK9	Monoclonal antibody	Cardiovascular & Metabolic	Worldwide	Approved: Primary hypercholesterolemia and mixed dyslipidemia						
IBI362 (mazdutide)	GLP-1R/GCGR	Polypeptide	Cardiovascular & Metabolic	Mainland China, HK, Taiwan, Macau	Obesity (6mg)						
					T2D (6mg)						
					T2D with obesity (vs. semaglutide)						
					Obesity (9mg)						
					Adolescent obesity						
					MASH						
IBI311	IGF-1R	Monoclonal antibody	Ophthalmology	Worldwide	TED						
IIBI112 (Pincankibart)	IL-23 p19	Monoclonal antibody	Autoimmune	Worldwide	PsO						
					UC						
IBI302 (efdamrofuspalfa)	VEGF/Complement	Bispecific antibody	Ophthalmology	Worldwide	nAMD (8mg)						
IBI128 (Tigulixostat)	XOI	Small molecule	Cardiovascular & Metabolic	Mainland China, HK, Taiwan, Macau	Gout with Hyperuricemia						
IBI324	VEGF-A/ANG-2	Bispecific antibody	Ophthalmology	Worldwide	DME						
IBI333	VEGF-A/VEGF-C	Bispecific antibody	Ophthalmology	Worldwide	nAMD						
IBI353	PDE4	Small molecule	Autoimmune	Mainland China, HK, Taiwan, Macau	PsO						
IBI355	CD40L	Monoclonal antibody	Autoimmune	Worldwide	pSS, SLE						
IBI356	OX40L	Monoclonal antibody	Autoimmune	Worldwide	AD						
IBI3002	IL-4Rα/TSLP	Bispecific antibody	Autoimmune	Worldwide	Multiple autoimmune diseases incl. asthma						
IBI3016	AGT	siRNA	Cardiovascular & Metabolic	Worldwide	Hypertension						

AS: ankylosing spondylitis; RA: rheumatoid arthritis; PsA: psoriatic arthritis; PsO: psoriasis; CD: Crohn's disease; PJIA: polyarticular juvenile idiopathic arthritis
HeFH: heterozygous familial hypercholesterolemia; Non-FH: non-familial hypercholesterolemia; T2D: type 2 diabetes; MASH: metabolic dysfunction-associated steatohepatitis;
TED: thyroid eye disease; DME: Diabetic Macular Edema; nAMD: Neovascular Age-related Macular Degeneration; SLE: Sjögren's syndrome; AD: atopic dermatitis;

Approved drugs Biologics Small molecules

Management Discussion and Analysis

Commercial Stage Products

Our commercial stage portfolio contains a total of 11 approved products: TYVYT® (sintilimab injection), BYVASDA® (bevacizumab injection), SULINNO® (adalimumab injection), HALPRYZA® (rituximab injection), PEMAZYRE® (pemigatinib), olverematinib, Cyramza® (ramucirumab), Retsevmo® (selpercatinib), FUCASO® (Equecabtagene Autoleucel), SINTBILO® (tafolecimab injection) and Dupert® (fulzerasib).

Major Milestones and Achievements during the Reporting Period and Post-Reporting Period (Expected)

TYVYT® (sintilimab injection): *an innovative fully human anti-PD-1 monoclonal antibody co-developed with Eli Lilly;*

Approved and included in the NRDL for seven indications in China, including lung cancer, liver cancer, gastric cancer, esophageal cancer, Hodgkin's lymphoma, etc.

Regulatory Actions

- In February 2024, TYVYT® (sintilimab injection) was approved for launch in Macau for all seven indications.
- In April 2024, a NDA of TYVYT® (sintilimab injection) in combination with fruquintinib for 2L EMC was accepted by the NMPA.

NRDL Coverage

- On 1 January 2024, the updated NRDL (2023 version) officially took effect and TYVYT® (sintilimab injection) was included for its seventh indication in patients with EGFR-mutated non-squamous NSCLC who progressed after EGFR-TKI therapy. TYVYT® (sintilimab injection) is the first and the only PD-1 inhibitor for EGFR-mutated NSCLC in the NRDL.

Development Progress

- We continue to carry out clinical development programs for TYVYT® (sintilimab injection), as a backbone immunotherapy, in multiple clinical studies in combination with other novel modalities, such as ADCs and small molecules to overcome unmet medical needs for cancer treatment.
- During the Reporting Period, a new Phase 3 trial for TYVYT® (sintilimab injection) in combination with IBI310 (CTLA-4) for neoadjuvant treatment of colon cancer, and Phase 3 trial of TYVYT® (sintilimab injection) as perioperative therapy for NSCLC were also initiated to fulfill unmet needs in early-stage cancer treatment.
- We plan to read out results for TYVYT® (sintilimab injection) in combination with IBI310 (CTLA-4) for neoadjuvant treatment of colon cancer, and file potential NDA to the NMPA in early 2025.

Data Publication

- In June 2024, the results of the Phase 3 CONTINUUM clinical trial were published in the *Lancet*. The CONTINUUM is the first Phase 3 clinical trial to readout positive results for a PD-1 inhibitor used in combination with standard chemoradiotherapy for the treatment of patients with locoregionally advanced nasopharyngeal carcinoma.
- In June 2024, the Phase 1b data of IBI310 (CTLA-4) in combination with sintilimab for resectable MSI-H/dMMR colon cancer neoadjuvant therapy were orally presented at 2024 ASCO Annual Meeting (Oral Abstract #3505).

Management Discussion and Analysis

BYVASDA® (bevacizumab injection), *a fully-human anti-VEGF monoclonal antibody;*

Approved and included in the NRDL for eight indications in China, including NSCLC, metastatic colorectal cancer, adult recurrent glioblastoma, advanced or unresectable hepatocellular carcinoma, epithelial ovarian, fallopian tube, or primary peritoneal cancer, and cervical cancer.

NRDL Coverage

- On 1 January 2024, the updated NRDL (2023 version) officially took effect and BYVASDA® (bevacizumab injection) was included for its eighth indication in combination with TYVYT® (sintilimab injection) for patients with EGFR-mutated non-squamous NSCLC who progressed after EGFR-TKI therapy.

PEMAZYRE® (pemigatinib): *a potent, selective oral inhibitor of FGFR isoforms 1, 2, and 3 licensed from Incyte (listed on NASDAQ with ticker symbol:* INCY*) for development and commercialization in Greater China;*

Approved in markets of mainland China, Taiwan, Hong Kong and Macau for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement.

Regulatory Action

- In April 2024, PEMAZYRE® (pemigatinib) was approved for launch in Macau.

Olverembatinib*: a novel BCR-ABL TKI co-developed and co-commercialized with Ascentage Pharma Group International*;

Approved and included in the NRDL in China for the treatment of adult patients with TKI-resistant CML-CP or CML-AP harboring the T315I mutation as confirmed by a validated diagnostic test; and approved for the second indication for the treatment of patients with CML-CP who are resistant and/or intolerant of first- and second-generation TKIs.

Data Publication and Guideline Recommendation

- In May 2024, olverembatinib was included in 2024 Chinese Society of Clinical Oncology guideline for Diagnosis and Treatment of Hematological Malignancies for the treatment of CML and Ph+ ALL.

- In June 2024, the updated clinical results of the Phase 1 of olverembatinib in patients with TKI-resistant succinate dehydrogenase (SDH)-deficient gastrointestinal stromal tumor (GIST) were orally presented at the ASCO 2024 Annual Meeting.

- In June 2024, the updated clinical results from three studies of olverembatinib were presented at the 66th American Society of Hematology Annual Meeting, including the updated median 1-year follow-up data of olverembatinib in patients with CML and Ph+ ALL.

Management Discussion and Analysis

FUCASO® (Equecabtagene Autoleucel)*: a fully-human BCMA-directed CAR-T cell therapy, collaborated with IASO Bio;*

Approved in China for adult patients with relapsed refractory multiple myeloma who have received at least three prior lines of therapy, including a proteasome inhibitor and an immunomodulatory agent.

Collaboration Update

- In July 2024, we entered into an updated agreement with IASO Bio. IASO Bio purchased Innovent's relevant rights of FUCASO® (Equecabtagene Autolucel) under the original agreement and Innovent used the proceeds to acquire a 18% stake in IASO Bio. Under the new framework, IASO Bio obtained global commercial rights and the intellectual property license for FUCASO® (Equecabtagene Autolucel) and will be fully responsible for development, manufacturing and commercialization of the product, while Innovent became a strategic shareholder of IASO Bio.

Dupert®(fulzerasib): *a novel KRAS G12C inhibitor in-licensed from GenFleet Therapeutics (Shanghai) Inc. (Genfleet R&D code: GFH925) for the development and commercialization in Greater China.*

Regulatory Action

- In August 2024, the NMPA approved Dupert® (IBI351, fulzerasib) as monotherapy for the treatment of advanced NSCLC patients harboring KRAS G12C mutation who have received at least one systemic therapy.

Clinical Update

- We initiated a Phase 1b/3 clinical trial to investigate IBI351 combination therapy in patients with previously untreated advanced NSCLC harboring KRAS G12C mutation.

Data Publication

- In August, the data from the Phase 2 pivotal study for IBI351 for previously treated KRAS G12C-muted NSCLC has been published in full manuscript in the *Journal of Thoracic Oncology* (JTO).

NDA and Late-stage Drug Candidates

Currently, three new assets are under review by the NMPA and four candidates are in registrational or pivotal clinical studies.

NDA and Late-stage Drug Candidates – Oncology

IBI344 (taletrectinib): *a novel next-generation ROS1 TKI in-licensed from AnHeart Therapeutics, a Nuvation Bio (NYSE: NUVB) Company, for the co-development and commercialization in Greater China.*

Regulatory Actions

- In November 2023, the first NDA of taletrectinib was accepted by the NMPA for review and granted priority review designation for the treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC who have been previously treated with ROS1 TKIs. The NDA approval of taletrectinib is anticipated around the end of 2024.

- In March 2024, the second NDA of taletrectinib was accepted by the NMPA for review and granted priority review designation for the first-line treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC who have not been previously treated with ROS1 TKIs.

Data Publication

- In June 2024, at the ASCO 2024 Annual Meeting (Rapid Oral Abstract #8520), we updated positive results from the Phase 2 TRUST-I trial that evaluated taletrectinib in Chinese ROS1-positive NSCLC patients.

Management Discussion and Analysis

IBI310: *an anti-CTLA-4 monoclonal antibody*

Clinical Update

- In March 2024, the first patient was dosed in a Phase 3 clinical trial of IBI310 in combination with sintilimab for resectable MSI-H/dMMR colon cancer neoadjuvant therapy. Potential readouts and NDA submission for this indication are planned through early 2025.

Data Publication

- In 2024, data from a Phase 1b clinical trial of IBI310 in combination with sintilimab for resectable MSI-H/dMMR colon cancer neoadjuvant therapy were presented at the ASCO 2024 Annual Meeting (Oral Abstract #3505).

IBI343: *a potential best-in-class recombinant anti-CLDN18.2 monoclonal ADC*

Clinical Updates

- The Phase 1b study of IBI343 (CLDN18.2 ADC) in later line of GC has achieved positive readouts, and a Phase 3 study was in preparation.

- A Phase 1b study of IBI343 as monotherapy in patients with advanced PDAC is currently ongoing. IBI343 has received IND approval and fast-track designation from the U.S. FDA for advanced PDAC, with a clinical trial planned to start in the U.S..

Data Publication

- In April 2024, the preclinical results of IBI343 were presented at the 2024 AACR Annual Meeting as "Late-Breaking Research".

- In June 2024, the Phase 1b data of IBI343 in patients with GC were orally presented at the ESMO GI Congress 2024. Preliminary Phase 1 data for patients with PDAC were presented at the ASCO 2024 Annual Meeting (Abstract# 3037).

NDA and Late-stage Drug Candidates – General Biomedicine

IBI362 (mazdutide)*: a GLP-1R/GCGR dual agonist in-licensed from Lilly, potential best-in-class NDA-stage drug candidate for T2D, obesity and other metabolic chronic diseases.*

Regulatory Actions

- **Obesity or overweight:** In February 2024, the first NDA of mazdutide was accepted by the China's NMPA for review for chronic weight management in adults with obesity or overweight.

- **T2D:** In August 2024, the second NDA of mazdutide was accepted by the China's NMPA for review for the treatment of T2D.

Clinical Updates

Five Phase 3 clinical trials of mazdutide in Chinese adults with overweight or obesity (GLORY-1 and GLORY-2) and T2D subjects (DREAMS-1, DREAMS-2 and DREAMS-3) and other clinical trials are underway, among which GLORY-1, DREAMS-1 and DREAMS-2 have met study endpoints.

- **GLORY-1 (obesity or overweight)**: In January 2024, the first Phase 3 clinical trial of mazdutide (GLORY-1) in Chinese adults with obesity or overweight met the primary and all secondary endpoints.

- **GLORY-2 (moderate-to-severe obesity):** In January 2024, the first patient was dosed in a Phase 3 clinical trial (GLORY-2) of mazdutide 9 mg in Chinese adults with moderate-to-severe obesity.

- **DREAMS-1 (T2D):** In August 2024, the Phase 3 clinical trial of mazdutide (DREAMS-1) in Chinese patients with T2D inadequately controlled by diet and exercise alone met the primary endpoint and all key secondary endpoints.

Management Discussion and Analysis

- **DREAMS-2 (T2D):** In May 2024, the Phase 3 clinical trial of mazdutide (DREAMS-2) in Chinese patients with T2D who have inadequate glycemic control with metformin monotherapy or combination therapy of metformin with other oral drugs met the study endpoints.

- **DREAMS-3 (T2D):** In February 2024, the first patient was dosed in a Phase 3 clinical trial comparing mazdutide head-to-head with semaglutide in Chinese T2D patients with obesity.

- **New indications**: We are advancing mazdutide's development for a range of conditions beyond weight loss and diabetes, aiming to meet diverse patient needs. New indications in consideration include adolescent obesity, MASH, OSA and heart failure.

Data Publication

- In June 2024, the Phase 3 results of the GLORY-1 study were published at the 84th ADA Scientific Sessions. Mazdutide 6 mg led to 14.4% placebo-adjusted weight loss at week 48. Mazdutide treatment was also associated with reductions in multiple cardiometabolic risk factors, in particular, mazdutide 6 mg led to 80.2% reduction in liver fat content in participants with baseline LFC ≥10% at week 48.

- In June 2024, the Phase 2 results of mazdutide 9 mg in Chinese adults with moderate-to-severe obesity were published at the 84th ADA Scientific Sessions. At week 48, mazdutide 9 mg led to 18.6% placebo-adjusted weight reduction. Cardiometabolic benefits were observed in mazdutide treatment, including significant reductions in uric acid levels and LFC.

IBI311: *a recombinant IGF-1R monoclonal antibody*

Regulatory Action

- In May 2024, the NDA of IBI311 was accepted for review by the NMPA for the treatment of TED. IBI311 is anticipated to be the first approved IGF-1R drug in China.

Clinical Updates

- In February 2024, the Phase 3 clinical trial of IBI311 (RESTORE-1) met the study endpoints in significantly improving proptosis and Clinical Activity Score (CAS) in patients with TED.

Data Publication

- The results of the Phase 1 and Phase 2 clinical trials of IBI311 in patients with TED in oral presentation at the 39th APAO Congress and the 21st ICE, respectively.

- The results of the Phase 3 RESTORE-1 study were orally presented at the CSE Congress and WOC in August 2024.

IBI112 (picankibart): *a novel long-acting anti-IL-23 (p19 subunit) monoclonal antibody.*

Regulatory Action

- In the second half of 2024, we plan to submit an NDA of IBI112 to the NMPA for the treatment of psoriasis.

Clinical Updates

- In May 2024, the Phase 3 clinical trial (CLEAR) of IBI112 in patients with moderate-to-severe plaque psoriasis met all the primary endpoints and key secondary endpoints. Full results of CLEAR will be published at academic conferences or peer-reviewed journals.

- A Phase 2 study evaluating safety and efficacy of switching from other biologics treatment to the treatment of IBI112 in psoriasis patients is ongoing with anticipated readouts by early 2025.

- A Phase 2 study of IBI112 for patients with ulcerative colitis is ongoing with anticipated positive readouts in the second half of 2024.

Management Discussion and Analysis

IBI302 (efdamrofusp alfa): *a potential first-in-class anti-VEGF/complement bispecific fusion protein;*

Clinical Updates

- A Phase 3 study of 8 mg IBI302 (STAR) in the treatment of nAMD was initiated in October 2023 and continued to enroll patients during the Reporting Period. Phase 2 results show IBI302's potential to deliver consistent visual benefits and anatomical improvements with long-interval administration, along with possible inhibition of macular atrophy.

Data Publication

- In the second half of 2024, we plan to publish full results of the Phase 2 trial of 6.4mg/8mg IBI302 in nAMD in peer-reviewed journals and upcoming medical conferences.

IBI128 (Tigulixostat): *a late-stage novel non-purine XOI for the chronic management of hyperuricemia in patients with gout disease; in-licensed from LG Chem for the development and commercialization in China. LG Chem has initiated multi-regional global Phase 3 clinical trials for Tigulixostat in the fourth quarter of 2022.*

Clinical Updates

- In 2024, the overseas Phase 3 trial of Tigulixostat in hyperuricemia patients with gout disease was continuing conducted by our partner LG Chem. Tigulixostat has shown superior efficacy in uric acid reduction and good safety profile in previous Phase 2 clinical trial.

- During the Reporting Period, a Phase 1 study of Tigulixostat was completed and a Phase 2 study was initiated in China. We are advancing the development of Tigulixostat in China in alignment with its global registration progress.

Selected Drug Candidates at Phase 1/2 Stages

Building on our launched and late-stage pipeline assets, we are investing in a new wave of internal and external innovation to drive long-term and global growth. Leveraging our world-class antibody-based platform, we have expanded into new technologies and modalities, including multi-specific antibodies and ADCs. We have built a high-value preclinical and early clinical stage pipeline to address medical challenges in oncology, autoimmune, CVM, and ophthalmology areas.

Selected Drug Candidates at Phase 1/2 Stages – Oncology

Milestones and Achievements during the Reporting Period and Post-reporting Period (Expected)

IBI363: *a potential first-in-class alpha-biased IL-2 and anti-PD-1 immuno-cytokine*

Clinical Updates

- During the Reporting Period, the Phase 1 study of IBI363 was underway to evaluate the safety and efficacy in multiple tumor types.

- Phase 1 study of IBI363 has shown its broad and strong anti-tumor activity and durable response in various representative tumor types, including both IO failed and cold tumors. Further follow up of IBI363 at high dose level across tumor types such as NSCLC, melanoma and colorectal cancer are currently underway. A Phase 2 study of IBI363 in the U.S. was also initiated. We will continue to follow up these studies of IBI363.

Data Publication

- In June 2024, results from the Phase 1 clinical study of IBI363 were presented at the ASCO 2024 Annual Meeting and the ESMO Virtual Plenary. IBI363 shows tolerable safety profile, and promising anti-tumor efficacy across multiple cancer types, including IO-treated driver gene wild-type NSCLC, IO-treated melanoma, IO-naïve mucosal melanoma, and colorectal cancer.

Management Discussion and Analysis

- In September 2024, an updated Phase 1 results of IBI363 in the treatment of NSCLC will be presented orally at the 2024 WCLC, and an updated Phase 1 results of IBI363 in the treatment of colorectal cancer were presented at the ESMO 2024 Annual Meeting.

IBI389: *a first-in-class CLDN18.2/CD3 bispecific T Cell Engager*

Clinical Update

- During the Reporting Period, a Phase 1 study was underway to evaluate the safety and efficacy of IBI389 in GC and PDAC, with encouraging and differentiated results observed. We will continue to follow up the Phase 1 study of IBI389.

Data Publication

- In June 2024, the preliminary results from the Phase 1 study of IBI389 in patients with CLDN18.2-positive PDAC and GC were presented at the ASCO 2024 Annual Meeting.

IBI354: *a novel best-in-class TOPO1i* HER-2 *ADC*

Clinical Updates

- During the Reporting Period and in the second half of 2024, the Phase 1 study of IBI354 for multiple HER-2 positive solid tumors is underway.

Data Publication

- In September 2024, results from the Phase 1 study of IBI354 in multiple HER-2 positive solid tumors were presented at ESMO 2024 Annual Meeting.

In addition to the above-mentioned programs, a compelling set of novel multi-specific antibodies and ADCs programs are undergoing or will enter early-stage studies for difficult-to-treat cancers, such as IBI3001 (EGFR/B7H3 bispecific ADC), IBI3003 (GPRC5D/BCMA/CD3), IBI3004 (CDEA/DR5), IBI115 (DLL3/CD3), IBI129 (B7H3 ADC), IBI130 (TROP2 ADC) and IBI133 (HER3 ADC).

Selected Drug Candidates at Phase 1/2 Stages – General Biomedicine

IBI355: *a potential best-in-class anti-CD40L monoclonal antibody*

Clinical Updates

- The Phase 1 study of IBI355 is underway. In the second half of 2024, we will continue to explore IBI355 in selected indications such as pSS and systemic lupus erythematosus (SLE) in adults.

IBI356: *a potential best-in-class anti-OX40L monoclonal antibody*

Clinical Updates

- In January 2024, the first patient was dosed in the Phase 1 clinical trial of IBI356 in healthy volunteers. In 2024, we will continue to explore IBI356 in selected indications such as moderate-to-severe AD.

IBI3002: *a first-in-class IL-4Rα/TSLP bispecific antibody*

Clinical Updates

- In February 2024, the first patient was dosed in a Phase 1 clinical trial of IBI3002 in healthy participants and participants with asthma.

IBI3016: *a siRNA drug candidate targeting AGT*

Clinical Updates

- In August 2024, the first patient was dosed in the Phase 1 clinical trial of IBI3016 in healthy participants and participants with mild hypertension.

Other clinical early-stage pipeline assets include IBI324 (VEGF-A/ANG-2) and IBI333 (VEGF-A/VEGF-C) in ophthalmology areas. We expect a growing number of general biomedicine projects across novel targets and modalities will enter IND-enabling and first-in-human stages, unlocking significant potential for addressing global chronic diseases.

Management Discussion and Analysis

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.

Strategic Collaboration with Partners and Other Corporate Development

- We entered into a clinical trial collaboration and supply agreement with ImmVirX to evaluate the combination therapy of TYVYT® (sintilimab injection) with ImmVirX's investigational oncolytic virus IVX037 in February 2024. Under the agreement, we will provide clinical drug supplies of TYVYT® (sintilimab injection) during the clinical trial collaboration. ImmVirX will conduct multi-center Phase 1b clinical trial in Australia, to evaluate the anti-tumor activity and safety of the combination therapy of intratumorally administered IVX037 in combination with intravenously injected sintilimab in patients with advanced colorectal, ovarian and GC.

- We entered updated collaboration with IASO Biotechnology in July 2024. IASO Bio purchased Innovent's relevant rights of FUCASO® (Equecabtagene Autoleucel) at the agreed price and Innovent used the proceeds to acquire 18% stake in IASO Bio. Under the new framework, IASO Bio will be fully responsible for the development, manufacturing and commercialization of the product, while Innovent became a strategic shareholder of IASO Bio.

- Our production capacity of 140,000L in operation guaranteed sufficient capacity to support our growing and mature drug pipeline, as well as our ongoing business expansions. In particular, the large-scale stainless-steel bioreactors have provided market competitive cost advantages for producing antibody drugs.

- We have been continually improving ESG management in the aspects of "Excellent Governance", "Enjoying Good Health", "High Quality as Key", "People First" and "Green Ecology". In July 2024, the Company launched its official ESG website. The platform highlights Innovent's comprehensive progress and notable achievements in governance, spreading good health, high-quality assurance, employee empowerment and ecological stewardship.

Management Discussion and Analysis

Financial Review

IFRS measure:

Six Months Ended 30 June 2024 Compared to Six Months Ended 30 June 2023

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers	**3,952,291**	2,701,532
Cost of sales	**(677,551)**	(504,615)
Gross profit	**3,274,740**	2,196,917
Other income	**300,606**	232,421
Other gains and losses	**85,516**	280,607
Research and development expenses	**(1,399,432)**	(922,817)
Administrative and other expenses	**(319,801)**	(368,388)
Selling and marketing expenses	**(1,879,356)**	(1,347,414)
Royalties and other related payments	**(416,838)**	(277,143)
Finance costs	**(38,020)**	(50,292)
Loss before tax	**(392,585)**	(256,109)
Income tax (expense) credit	**(35)**	116,960
Loss for the period	**(392,620)**	(139,149)
Other comprehensive expense		
Item that will not be reclassified to profit or loss		
Fair value loss on investment in equity instruments at FVTOCI	**(12,538)**	(30,913)
Item that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	**(6,296)**	(18,539)
Other comprehensive expense for the period, net of income tax	**(18,834)**	(49,452)
Total comprehensive expense for the period	**(411,454)**	(188,601)

Management Discussion and Analysis

1. Revenue

For the six months ended 30 June 2024, the Group generated revenue from contracts with customers of RMB3,952.3 million. The Group generated revenue from (i) sales of pharmaceutical products; (ii) license fee income; and (iii) R&D services fee income. The following table sets forth the components of the revenue from contracts with customers for the periods presented:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers:		
Sales of pharmaceutical products	**3,811,406**	2,457,459
License fee income	**115,931**	235,877
R&D service fee income	**24,954**	8,196
Total revenue from contracts with customers	**3,952,291**	2,701,532

For the six months ended 30 June 2024, the Group recorded revenue from sales of pharmaceutical products of RMB3,811.4 million, as compared with RMB2,457.5 million for the six months ended 30 June 2023.

For the six months ended 30 June 2024, the Group recorded license fee income of RMB115.9 million, as compared with RMB235.9 million for the six months ended 30 June 2023. The Group entered into collaboration agreements and to provide licenses to customers. Upfront fee, development milestone fee and other consideration received were recorded under contract liabilities. The Group transfers the contract liabilities to license fee income over time on a systematic basis that is consistent with the customer receives and consumes the benefits. During the six months ended 30 June 2024 and 2023, such over-time license fee income recorded was RMB115.9 million and RMB234.4 million, respectively. Meanwhile, the Group recognized a one-time license fee income of RMB1.5 million for the six months ended 30 June 2023, while no such income was generated for the six months ended 30 June 2024.

In addition, the Group continued to provide R&D services to customers. During the six months ended 30 June 2024, the Group generated R&D service revenue of approximately RMB25.0 million, as compared with RMB8.2 million for the six months ended 30 June 2023.

2. Cost of Sales

The Group's cost of sales consists of cost of raw material, direct labour, manufacturing overhead and depreciation and amortisation related to the production of the products sold, as well as amortisation of expenses related to intangibles and charges for impairment of inventory and intangibles. For the six months ended 30 June 2024, the Group recorded cost of sales of RMB677.6 million, as compared with RMB504.6 million for the six months ended 30 June 2023.

3. Other Income

The Group's other income consists of 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.

Management Discussion and Analysis

For the six months ended 30 June 2024, other income of the Group increased by RMB68.2 million to RMB300.6 million from RMB232.4 million for the six months ended 30 June 2023. The increase was primarily due to more interest income we generated for the six months ended 30 June 2024.

4. Other Gains and Losses

The Group's other gains and losses consist of (i) changes in foreign currency exchange rates; (ii) fair value changes of other financial assets and liabilities (financial assets and liabilities measured at FVTPL); and (iii) gains or losses on disposal of property, plant and equipment.

For the six months ended 30 June 2024, other gains and losses of the Group were a gain of RMB85.5 million, as compared with a gain of RMB280.6 million for the six months ended 30 June 2023, primarily impacted by change in foreign currency exchange rates. The net foreign exchange gains or losses were non-cash in nature and recorded a gain of RMB65.3 million and RMB278.3 million for the six months ended 30 June 2024 and 2023, respectively.

5. R&D Expenses

The Group's R&D expenses incurred in performing research and development activities, including but not limited to third-party contracting cost, clinical trial expenses, raw material cost, compensation and benefits, depreciation and amortisation, initial and subsequent payments under collaboration or license agreements incurred prior to regulatory approval, and impairment charges of intangible assets.

For the six months ended 30 June 2024 and 2023, the Group incurred R&D expenses of RMB1,399.4 million and RMB922.8 million, respectively.

6. Administrative and Other Expenses

For the six months ended 30 June 2024, administrative and other expenses of the Group were RMB319.8 million, as compared with RMB368.4 million for the six months ended 30 June 2023. The Group continues to improve the operating leverage, as well as benefiting from the fast ramp-up revenue, the ratio of administrative and other expenses to total revenue decreased by 5.5 percentage points from 13.6% for the six months ended 30 June 2023 to 8.1% for the six months ended 30 June 2024.

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 RMB1,879.4 million for the six months ended 30 June 2024, as compared with RMB1,347.4 million for the six months ended 30 June 2023. The Group has devoted continuous efforts in enhancing productivity and efficiency under a healthy and sustainable operation model, which could further support the Group's sustainable growth.

8. Royalties and Other Related Payments

Royalties and other related payments were RMB416.8 million for the six months ended 30 June 2024, as compared with RMB277.1 million for the six months ended 30 June 2023. This represents the royalties, sales-based milestones, profit sharing, as well as other related payments to the third parties for various co-development and in-licensing products during the commercialisation stage.

Management Discussion and Analysis

9. Income Tax Expense (Credit)

Income tax expense was RMB0.04 million for the six months ended 30 June 2024, as compared with a credit of RMB117.0 million for the six months ended 30 June 2023. Such credit for the six months ended 30 June 2023 was mainly due to recognition of an income tax withheld refund from license fee income with a U.S. based customer, which was no further applicable to the six months ended 30 June 2024.

10. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Group also uses adjusted gross profit, adjusted R&D expenses, adjusted administrative and other expenses, adjusted selling and marketing expenses, adjusted loss for the period and adjusted LBITDA for the six months and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, 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 the IFRS. The Group's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Group believes that these 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 Group to Group to the extent applicable.

Non-IFRS measures represent corresponding measures under IFRS excluding the effect of certain non-cash items including the share-based compensation expenses and net foreign exchange gains or losses.

The table below sets forth a reconciliation of the gross profit to adjusted gross profit for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Gross profit	**3,274,740**	2,196,917
Added:		
Share-based compensation expenses	**49,677**	27,165
Adjusted gross profit	**3,324,417**	2,224,082

Management Discussion and Analysis

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	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
R&D expenses	**(1,399,432)**	(922,817)
Added:		
Share-based compensation expenses	**105,577**	96,566
Adjusted R&D expenses	**(1,293,855)**	(826,251)

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Administrative and other expenses	**(319,801)**	(368,388)
Added:		
Share-based compensation expenses	**114,278**	95,446
Adjusted administrative and other expenses	**(205,523)**	(272,942)

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	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Selling and marketing expenses	**(1,879,356)**	(1,347,414)
Added:		
Share-based compensation expenses	**28,190**	7,813
Adjusted selling and marketing expenses	**(1,851,166)**	(1,339,601)

Management Discussion and Analysis

The table below sets forth a reconciliation of the loss for the period to adjusted loss for the period for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss for the period	**(392,620)**	(139,149)
Added:		
Share-based compensation expenses	**297,722**	226,990
Net foreign exchange gains	**(65,328)**	(278,265)
Adjusted loss for the period	**(160,226)**	(190,424)

The table below sets forth a reconciliation of LBITDA to adjusted LBITDA for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
LBITDA	**(393,183)**	(216,113)
Added:		
Share-based compensation expenses	**297,722**	226,990
Net foreign exchange gains	**(65,328)**	(278,265)
Adjusted LBITDA	**(160,789)**	(267,388)

Management Discussion and Analysis

Selected Data from Statement of Financial Position

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Total current assets	**11,048,658**	13,427,985
Total non-current assets	**9,247,038**	7,199,375
Total assets	**20,295,696**	20,627,360
Total current liabilities	**4,127,570**	4,476,816
Total non-current liabilities	**3,741,752**	3,622,963
Total liabilities	**7,869,322**	8,099,779
Net current assets	**6,921,088**	8,951,169

11. Liquidity and Source of Funding and Borrowing

As at 30 June 2024, the Company's bank balances and cash, structured products and investment notes in other financial assets were RMB10,112.3 million, as compared with RMB10,969.6 million as at 31 December 2023.

As at 30 June 2024, the current assets of the Company were RMB11,048.7 million, including bank balances and cash, current portion of structured products and investment notes in other financial assets of RMB8,628.8 million. As at 30 June 2024, the current liabilities of the Company were RMB4,127.6 million, including trade and bills payables of RMB220.6 million, other payables and accrued expenses of RMB2,611.7 million, contract liabilities of RMB283.5 million, borrowings of RMB934.6 million and lease liabilities of RMB77.1 million.

As at 30 June 2024, the Company had available unutilised long-term bank loan facilities of approximately RMB2,080.5 million.

Management Discussion and Analysis

12. Key Financial Ratios

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

	As at 30 June 2024	As at 31 December 2023
Current ratio[1]	**2.7**	3.0
Quick ratio[2]	**2.5**	2.8
Gearing ratio[3]	**NM[4]**	NM[4]

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%.

(4) Gearing ratio is not meaningful as our interest-bearing borrowings less cash equivalents was negative.

13. Significant Investments

The Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as of 30 June 2024) during the six months ended 30 June 2024.

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 2024.

15. Pledge of Assets

As at 30 June 2024, the Company had a total of RMB1,967.5 million of property, plant and equipment, RMB272.5 million of land use rights and RMB192.3 million of bank deposits pledged to secure its loans and banking facilities.

16. Contingent Liabilities

As at 30 June 2024, the Company did not have any material contingent liabilities.

17. Foreign Exchange Exposure

During the six months ended 30 June 2024, a majority of the Company's transactions were settled in Renminbi (RMB), the functional currency of the Company's primary subsidiaries. As at 30 June 2024, a significant amount of the Company'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 Company did not have significant foreign currency exposure from its operations as at 30 June 2024.

Management Discussion and Analysis

18. Employees and Remuneration

As at 30 June 2024, the Company had a total of 5,263 employees (as at 31 December 2023: 4,872 employees), including over 1,000 people from R&D, over 800 from chemistry, manufacturing and control, and over 3,000 from selling and marketing. The remuneration policy and package of the Company's employees are periodically reviewed. The remuneration package comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based payment expenses. The packages were set by benchmarking with companies in similar industries and in accordance with employees' educational backgrounds, experience and performance. In accordance with applicable Chinese laws, the Company 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 Company's employees. The Company also provided external and internal training programs to our employees.

The Company also adopted Pre-IPO Share Incentive Plan, Post-IPO ESOP, 2018 RS Plan and 2020 RS Plan, and the newly adopted 2024 Share Scheme to provide incentives for the Company's employees. Please refer to the section headed "Statutory and General Information – D. Equity Plan" in Appendix IV to the Prospectus for further details of the Pre-IPO Plan, the Post-IPO ESOP and the 2018 RS Plan, 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 circular of the Company dated 4 June 2024 for further details of the 2024 Share Scheme and the termination of the Post-IPO ESOP and the 2020 RS Plan.

The total remuneration cost incurred by the Company for the six months ended 30 June 2024 was RMB1,391.6 million, as compared to RMB1,358.8 million for the six months ended 30 June 2023.

During the six months ended 30 June 2024, the Company did not experience any significant labour disputes or any difficulty in recruiting employees.

Other Information

Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or Any of Its Associated Corporations

As at 30 June 2024, the interests and short positions of the Directors or chief executives of our Company in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/Nature of interest	Number of shares/ underlying shares	Approximate percentage of holding[1]	Long position/ Short position
Dr. Yu	Beneficial owner	107,797,403[2]	6.62%	Long position
		371,747[3]	0.02%	Short position
	Grantor of a trust	9,000,000[4]	0.55%	Long position
	Founder of a discretionary trust who can influence how the trustee exercises his discretion	12,422,595[5]	0.76%	Long position
Ms. Qian Zhang ("**Ms. Zhang**")	Beneficial owner	6,388,829[6]	0.39%	Long position
Mr. Ronald Hao Xi Ede ("**Mr. Ede**")	Beneficial owner	9,294,475[7]	0.57%	Long position
Dr. Charles Leland Cooney ("**Dr. Cooney**")	Beneficial owner	147,092[8]	0.01%	Long position
Ms. Joyce I-Yin Hsu ("**Ms. Hsu**")	Beneficial owner	108,002[9]	0.01%	Long position
Dr. Kaixian Chen ("**Dr. Chen**")	Beneficial owner	46,020[10]	0.00%	Long position
Mr. Gary Zieziula ("**Mr. Zieziula**")	Beneficial owner	391,001[11]	0.02%	Long position
Mr. Shuyun Chen ("**Mr. Nick Chen**")	Beneficial owner	23,922[12]	0.00%	Long position

Notes:

1. The calculation is based on the total number of 1,628,413,570 Shares in issue as at 30 June 2024.

2. Includes (i) 89,202,930 Shares held directly by Dr. Yu, (ii) Dr. Yu's entitlement to receive up to 11,196,889 Shares pursuant to the exercise of options granted to him, subject to the conditions of these, options; and (iii) Dr. Yu's entitlement to the aggregate of 7,397,584 Shares underlying Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

3. These Shares are in connection with a donation agreement entered into by Dr. Yu, pursuant to which he agreed to sell HK$10,000,000 worth of his Shares (approximately 371,747 Shares based on the closing price of HK$26.90 on 27 December 2019, the closest trading day to the date of the agreement) and to transfer the proceeds remaining (after tax and relevant fees) to the beneficiary. Such date of transfer shall be extended to a date as agreed by the parties.

Other Information

4. These Shares are held by Gloria Bingqinzi Yu and Catherine Tong Yu as co-trustees of Yu Tong Family Irrevocable Trust, of which Dr. Yu and his spouse are the grantors. Under the SFO, Dr. Yu is deemed to be interested in these Shares.

5. These Shares are held by The Bryn Mawr Trust Company of Delaware as trustee of (i) Madrone Grove Dynasty Trust; and (ii) Jenelope Dynasty Trust, of which Dr. Yu and his spouse are the grantors. Under the SFO, Dr. Yu is deemed to be interested in these Shares.

6. Includes (i) 334,494 Shares held by Ms. Zhang, (ii) Ms. Zhang's entitlement to receive 4,027,191 share pursuant to the exercise of options granted to her, and (iii) Ms. Zhang's entitlement to 2,027,144 shares underlying restricted shares granted to her.

7. Includes (i) 4,255,616 Shares held directly by Mr. Ede; (ii) Mr. Ede's entitlement to receive up to 3,011,715 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Mr. Ede's entitlement to the aggregate of 2,027,144 Shares underlying Restricted Shares granted to him, subject to the conditions of these Restricted Shares.

8. Includes (i) 45,401 Shares held by Dr. Cooney; (ii) Dr. Cooney's entitlement to receive up to 79,650 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Dr. Cooney's entitlement to the aggregate of 22,041 Shares underlying the Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

9. Includes (i) 6,311 shares held directly by Ms. Hsu; (ii) Ms. Hsu's entitlement to receive up to 79,650 Shares pursuant to the exercise of options granted to her, subject to the conditions of these options; and (iii) Ms. Hsu's entitlement to the aggregate of 22,041 Shares underlying the Restricted Shares granted to her, subject to the conditions of these underlying Restricted Shares.

10. Includes (i) 5,346 shares held directly by Dr. Chen; (ii) Dr. Chen's entitlement to receive up to 31,859 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Dr. Chen's entitlement to the aggregate of 8,815 Shares underlying the Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

11. Includes (i) Mr. Zieziula's entitlement to receive up to 294,809 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (ii) Mr. Zieziula's entitlement to the aggregate of 96,192 Shares underlying the Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

12. Includes (i) 11,000 Shares held directly by Mr. Nick Chen; (ii) Mr. Nick Chen's entitlement to receive up to 3,371 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Mr. Nick Chen's entitlement to the aggregate of 9,551 Shares underlying the Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

Other Information

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2024, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[1]	Long position/ Short position/ Lending pool
Temasek Holdings (Private) Limited[2]	Interest in a controlled corporation	129,855,850	7.97%	Long position
The Capital Group Companies, Inc. [3] (the "**Capital Group Companies**")	Interest in a controlled corporation	114,164,873	7.01%	Long position
JPMorgan Chase & Co.[4] ("**JPMorgan**")	Interest in a controlled corporation	10,538,494	0.65%	Long position
		10,200,505	0.63%	Short position
	Investment manager	1,103,692	0.07%	Long position
		8,860	0.00%	Short position
	Having a security interest	3,332,077	0.20%	Long position
	Trustee	5,500	0.00%	Long position
	Lending agent	69,034,796	4.24%	Lending Pool

Notes:

1. The calculation is based on the total number of 1,628,413,570 Shares in issue as at 30 June 2024.

2. TLS Beta Pte. Ltd ("**TLS Beta**") is a wholly-owned subsidiary of Temasek Life Sciences Private Limited, which is in turn a wholly-owned subsidiary of Fullerton Management Pte Ltd, which is in turn a wholly-owned subsidiary of Temasek Holdings (Private) Limited. Under the SFO, Temasek Life Sciences Private Limited, Fullerton Management Pte Ltd and Temasek Holdings (Private) Limited are deemed to be interested in the 89,475,350 Shares held by TLS Beta.

   Temasek Life Sciences Private Limited, Fullerton Management Pte Ltd and Temasek Holdings (Private) Limited are also deemed to be interested in the 11,230,000 Shares held by held by Elbrus Investments Pte. Ltd., a wholly-owned subsidiary of Temasek Life Sciences Private Limited.

   Fullerton Management Pte Ltd and Temasek Holdings (Private) Limited are also deemed to be interested in the 3,941,000 Shares held by True Light Investments H Pte Ltd., an indirect wholly-owned subsidiary of Fullerton Management Pte Ltd.

   In addition to the above, Temasek Holdings (Private) Limited is deemed to be interested in the 25,209,500 Shares held by other entity under its control. For details, please refer to the disclosure of interest form of Temasek Holdings (Private) Limited filed on 13 May 2024.

3. Capital Research and Management Company ("**Capital Research**") is a wholly-owned subsidiary of Capital Group Companies, which directly holds 84,817,972 Shares and is deemed to be interested in the 29,346,901 Shares held by other entities under the control of Capital Group International Inc., a wholly-owned subsidiary of Capital Research. Under the SFO, Capital Group Companies is deemed to be interested in the Shares held by Capital Research.

4. JPMorgan was interested in a total of 84,014,559 Shares (long position), 10,209,365 Shares (short position) and 69,034,796 Shares (lending pool). According to the disclosure of interest notice filed by JPMorgan Chase & Co. with a relevant event date of 16 May 2024, such Shares were held by JPMorgan Chase & Co. indirectly through its wholly-owned subsidiaries. Among them, 12,400 Shares (short position) were held through cash settled listed derivatives, 357,968 Shares (long position) and 713,399 Shares (short position) were held through physically settled unlisted derivatives, and 6,828,000 Shares (long position) and 6,993,389 Shares (short position) were held through cash settled unlisted derivatives.

Other Information

Save as disclosed above, as at 30 June 2024, no persons other than the Directors or chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations" above had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

Equity Plans

The Company has five existing share schemes, namely the Pre-IPO Share Incentive Plan (terminated on 9 May 2022), the Post-IPO ESOP (terminated on 21 June 2024), the 2018 RS Plan (terminated on 12 June 2020), the 2020 RS Plan (terminated on 21 June 2024) and the 2024 Share Scheme (adopted on 21 June 2024).

162,838,357 new Shares, representing approximately 10.00% of the weighted average of issued share capital of the Company, may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the 2024 Share Scheme.

Further details and relevant breakdowns of each of the share schemes of the Company are set out below:

1. Pre-IPO Share Incentive Plan

The term of the Pre-IPO Share Incentive Plan has expired on 9 May 2022 and the Pre-IPO Share Incentive Plan has been terminated.

Maximum Number of Shares Available for Grant and Issue

The overall limit on the number of underlying shares which were delivered and may be delivered pursuant to awards granted under the Pre-IPO Share Incentive Plan is 165,476,820 Shares, subject to any adjustments for other dilutive issuances.

Given that no further awards would be granted under the Pre-IPO Share Incentive Plan after Listing, the outstanding number of options would be equivalent to the maximum number of Shares available for issue under the Pre-IPO Share Incentive Plan. As at 1 January 2024 and 30 June 2024, the aggregate number of underlying Shares pursuant to the outstanding options granted under the Pre-IPO Share Incentive Plan were 21,079,011 and 19,280,211 Shares, respectively. Details of the Pre-IPO Share Incentive Plan are set out in Note 21 to the consolidated financial statements.

Other Information

Details of the movements of the options granted under the Pre-IPO Share Incentive Plan (which involves issuing new Shares) are as follows:

					Number of options					
Name or category of grantee	Date of grant	Exercise period	Vesting period	Exercise price	Outstanding as at 1 January 2024	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2024	Weighted average closing price immediately before the exercise date during the Reporting Period
Ms. Qian Zhang	Between 14 April 2017 and 9 October 2018	10 years from the date of grant	4 years from the date of grant	Between US$0.198 and US$0.2952	1,425,000	(50,000)	-	-	1,375,000	HK$40.90
Service Providers in aggregate	Between 10 May 2012 and 13 July 2018	10 years from the date of grant	4 years from the date of grant	Between US$0.017 and US$0.212	5,310,000	(1,000,000)	-	-	4,310,000	HK$38.35
Employee Participants in aggregate	Between 10 May 2012 and 9 October 2018	10 years from the date of grant	4 years to 6 years from the date of grant	Between US$0.017 and US$1.342	14,344,011	(748,800)	-	-	13,595,211	HK$37.31
Total					21,079,011	(1,798,800)	-	-	19,280,211	

Note: The exercise price in respect of the options exercised during the Reporting Period is between US$0.035 and US$0.2952.

2. Post-IPO ESOP

The Post-IPO ESOP was terminated on 21 June 2024.

Maximum Number of Shares Available for Grant and Issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO ESOP and any other schemes is 111,815,071, being no more than 10% of the Shares in issue on the date the Shares commenced trading on the Stock Exchange. The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO ESOP and any other share option schemes of the Company at any time must not exceed 30% of the Shares in issue from time to time.

As of 1 January 2024, 54,441,520 new Shares were available for grant under the Post-IPO ESOP. During the period from 1 January 2024 to 21 June 2024, 4,805,399 options had been granted pursuant to the Post-IPO ESOP. Given that no further options would be granted under the Post-IPO ESOP after its termination, the outstanding number of options would be equivalent to the maximum number of Shares available for issue under the Post-IPO ESOP. It follows that, as of 30 June 2024, the total number of outstanding options was 51,715,441 Shares. Further details of the Post-IPO ESOP are set out in the Prospectus and Note 21 to the financial statements.

Details of the movements of the options granted under the Post-IPO ESOP are as follows:

					Number of options									
Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2024	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
Directors														
Dr. De-Chao Michael Yu	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	4,142,857	-	-	-	-	4,142,857	N/A	N/A	N/A	N/A
	15 April 2020	10 years from the date of grant	75% shall vest on 15 April 2023; and 25% shall vest on 15 April 2024	HK$33.95	2,071,429	-	-	-	-	2,071,429	N/A	N/A	N/A	N/A
	30 March 2021	10 years from the date of grant	75% shall vest on 30 March 2024; and 25% shall vest on 30 March 2025	HK$78.20	1,035,714	-	-	-	-	1,035,714	N/A	N/A	N/A	N/A
	30 March 2022	10 years from the date of grant	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	HK$30.60	1,354,889	-	-	-	-	1,354,889	N/A	N/A	N/A	N/A
	30 March 2023	10 years from the date of grant	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	HK$38.39	1,620,000	-	-	-	-	1,620,000	N/A	N/A	N/A	N/A
	22 March 2024	10 years from the date of grant	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	HK$40.24	-	972,000	-	-	-	972,000	HK$38.10	HK$19.26[1]	N/A	See Note 2
Mr. Ronald Hao Xi Ede	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	952,381	-	-	-	-	952,381	N/A	N/A	N/A	N/A
	15 April 2020	10 years from the date of grant	75% shall vest on 15 April 2023; and 25% shall vest on 15 April 2024	HK$33.95	635,714	-	-	-	-	635,714	N/A	N/A	N/A	N/A
	30 March 2021	10 years from the date of grant	75% shall vest on 30 March 2024; and 25% shall vest on 30 March 2025	HK$78.20	342,857	-	-	-	-	342,857	N/A	N/A	N/A	N/A
	30 March 2022	10 years from the date of grant	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	HK$30.60	373,763	-	-	-	-	373,763	N/A	N/A	N/A	N/A
	30 March 2023	10 years from the date of grant	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	HK$38.39	440,000	-	-	-	-	440,000	N/A	N/A	N/A	N/A
	22 March 2024	10 years from the date of grant	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	HK$40.24	-	267,000	-	-	-	267,000	HK$38.10	HK$19.26[1]	N/A	See Note 2

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options						Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
					Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2024				
Ms. Qian Zhang	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	542,857	-	-	-	-	542,857	N/A	N/A	N/A	N/A
	15 April 2020	10 years from the date of grant	75% shall vest on 15 April 2023; and 25% shall vest on 15 April 2024	HK$33.95	685,714	-	-	-	-	685,714	N/A	N/A	N/A	N/A
	30 March 2021	10 years from the date of grant	75% shall vest on 30 March 2024; and 25% shall vest on 30 March 2025	HK$78.20	342,857	-	-	-	-	342,857	N/A	N/A	N/A	N/A
	30 March 2022	10 years from the date of grant	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	HK$30.60	373,763	-	-	-	-	373,763	N/A	N/A	N/A	N/A
	30 March 2023	10 years from the date of grant	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	HK$38.39	440,000	-	-	-	-	440,000	N/A	N/A	N/A	N/A
	22 March 2024	10 years from the date of grant	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	HK$40.24	-	267,000	-	-	-	267,000	HK$38.10	HK$18.10	N/A	See Note 2

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options									
					Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2024	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
Dr. Charles Leland Cooney	30 March 2022	10 years from the date of grant	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	HK$30.60	38,628	-	-	-	-	38,628	N/A	N/A	N/A	N/A
	30 March 2023	10 years from the date of grant	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	HK$38.39	35,966	-	-	-	-	35,966	N/A	N/A	N/A	N/A
	22 March 2024	10 years from the date of grant	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	HK$40.24	-	5,056	-	-	-	5,056	HK$38.10	HK$18.80[1]	N/A	Nil
Ms. Joyce I-Yin Hsu	30 March 2022	10 years from the date of grant	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	HK$30.60	38,628	-	-	-	-	38,628	N/A	N/A	N/A	N/A
	30 March 2023	10 years from the date of grant	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	HK$38.39	35,966	-	-	-	-	35,966	N/A	N/A	N/A	N/A
	22 March 2024	10 years from the date of grant	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	HK$40.24	-	5,056	-	-	-	5,056	HK$38.10	HK$18.80[1]	N/A	Nil

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options						Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
					Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2024				
Dr. Kaixian Chen	30 March 2022	10 years from the date of grant	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	HK$30.60	15,451	-	-	-	-	15,451	N/A	N/A	N/A	N/A
	30 March 2023	10 years from the date of grant	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	HK$38.39	14,386	-	-	-	-	14,386	N/A	N/A	N/A	N/A
	22 March 2024	10 years from the date of grant	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	HK$40.24	-	2,022	-	-	-	2,022	HK$38.10	HK$18.80[1]	N/A	Nil
Mr. Gary Zieziula	1 June 2022	10 years from the date of grant	33.33% shall vest on 1 June 2023; 33.33% shall vest on 1 June 2024; and 33.33% shall vest on 1 June 2025	HK$24.30	117,045	-	-	-	-	117,045	N/A	N/A	N/A	N/A
	30 March 2023	10 years from the date of grant	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	HK$38.39	155,854	-	-	-	-	155,854	N/A	N/A	N/A	N/A
	22 March 2024	10 years from the date of grant	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	HK$40.24	-	21,910	-	-	-	21,910	HK$38.10	HK$18.80[1]	N/A	Nil
Mr. Shuyun Chen	3 May 2024	10 years from the date of grant	33.33% shall vest on 3 May 2025; 33.33% shall vest on 3 May 2026; and 33.33% shall vest on 3 May 2027	HK$40.90	-	3,371	-	-	-	3,371	HK$41.85	HK$22.14[1]	N/A	Nil

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options: Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2024	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
Service Providers in aggregate	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	100,000	-	-	-	-	100,000	N/A	N/A	N/A	N/A
	9 December 2022	10 years from the date of grant	75% shall vest on 9 December 2025; and 25% shall vest on 9 December 2026	HK$32.25	800,000	-	-	-	-	800,000	N/A	N/A	N/A	N/A
Employee Participants in aggregate[4]	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	3,148,115	-	(312,857)	-	-	2,835,258	N/A	N/A	HK$37.86	N/A
	14 June 2019	10 years from the date of grant	75% shall vest on 14 June 2022; and 25% shall vest on 14 June 2023	HK$26.25	198,571	-	-	-	-	198,571	N/A	N/A	N/A	N/A
	29 August 2019	10 years from the date of grant	75% shall vest on 29 August 2022; and 25% shall vest on 29 August 2023	HK$25.85	57,143	-	-	-	-	57,143	N/A	N/A	N/A	N/A
	4 December 2019	10 years from the date of grant	75% shall vest on 4 December 2022; and 25% shall vest on 4 December 2023	HK$28.15	56,786	-	(21,786)	-	-	35,000	N/A	N/A	HK$39.08	N/A
	15 April 2020	10 years from the date of grant	75% shall vest on 15 April 2023; and 25% shall vest on 15 April 2024	HK$33.95	5,639,388	-	(37,461)	-	-	5,601,927	N/A	N/A	HK$40.49	N/A
	11 June 2020	10 years from the date of grant	75% shall vest on 11 June 2023; and 25% shall vest on 11 June 2024	HK$47.80	1,131,086	-	-	(2,857)	-	1,128,229	N/A	N/A	N/A	N/A
	27 August 2020	10 years from the date of grant	75% shall vest on 27 August 2023; and 25% shall vest on 27 August 2024	HK$54.55	114,284	-	-	-	-	114,284	N/A	N/A	N/A	N/A
	3 December 2020	10 years from the date of grant	75% shall vest on 3 December 2023; and 25% shall vest on 3 December 2024	HK$53.90	3,427,735	-	-	(7,143)	-	3,420,592	N/A	N/A	N/A	N/A
	30 March 2021	10 years from the date of grant	75% shall vest on 30 March 2024; and 25% shall vest on 30 March 2025	HK$78.20	5,017,459	-	-	(139,300)	-	4,878,159	N/A	N/A	N/A	N/A
	23 June 2021	10 years from the date of grant	75% shall vest on 23 June 2024; and 25% shall vest on 23 June 2025	HK$90.05	632,735	-	-	(54,095)	-	578,640	N/A	N/A	N/A	N/A
		10 years from the date of grant	50% shall vest on 23 June 2026; and 50% shall vest on 23 June 2027	HK$90.05	125,714	-	-	-	-	125,714	N/A	N/A	N/A	N/A

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options						Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
					Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2024				
	26 August 2021	10 years from the date of grant	75% shall vest on 26 August 2024; and 25% shall vest on 26 August 2025	HK$64.69	158,857	-	-	(73,142)	-	85,715	N/A	N/A	N/A	N/A
	6 December 2021	10 years from the date of grant	75% shall vest on 6 December 2024; and 25% shall vest on 6 December 2025	HK$68.51	395,310	-	-	(103,572)	-	291,738	N/A	N/A	N/A	N/A
	30 March 2022	10 years from the date of grant	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	HK$30.60	6,739,561	-	-	(297,286)	-	6,442,275	N/A	N/A	N/A	N/A
	8 July 2022	10 years from the date of grant	75% shall vest on 8 July 2025; and 25% shall vest on 8 July 2026	HK$37.55	227,998	-	-	-	-	227,998	N/A	N/A	N/A	N/A
	29 August 2022	10 years from the date of grant	75% shall vest on 29 August 2025; and 25% shall vest on 29 August 2026	HK$33.10	55,571	-	-	-	-	55,571	N/A	N/A	N/A	N/A
	9 December 2022	10 years from the date of grant	75% shall vest on 9 December 2025; and 25% shall vest on 9 December 2026	HK$32.25	206,412	-	-	-	-	206,412	N/A	N/A	N/A	N/A
	30 March 2023	10 years from the date of grant	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	HK$38.39	9,830,031	-	-	(890,125)	-	8,939,906	N/A	N/A	N/A	N/A
	20 June 2023	10 years from the date of grant	75% shall vest on 20 June 2026; and 25% shall vest on 20 June 2027	HK$35.20	154,000	-	-	-	-	154,000	N/A	N/A	N/A	N/A
	7 December 2023	10 years from the date of grant	75% shall vest on 7 December 2026; and 25% shall vest on 7 December 2027	HK$42.84	91,800	-	-	-	-	91,800	N/A	N/A	N/A	N/A
	22 March 2024	10 years from the date of grant	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	HK$40.24	-	2,876,600	-	(511,800)	-	2,364,800	HK$38.10	Staff: HK$17.57 Management: HK$18.10[1]	N/A	See Note 2
	14 June 2024	10 years from the date of grant	75% shall vest on 14 June 2027; and 25% shall vest on 14 June 2028	HK$38.30	-	385,384	-	-	-	385,384	HK$36.25	Staff: HK$19.44 Management: HK$19.71[1]	N/A	See Note 3
Total					54,115,275	4,805,399	(372,104)	(2,079,320)	-	56,469,250				

Other Information

Notes:

(1) The Company granted 1,276,415 options to the Directors and 3,528,984 options to the Employee Participants during the Reporting Period, which are measured at the fair value of the equity instruments at the grant date according to IFRS 2 Share-based payments.

The fair value of the equity-settled share-based payments was determined at the grant date without taking into consideration all non-market vesting conditions expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of the Reporting Period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions.

(2) Each vesting of the options granted to the grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the Company and each of the grantees. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include research and development, CMC, sales and marketing, and general and administration, etc. The vesting percentage of the options at each vesting will be adjusted based on his/her annual performance appraisal.

(3) Each vesting of the options granted to the grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the Company and each of the Grantees. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include research, CMC, and clinical development, etc. The vesting percentage of the options at each vesting will be adjusted based on his/her annual performance appraisal.

(4) Employee Participants other than Dr. Yu, Mr. Ronald Hao Xi Ede, Ms. Qian Zhang, Dr. Charles Leland Cooney, Ms. Joyce I-Yin Hsu, Dr. Kaixian Chen, Mr. Gary Zieziula and Mr. Shuyun Chen as disclosed above, on individual basis.

(5) HK$1.00 was paid as consideration by each grantee upon acceptance of the options granted during the Reporting Period.

3. 2018 RS Plan

The 2018 RS Plan was terminated on 12 June 2020.

Maximum Number of Shares Available for Grant and Issue

The total number of shares issued and may be issued by the Company within two years of the Listing for distribution of Shares corresponding to the restricted shares granted under the 2018 RS Plan shall not exceed 55,907,535 Shares.

Given that no further awards would be granted under the 2018 RS Plan after its termination, the number of unvested awards would be equivalent to the maximum number of Shares available for issue under the 2018 RS Plan. As of 1 January 2024 and 30 June 2024, restricted shares representing 2,361,133 and nil underlying Shares granted to eligible participants pursuant to the 2018 RS Plan remain unvested, respectively. Further details of the 2018 RS Plan are set out in the Prospectus and Note 21 to the financial statements.

Other Information

Details of the movements of the restricted Shares granted under the 2018 RS Plan (to be satisfied by new Shares) are as follows:

Name or category of grantee	Date of grant	Vesting period	Purchase price	Unvested as of 1 January 2024	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of 30 June 2024	Weighted average closing price immediately before the vesting date during the Reporting Period
Directors									
Dr. De-Chao Michael Yu	2 May 2019	5 years from the date of grant	Nil	1,380,360	(1,380,360)	-	-	-	HK$38.25
	15 April 2020	4 years from the date of grant	Nil	362,500	(362,500)	-	-	-	HK$37.35
Mr. Ronald Hao Xi Ede	15 April 2020	4 years from the date of grant	Nil	80,000	(80,000)	-	-	-	HK$37.35
Ms. Qian Zhang	15 April 2020	4 years from the date of grant	Nil	80,000	(80,000)	-	-	-	HK$37.35
Employee Participants in aggregate	15 April 2020	4 years from the date of grant	Nil	351,491	(351,491)	-	-	-	HK$37.35
	11 June 2020	4 years from the date of grant	Nil	106,782	(106,782)	-	-	-	HK$35.80
Total				2,361,133	(2,361,133)	-	-	-	

Note: Employee Participants other than Dr. De-Chao Michael Yu, Mr. Ronald Hao Xi Ede and Ms. Qian Zhang as disclosed above, on individual basis.

4. 2020 RS Plan

The 2020 RS Plan was terminated on 21 June 2024.

Maximum Number of Shares Available for Issue

The total number of shares issued and may be issued by the Company within five years of 12 June 2020 for distribution of Shares corresponding to the restricted shares granted under the 2020 RS Plan shall not exceed 67,152,410 Shares.

As of 1 January 2024, 25,895,369 restricted shares were available for grant under the 2020 RS Plan. During the period from 1 January 2024 to 21 June 2024, 22,812,781 restricted shares were granted to eligible participants pursuant to the 2020 RS Plan. Given that no further awards would be granted under the 2020 RS Plan after 21 June 2024, the outstanding number of restricted shares would be equivalent to the maximum number of Shares available for issue under the 2020 RS Plan. As of 30 June 2024, restricted shares representing 6,864,433 underlying Shares granted to eligible participants pursuant to the 2020 RS Plan remain unvested, respectively. Further details of the 2020 RS Plan are set out in the announcement of the Company dated 27 May 2020, the circular of the Company dated 28 May 2020 and Note 21 to the financial statements.

Details of the movements of the restricted shares granted under the 2020 RS Plan (to be satisfied by new Shares) are as follows:

Name or category of grantee	Date of grant	Vesting period	Purchase price	Unvested as of 1 January 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of 30 June 2024	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of restricted shares at the date of grant during the Reporting Period	Weighted average closing price immediately before the vesting date during the Reporting Period	Performance targets for restricted shares granted during the Reporting Period
Director													
Dr. De-Chao Michael Yu	30 March 2021	4 years from the date of grant	Nil	725,000	–	(543,750)	–	–	181,250	N/A	N/A	HK$37.70	N/A
	30 March 2022	4 years from the date of grant	Nil	2,032,334	–	–	–	–	2,032,334	N/A	N/A	N/A	N/A
	30 March 2023	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	Nil	2,430,000	–	–	–	–	2,430,000	N/A	N/A	N/A	N/A
	22 March 2024	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	Nil	–	2,754,000	–	–	–	2,754,000	HK$38.10	HK$36.00[1]	N/A	See Note 2
Mr. Ronald Hao Xi Ede	30 March 2021	4 years from the date of grant	Nil	160,000	–	(120,000)	–	–	40,000	N/A	N/A	HK$37.70	N/A
	30 March 2022	4 years from the date of grant	Nil	560,644	–	–	–	–	560,644	N/A	N/A	N/A	N/A
	30 March 2023	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	Nil	670,000	–	–	–	–	670,000	N/A	N/A	N/A	N/A
	22 March 2024	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	Nil	–	756,500	–	–	–	756,500	HK$38.10	HK$36.00[1]	N/A	See Note 3
Ms. Qian Zhang	30 March 2021	4 years from the date of grant	Nil	160,000	–	(120,000)	–	–	40,000	N/A	N/A	HK$37.70	N/A
	30 March 2022	4 years from the date of grant	Nil	560,644	–	–	–	–	560,644	N/A	N/A	N/A	N/A
	30 March 2023	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	Nil	670,000	–	–	–	–	670,000	N/A	N/A	N/A	N/A
	22 March 2024	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	Nil	–	756,500	–	–	–	756,500	HK$38.10	HK$36.00[1]	N/A	See Note 4

Name or category of grantee	Date of grant	Vesting period	Purchase price	Unvested as of 1 January 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of 30 June 2024	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of restricted shares at the date of grant during the Reporting Period	Weighted average closing price immediately before the vesting date during the Reporting Period	Performance targets for restricted shares granted during the Reporting Period
Dr. Charles Leland Cooney	30 March 2022	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	Nil	3,219	–	(1,609)	–	–	1,610	N/A	N/A	HK$37.70	N/A
	30 March 2023	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	Nil	4,496	–	(1,499)	–	–	2,997	N/A	N/A	HK$37.70	N/A
	22 March 2024	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	Nil	–	14,326	–	–	–	14,326	HK$38.10	HK$36.00[1]	N/A	Nil
Ms. Joyce I-Yin Hsu	30 March 2022	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	Nil	3,219	–	(1,609)	–	–	1,610	N/A	N/A	HK$37.70	N/A
	30 March 2023	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	Nil	4,496	–	(1,499)	–	–	2,997	N/A	N/A	HK$37.70	N/A
	22 March 2024	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	Nil	–	14,326	–	–	–	14,326	HK$38.10	HK$36.00[1]	N/A	Nil

Name or category of grantee	Date of grant	Vesting period	Purchase price	Unvested as of 1 January 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of 30 June 2024	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of restricted shares at the date of grant during the Reporting Period	Weighted average closing price immediately before the vesting date during the Reporting Period	Performance targets for restricted shares granted during the Reporting Period
Dr. Kaixian Chen	30 March 2022	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	Nil	1,287	–	(644)	–	–	643	N/A	N/A	HK$37.70	N/A
	30 March 2023	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	Nil	1,798	–	(599)	–	–	1,199	N/A	N/A	HK$37.70	N/A
	22 March 2024	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	Nil	–	5,730	–	–	–	5,730	HK$38.10	HK$36.00[1]	N/A	Nil
Mr. Gary Ziezula	1 June 2022	33.33% shall vest on 1 June 2023; 33.33% shall vest on 1 June 2024; and 33.33% shall vest on 1 June 2025	Nil	9,754	–	(4,877)	–	–	4,877	N/A	N/A	HK$37.70	N/A
	30 March 2023	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	Nil	19,482	–	(6,494)	–	–	12,988	N/A	N/A	HK$37.70	N/A
	22 March 2024	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	Nil	–	62,079	–	–	–	62,079	HK$38.10	HK$36.00[1]	N/A	Nil
Mr. Shuyun Chen	3 May 2024	33.33% shall vest on 3 May 2025; 33.33% shall vest on 3 May 2026; and 33.33% shall vest on 3 May 2027	Nil	–	9,551	–	–	–	9,551	HK$41.85	HK$40.90[1]	N/A	Nil

Name or category of grantee	Date of grant	Vesting period	Purchase price	Unvested as of 1 January 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of 30 June 2024	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of restricted shares at the date of grant during the Reporting Period	Weighted average closing price immediately before the vesting date during the Reporting Period	Performance targets for restricted shares granted during the Reporting Period
Service Providers in aggregate	9 December 2022	4 years from the date of grant	Nil	930,000	–	–	–	–	930,000	N/A	N/A	N/A	N/A
Employee Participants in aggregate[2]	27 August 2020	4 years from the date of grant	Nil	20,000	–	–	–	–	20,000	N/A	N/A	N/A	N/A
	3 December 2020	4 years from the date of grant	Nil	1,102,292	–	–	(5,000)	–	1,097,292	N/A	N/A	N/A	N/A
	30 March 2021	4 years from the date of grant	Nil	1,200,940	–	(862,155)	(54,675)	–	284,110	N/A	N/A	HK$37.70	N/A
	23 June 2021	244,000 restricted shares; 6 years from the date of grant 429,587 restricted shares; 4 years from the date of grant	Nil	239,200	–	(154,779)	(23,000)	–	61,421	N/A	N/A	HK$36.80	N/A
	26 August 2021	4 years from the date of grant	Nil	120,000	–	–	(50,000)	–	70,000	N/A	N/A	N/A	N/A
	6 December 2021	4 years from the date of grant	Nil	299,100	–	–	(78,000)	–	221,100	N/A	N/A	N/A	N/A
	30 March 2022	4 years from the date of grant	Nil	10,301,869	–	–	(469,000)	–	9,832,869	N/A	N/A	N/A	N/A
	8 July 2022	4 years from the date of grant	Nil	158,000	–	–	–	–	158,000	N/A	N/A	N/A	N/A
	29 August 2022	4 years from the date of grant	Nil	60,000	–	–	–	–	60,000	N/A	N/A	N/A	N/A
	9 December 2022	4 years from the date of grant	Nil	319,407	–	–	–	–	319,407	N/A	N/A	N/A	N/A
	30 March 2023	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	Nil	14,762,580	–	–	(1,271,320)	–	13,491,260	N/A	N/A	N/A	N/A
	20 June 2023	75% shall vest on 20 June 2026; and 25% shall vest on 20 June 2027	Nil	154,000	–	–	–	–	154,000	N/A	N/A	N/A	N/A
	7 December 2023	75% shall vest on 7 December 2026; and 25% shall vest on 7 December 2027	Nil	137,400	–	–	–	–	137,400	N/A	N/A	N/A	N/A
	22 March 2024	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	Nil	–	17,868,650	–	(1,830,850)	–	16,037,800	HK$38.10	HK$36.00[1]	N/A	See Note 4
	14 June 2024	75% shall vest on 14 June 2027; and 25% shall vest on 14 June 2028	Nil	–	571,119	–	–	–	571,119	HK$36.25	HK$37.95[1]	N/A	See Note 5
Total				37,821,161	22,812,781	(1,819,514)	(3,781,845)	–	55,032,583				

Other Information

Notes:

(1) The Company granted 3,616,512 restricted shares to the Directors and 19,196,269 restricted shares to the Employees Participants during the Reporting Period, which are measured at the fair value of the equity instruments at the grant date according to IFRS 2 Share-based payments.

The fair value of the equity-settled share-based payments was determined at the grant date without taking into consideration all non-market vesting conditions expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of the Reporting Period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions.

(2) Each vesting of the restricted shares granted to grantees are subject to the individual annual performance targets as stipulated in the award letters entered into by the Company and the grantees. The vesting percentage of the restricted shares will be adjusted based on his annual performance appraisal at each vesting. For the grant to Dr. Yu, these performance result requirements relate to and include the overall performance of the Company, marketing and sales of commercialized products, progress of the Group's portfolio development plans and achievement of the business plans of the Group. Please refer to the announcement dated 24 March 2024 for further details.

(3) Each vesting of the restricted shares granted to grantees are subject to the individual annual performance targets as stipulated in the award letters entered into by the Company and the grantees. The vesting percentage of the restricted shares will be adjusted based on his annual performance appraisal at each vesting. For the grant to Mr. Ede, these performance result requirements relate to and include the overall performance of the Company, and achievement of targets in areas in fund management. Please refer to the announcement dated 24 March 2024 for further details.

(4) Each vesting of the restricted shares granted to the grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the grantee and the Company. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include research, CMC, sales and marketing, and general and administration, etc. The vesting percentage of the restricted shares at each vesting will be adjusted based on his/her annual performance appraisal.

(5) Each vesting of the restricted shares granted to the grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the grantee and the Company. These performance targets are set against certain benchmark of the functions in which the individual Grantee serves, these functions include research, CMC, and clinical development, etc. The vesting percentage of the restricted shares will be adjusted based on his/her annual performance appraisal at each vesting.

(6) Employee Participants other than Dr. De-Chao Michael Yu, Mr. Ronald Hao Xi Ede, Ms. Qian Zhang, Dr. Charles Leland Cooney, Ms. Joyce I-Yin Hsu, Dr. Kaixian Chen, Mr. Gary Zieziula and Mr. Shuyun Chen as disclosed above, on individual basis.

5. 2024 Share Scheme

Maximum Number of Shares Available for Grant and Issue

The Company adopted the 2024 Share Scheme on 21 June 2024.

The maximum number of new Shares that may be issued pursuant to all awards made under the 2024 Share Scheme is 162,838,357 Shares, with the scheme mandate limit being 10% of the total issued and outstanding Shares (excluding any treasury shares (as defined under the Listing Rules which became effective on 11 June 2024)) as at the date of the shareholders' approval of the 2024 Scheme.

Since its adoption on 21 June 2024 and up to the end of the Reporting Period, no grants has been made under the 2024 Share Scheme. Accordingly, 162,838,357 Shares remained available for grant under the 2024 Share Scheme as at 30 June 2024. Further details of the 2024 Share Scheme are set out in the circular of the Company dated 4 June 2024.

Other Information

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

During the Reporting Period, neither our Company nor any of our subsidiaries had purchased, sold or redeemed any of our Company's securities (including sale of treasury shares (as defined under the Listing Rules which became effective on 11 June 2024)) listed on the Stock Exchange. As at 30 June 2024, the Company did not hold any treasury shares (as defined under the Listing Rules which became effective on 11 June 2024).

Material Litigation

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2024. 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 2024.

Use of Net Proceeds

(a) Use of Net Proceeds from the Subscription

On 4 August 2022, the Group entered into a strategic multi-program collaboration and license agreement with Sanofi group to establish a strategic collaboration for the clinical development and commercialization of certain products. In addition to the said agreement, Sanofi Foreign Participations B.V. (the "**Subscriber**") entered into a share subscription agreement, pursuant to which the Subscriber agreed to subscribe, and the Company agreed to allot and issue to the Subscriber, two tranches of the subscription (the "**Subscription**").

The first tranche of the Subscription was completed on 18 August 2022 (the "**First Tranche**"). The net proceeds raised from the First Tranche were approximately HK$2,416.7 million (approximately RMB2,089.0 million). The net proceeds will be utilised in accordance with the intended use of proceeds as previously disclosed in the announcements of the Company dated 4 August 2022 and 18 August 2022 (the "**Subscription Announcements**") with the allocation being as follows: (i) approximately 70.0% for expediting the R&D of various preclinical and clinical programs in our pipeline globally; (ii) approximately 20.0% for further expanding our production capacity; and (iii) the remaining 10.0% for funding potential in-licensing deal, potential merger & acquisition ("**M&A**") activities, working capital and other general corporate use. The second tranche of the subscription will be subject to a separate written share issuance agreement between the parties to be entered into in the future.

Other Information

As at 30 June 2024, the net proceeds of the First Tranche had been fully utilised in accordance with the intended use of proceeds as previously disclosed in the Subscription Announcements. The table below sets out the use of proceeds from the First Tranche as at 30 June 2024:

Use of net proceeds	Unutilised as at 31 December 2023 RMB million	**Utilisation for the six months ended 30 June 2024 RMB million**	**Unutilised as at 30 June 2024 RMB million**
Expediting the R&D of various preclinical and clinical programs in our pipeline globally	–	**-**	**-**
Further expanding our production capacity	396.4	**396.4**	**-**
Funding potential in-licensing deal, potential M&A activities, working capital and other general corporate use	–	**-**	**-**
	396.4	**396.4**	**-**

(b) Use of Net Proceeds from the 2023 Placing

The placing of new Shares pursuant to the placing agreement dated 12 September 2023 was completed on 19 September 2023 (the "**2023 Placing**"). An aggregate of 68,000,000 new Shares were placed to not fewer than six independent placees, who are professional, institutional or other investors, at HK$34.92 per share (at a net price of approximately HK$34.66 per Share). The Placing Shares have an aggregate nominal value of US$680.0 and a market value of HK$2,604.4 million. For further details, please refer to the announcements of the Company dated 12 and 19 September 2023 (the "**2023 Placing Announcements**").

The net proceeds raised from the 2023 Placing were approximately HK$2,356.8 million (approximately RMB2,163.0 million). The 2023 Placing was for the Company's future development, sustainable growth and global innovation. In particular, the net proceeds will be utilised in accordance with the intended use of proceeds as disclosed in the 2023 Placing Announcements, with the allocation being as follows: (i) approximately 60.0% for expediting the R&D of various prioritized preclinical and clinical programs in our pipeline globally, including but not limited to the conduction of MRCTs (multi-regional clinical trials), as well as for building the global infrastructure and facilities; (ii) approximately 30.0% for the development, marketing and commercialization of IBI362 (mazdutide), a GLP-1R/GCGR dual agonist and potential best-in-class clinical-stage drug candidate for diabetes and obesity, while respective phase 3 clinical studies of IBI362 (mazdutide) in obesity and diabetes are progressing smoothly for the subsequent NDA submission plan in China; and (iii) the remaining 10.0% for general and corporate use.

Other Information

As at 30 June 2024, approximately RMB664.2 million of the net proceeds of the 2023 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the 2023 Placing Announcements, and RMB1,498.8 million remained unutilised. The table below sets out the use of proceeds from the 2023 Placing as at 30 June 2024:

Use of net proceeds	Unutilised as at 31 December 2023 RMB million	**Utilisation for the six months ended 30 June 2024 RMB million**	**Unutilised as at 30 June 2024 RMB million**
Expediting the R&D of various prioritized preclinical and clinical programs in global pipeline	1,263.8	**196.8**	**1,067.0**
Development, marketing and commercialization of IBI362 (mazdutide)	575.9	**144.1**	**431.8**
General and corporate use	40.3	**40.3**	**–**
	1,880.0	**381.2**	**1,498.8**

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 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.

Other Information

Interim Dividend

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

Audit Committee

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. During the Reporting Period, the Audit Committee comprised four independent non-executive Directors, namely, Ms. Joyce I-Yin Hsu, Dr. Charles Leland Cooney, Dr. Kaixian Chen and Mr. Gary Zieziula. Ms. Joyce I-Yin Hsu, an independent non-executive Director, is the chairwoman of the Audit Committee. Mr. Shuyun Chen, an independent non-executive Director, has been appointed as a member of the Audit Committee with effect from 30 August 2024.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been reviewed by the Group's external auditor, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants and the Audit Committee. The Audit Committee has also reviewed this interim report and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

Other Board Committees

In addition to the Audit Committee, the Company has also established the Nomination Committee, the Remuneration Committee and the Strategy Committee.

Future Plans for Material Investment or Capital Assets

Save as disclosed in this interim report, the Group does not have other plans for material investments and capital assets.

Changes to Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors since the last published annual report are set out below:

- Ms. Qian Zhang has been appointed as an executive Director and a member of the Strategy Committee, with effect from 3 May 2024;
- Mr. Shuyun Chen has been appointed as an independent non-executive Director, a member of the Remuneration Committee, a member of the Nomination and a member of the Strategy Committee, with effect from 3 May 2024. Mr. Shuyun Chen has been redesignated from a member to the chairman of the Nomination Committee and has been appointed as a member of the Audit Committee, with effect from 30 August 2024; and
- Dr. Yu, has been redesignated from the chairman to a member of the Nomination committee and has resigned as a member of the Remuneration Committee, with effect from 30 August 2024.

Save as disclosed above, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance Practices

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 2024, the Company has complied with all applicable code provisions set out in the CG Code except for the following deviation.

Other Information

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman of the Board (the "**Chairman**") and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the Chairman and chief executive should be clearly established and set out in writing. The Company does not have separate Chairman and chief executive officer, and Dr. De-Chao Michael Yu, our executive Director, 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 and the chief executive officer 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 2024.

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.

Model Code for Securities Transactions

The Company has adopted the Model Code to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2024. 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 2024.

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF INNOVENT BIOLOGICS, INC.
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Innovent Biologics, Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 58 to 86, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 August 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue from contracts with customers	4	**3,952,291**	2,701,532
Cost of sales		**(677,551)**	(504,615)
Gross profit		**3,274,740**	2,196,917
Other income		**300,606**	232,421
Other gains and losses	5	**85,516**	280,607
Research and development expenses		**(1,399,432)**	(922,817)
Administrative and other expenses		**(319,801)**	(368,388)
Selling and marketing expenses		**(1,879,356)**	(1,347,414)
Royalties and other related payments		**(416,838)**	(277,143)
Finance costs		**(38,020)**	(50,292)
Loss before tax		**(392,585)**	(256,109)
Income tax (expense) credit	6	**(35)**	116,960
Loss for the period	7	**(392,620)**	(139,149)
Other comprehensive expense			
Item that will not be reclassified to profit or loss			
Fair value loss on investment in equity instruments at fair value through other comprehensive income ("FVTOCI")		**(12,538)**	(30,913)
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(6,296)**	(18,539)
Other comprehensive expense for the period, net of income tax		**(18,834)**	(49,452)
Total comprehensive expense for the period		**(411,454)**	(188,601)
Loss per share	8		
– Basic (RMB Yuan)		**(0.24)**	(0.09)
– Diluted (RMB Yuan)		**(0.24)**	(0.09)

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	NOTES	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10	**4,989,421**	4,289,734
Right-of-use assets		**431,444**	366,650
Intangible assets	11	**987,351**	1,270,267
Equity instruments at FVTOCI	12	**205,763**	218,301
Prepayments for acquisition of long-term assets		**174,220**	195,519
Prepayments and other receivables	14	**363,205**	283,116
Other financial assets	15	**2,095,634**	575,788
		9,247,038	7,199,375
Current assets			
Inventories		**690,411**	968,088
Trade receivables	13	**1,368,940**	1,005,891
Prepayments and other receivables	14	**360,552**	484,377
Other financial assets	15	**463,491**	917,534
Bank balances and cash	16	**8,165,264**	10,052,095
		11,048,658	13,427,985
Current liabilities			
Trade and bills payables	17	**220,621**	372,549
Other payables and accrued expenses	18	**2,611,692**	2,467,771
Contract liabilities		**283,546**	416,166
Borrowings	19	**934,649**	1,195,155
Lease liabilities		**77,062**	25,175
		4,127,570	4,476,816
Net current assets		**6,921,088**	8,951,169
Total assets less current liabilities		**16,168,126**	16,150,544

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	NOTES	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Non-current liabilities			
Contract liabilities		**487,066**	450,312
Borrowings	19	**2,270,761**	2,326,777
Lease liabilities		**66,256**	73,422
Government grants		**503,732**	509,739
Other financial liabilities		**391,276**	262,713
Provisions for reinstatement cost		**22,661**	–
		3,741,752	3,622,963
Net assets		**12,426,374**	12,527,581
Capital and reserves			
Share capital	20	**112**	112
Reserves		**12,426,262**	12,527,469
Total equity		**12,426,374**	12,527,581

The condensed consolidated financial statements on page 58 to 86 were approved and authorised for issue by the board of directors on 28 August 2024 and signed on its behalf by:

Yu, De-Chao Michael
DIRECTOR

Ede, Hao Xi Ronald
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital RMB'000	Share premium RMB'000	FVTOCI reserve RMB'000	Other reserve RMB'000 (Note)	Translation reserve RMB'000	Share-based Payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023 (audited)	105	24,705,638	(120,885)	(313,652)	(18,451)	1,216,849	(14,739,655)	10,729,949
Loss and other comprehensive expense for the period	–	–	(30,913)	–	(18,539)	–	(139,149)	(188,601)
Recognition of equity-settled share based payment	–	–	–	–	–	226,990	–	226,990
Vesting of restricted shares	1	168,977	–	–	–	(168,978)	–	–
Exercise of share options	–*	25,540	–	–	–	(10,661)	–	14,879
At 30 June 2023 (unaudited)	106	24,900,155	(151,798)	(313,652)	(36,990)	1,264,200	(14,878,804)	10,783,217
At 1 January 2024 (audited)	**112**	**27,324,496**	**(105,154)**	**(313,652)**	**(20,111)**	**1,409,458**	**(15,767,568)**	**12,527,581**
Loss and other comprehensive expense for the period	**-**	**-**	**(12,538)**	**-**	**(6,296)**	**-**	**(392,620)**	**(411,454)**
Recognition of equity-settled share based payment	**-**	**-**	**-**	**-**	**-**	**297,722**	**-**	**297,722**
Vesting of restricted shares	**-***	**195,968**	**-**	**-**	**-**	**(195,968)**	**-**	**-**
Exercise of share options (note 20(a))	**-***	**23,601**	**-**	**-**	**-**	**(11,076)**	**-**	**12,525**
At 30 June 2024 (unaudited)	**112**	**27,544,065**	**(117,692)**	**(313,652)**	**(26,407)**	**1,500,136**	**(16,160,188)**	**12,426,374**

Note: Other reserve included 1) effect of put option granted to non-controlling shareholders to convert their equity interests in a subsidiary to the preferred shares of Innovent Biologics, Inc. (the "Company"); 2) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of issuance of subsidiary's equity and the relevant proceeds received; 3) portion of deemed capital contribution over restricted shares or options granted to employees of subsidiary attributable to non-controlling interests and 4) effect of exercise of put option granted to non-controlling shareholders.

*: Amount is less than RMB1,000.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Loss before tax	**(392,585)**	(256,109)
Adjustments for:		
Loss on disposal of property, plant and equipment	**23,085**	1,003
Depreciation of property, plant and equipment	**140,349**	136,028
Amortisation of intangible assets	**43,106**	36,223
Impairment of intangible assets	**308,368**	–
Depreciation of right-of-use assets	**15,215**	15,373
Net foreign exchange gains	**(43,948)**	(256,545)
Gain from changes in fair value of other financial assets measured at fair value through profit or loss ("FVTPL")	**(49,606)**	(932)
Loss (gain) from changes in fair value change of other financial liabilities measured at FVTPL	**6,333**	(2,413)
Share-based payment expenses	**297,722**	226,990
Research and development expenses paid by partners of joint operations	**–**	9,318
Government grants income related to asset	**(6,007)**	(3,910)
Interest income	**(237,288)**	(197,920)
Interest on bank borrowings	**36,663**	47,489
Interest on lease liabilities	**1,357**	2,803
Inventory impairment loss, net of reversal	**8,547**	12,497
Operating cash flows before movements in working capital	**151,311**	(230,105)
Increase in trade receivables	**(363,049)**	(440,233)
Decrease in inventories	**269,130**	116,358
Increase in prepayments and other receivables	**(52,097)**	(89,575)
Decrease in trade and bills payables	**(151,928)**	(109,209)
Increase in other payables and accrued expenses	**26,889**	94,859
(Decrease) increase in contract liabilities	**(95,866)**	65,866
Cash used in operations	**(215,610)**	(592,039)
Income tax paid	**(24)**	(30,852)
NET CASH USED IN OPERATING ACTIVITIES	**(215,634)**	(622,891)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
INVESTING ACTIVITIES		
Interest received	**343,719**	180,249
Placement of term deposits with maturity dates over three months	**(3,303,419)**	(4,405,975)
Release of term deposits with maturity dates over three months	**3,534,422**	6,424,634
Placement of pledged bank deposits	**(192,121)**	(620,482)
Release of pledged bank deposits	**851,868**	663,403
Purchase of property, plant and equipment	**(699,513)**	(597,901)
Proceeds from disposal of property, plant and equipment	**270**	–
Purchase of intangible assets	**(69,707)**	(28,505)
Proceeds from disposal of leasehold lands	**–**	15,771
Purchase of other financial assets at FVTPL	**(1,702,520)**	(33,064)
Proceeds on release of other financial assets at FVTPL	**184,968**	–
Purchase of other financial assets at amortised cost	**(355,350)**	(836,822)
Proceeds on release of other financial assets at amortised cost	**853,694**	–
Repayment to a partner of joint operations	**–**	(36,268)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(553,689)**	725,040
FINANCING ACTIVITIES		
Interest paid	**(65,436)**	(62,816)
New borrowings raised	**358,527**	978,133
Repayment of borrowings	**(675,049)**	(743,000)
Repayment of lease liabilities	**(13,611)**	(14,146)
Proceeds from exercise of share options	**12,525**	14,879
Proceeds from other partners of investment fund consolidated	**122,230**	71,636
NET CASH (USED IN) FROM FINANCING ACTIVITIES	**(260,814)**	244,686
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(1,030,137)**	346,835
CASH AND CASH EQUIVALENTS AT 1 JANUARY,	**2,745,693**	1,016,165
Effects of foreign exchange rate changes	**(1,599)**	(30,735)
CASH AND CASH EQUIVALENTS AT 30 JUNE,	**1,713,957**	1,332,265
Represented by:		
Bank balances and cash	**8,165,264**	7,655,657
Less: Term deposits with maturity date over three months	**(6,259,012)**	(5,447,910)
Less: Pledged bank deposits	**(192,295)**	(875,482)
	1,713,957	1,332,265

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

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

1A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

During the current interim period, the Company have performed an impairment assessment of the certain intangible assets not yet available for use and consequently determined an impairment of the related intangible assets amounting to RMB308,368,000. Details refer to note 11.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the annual consolidated financial statements of the Group for the year ended 31 December 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

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 these 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 2023.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

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	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Timing of revenue recognition		
A point in time		
Sales of pharmaceutical products	**3,811,406**	2,457,459
Licence fee income	**–**	1,525
	3,811,406	2,458,984
Overtime		
Research and development service fee income	**24,954**	8,196
Licence fee income	**115,931**	234,352
	140,885	242,548
	3,952,291	2,701,532

Segment information

For the purpose 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 except for entity-wide disclosures, major customers and geographic information, no further analysis of the segment is presented.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (Continued)

(i) Disaggregation of revenue from contracts with customers (Continued)

Geographical information

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

Revenue by geographical location

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
The PRC	**3,820,059**	2,463,745
United States of America ("USA")	**115,931**	234,375
Other	**16,301**	3,412
	3,952,291	2,701,532

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss on disposal of property, plant and equipment	**(23,085)**	(1,003)
Gain from changes in fair value of other financial assets measured at FVTPL (note 15)	**49,606**	932
(Loss) gain from changes in fair value of other financial liabilities measured at FVTPL	**(6,333)**	2,413
Net foreign exchange gains	**65,328**	278,265
	85,516	280,607

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

6. INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Over provision in prior year	**–**	(889)
Current income tax	**35**	116
Withholding tax (note)	**–**	(116,187)
	35	(116,960)

Note: 信達生物製藥(蘇州)有限公司 Innovent Biologics (Suzhou) Co., Ltd.* ("Innovent Suzhou") was entitled to RMB144.5 million tax refund for income tax withheld in 2020 from license fee income with a USA based customer.

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss for the period from continuing operations has been arrived at after crediting the following items:		
Directors' emoluments	**89,841**	87,265
Other staffs costs:		
Salaries and other allowances	**551,145**	601,023
Performance related bonus	**382,571**	371,037
Retirement benefit scheme contributions	**135,338**	138,082
Share-based payment expenses	**232,681**	161,397
Total staff costs	**1,391,576**	1,358,804
Depreciation of property, plant and equipment	**140,349**	136,028
Amortisation of intangible assets	**43,106**	36,223
Depreciation of right-of-use assets	**15,215**	15,373
Capitalised in inventories	**(59,946)**	(80,030)
	138,724	107,594
Auditors' remuneration	**1,100**	1,100
Cost of inventories recognised as an expense	**608,856**	158,232
Impairment loss on inventory, net of reversal included in cost of sales	**8,547**	12,497
Intangible assets impairment loss included in research and development expense	**308,368**	–

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

8. 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	
	2024 (unaudited)	2023 (unaudited)
Loss (RMB'000)		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(392,620)**	(139,149)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,622,834,497**	1,535,320,657

The computation of basic loss per share for the period ended 30 June 2024 and 2023 included the vested but unissued restricted shares, but excluded any treasury shares and shares held for share award schemes of the Company.

(b) Diluted

30 June 2024 and 2023

The Company had two categories of potential ordinary shares which are restricted shares awarded under the 2018 Restricted Shares Plan (the "2018 RS Plan"), 2020 Restricted Shares Plan (the "2020 RS Plan"), 2024 Share Scheme (the "2024 Scheme") and the shares options awarded under the Pre-IPO Share Incentive Plan (the "Pre-IPO Plan"), Post-IPO share option scheme (the "Post-IPO ESOP") and 2024 Scheme, as details set out in note 21. As the Group incurred losses for the period ended 30 June 2024 and 2023, 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 2024 and 2023 is the same as basic loss per share.

9. DIVIDENDS

No dividend was paid, declared or proposed for the shareholders of the Company during the period ended 30 June 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group incurred approximately RMB867 million (six months ended 30 June 2023: 535 million) construction costs mainly for new production plant and machinery.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

11. INTANGIBLE ASSETS

During the current interim period, in view that changes of business and or economic circumstances or cease of research and development projects, the directors of the Company have performed an impairment assessment of the certain intangible assets not yet available for use and consequently determined an impairment of the related intangible assets amounting to RMB308,368,000 (31 December 2023: RMB115,359,000) based on projected sales, cost of sales, expenses and discount rate. The impairment loss has been included in profit or loss in the research and development expenses line item.

12. EQUITY INSTRUMENTS AT FVTOCI

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Listed		
– Equity securities (note)	**205,763**	218,301

Note: The above listed equity investments represent ordinary shares of an entity listed in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run. Loss in fair value amounting to RMB12.5 million is recognised during the six months ended 30 June 2024 (six months ended 30 June 2023: RMB30.9 million).

13. TRADE RECEIVABLES

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Trade receivables from contracts with customers	**1,368,940**	1,005,891

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

13. TRADE RECEIVABLES (Continued)

The Group allows an average credit period of 45 to 60 days to its trade customers. The following is an aged analysis of trade receivables, presented based on the invoice date.

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
0 – 60 days	**1,362,708**	1,005,891
61 – 180 days	**1,999**	–
181 – 365 days	**4,233**	–
	1,368,940	1,005,891

14. PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Prepayments	**48,763**	38,673
Other receivables	**274,638**	413,715
Prepaid bonus (note)	**114,077**	106,998
Other tax recoverables	**280,412**	202,479
Rental deposits	**5,867**	5,628
	723,757	767,493
Analysed as:		
Non-current	**363,205**	283,116
Current	**360,552**	484,377
	723,757	767,493

Note: In consideration of future performance of their duties as directors of the Company (including Dr. Yu), the Company granted bonuses to them, which comprises subscription receivables for restricted shares, subscription receivables for share options, amount due in respect of the withholding tax resulting from the restricted shares and share options subscriptions; and amount due in respect of the withholding tax resulting from the grant of the prepaid bonuses.

Based on the relevant terms of the directors' respective service agreements (which reflected the relevant contractual terms of these directors' bonus plan), the outstanding subscription receivables and the amount paid or payable for these directors of the Company in respect of the withholding tax resulting from the share subscriptions and the grant of these bonuses were converted to bonuses paid in advance to directors of the Company. These directors of the Company shall be liable to return the whole or part of the bonuses and the relevant tax paid for them if certain service and/or performance conditions are not satisfied in accordance with the relevant terms of the respective directors' service agreements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

15. OTHER FINANCIAL ASSETS

	Current		Non-current	
	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)	**At 30 June 2024 RMB'000 (unaudited)**	At 31 December 2023 RMB'000 (audited)
Investment notes (note a)	**363,350**	867,534	**–**	–
Other investments at FVTPL				
– Unlisted equity investments and preference shares (note b)	**–**	–	**612,116**	575,788
– Structured products (note c)	**100,141**	50,000	**1,483,518**	–
	463,491	917,534	**2,095,634**	575,788

Notes:

(a) The Group invested in notes issued by financial institutions with an interest rate as stated in the contract ranging from 5.0% to 5.9% per annum. These notes are classified as financial assets measured at amortised cost according to contract terms.

(b) The amounts represent investments in unlisted equity interest and preference shares in the PRC, the USA, the Indonesia and the Cayman Islands. Gain from changes in fair value amounting to RMB40,997,000 is recognised during six months ended 30 June 2024 (six months ended 30 June 2023: RMB4,298,000). Details of fair value measurements are set out in note 24.

(c) The Group invested in structured products issued by financial institutions. These investments are classified as financial assets measured at fair value according to contract terms.

16. BANK BALANCES AND CASH

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Cash at bank	**674,879**	1,349,958
Cash on hand	**108**	108
Term deposits with maturity date less than three months	**1,038,970**	1,395,627
Cash and cash equivalents	**1,713,957**	2,745,693
Term deposits with maturity date over three months	**6,259,012**	6,456,554
Pledged bank deposits	**192,295**	849,848
	8,165,264	10,052,095

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

16. BANK BALANCES AND CASH (Continued)

Bank balances carry interest at market rates ranging as follows per annum:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Term deposits	**1.35%-6.38%**	2.80%-6.55%
Cash at bank	**0.001%-5.35%**	0.001%-5.30%

The carrying amounts of the Group's term deposits and bank balances and cash denominated in currencies other than functional currencies of the relevant group entities at the end of the reporting period are as follows:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
United States Dollar ("USD")	**6,310,783**	7,551,687
Hong Kong Dollar ("HKD")	**84,472**	233,496
Great Britain Pound ("GBP")	**1,044**	324

17. TRADE AND BILLS PAYABLES

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Trade payables	**195,349**	258,100
Bills payables	**25,272**	114,449
	220,621	372,549

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

17. TRADE AND BILLS PAYABLES (Continued)

The average credit period on trade purchases is 0 to 90 days. Ageing analysis of the Group's trade payables based on the invoice dates at the end of the reporting period is as follows:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
0 – 30 days	**119,629**	171,622
31 – 60 days	**26,365**	44,779
Over 60 days	**49,355**	41,699
	195,349	258,100

Ageing analysis of the Group's bills payables based on the date of issue of bills at the end of the reporting period is as follows:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
0 – 90 days	**12,942**	34,023
91 – 180 days	**12,330**	80,426
	25,272	114,449

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

18. OTHER PAYABLES AND ACCRUED EXPENSES

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Accrued expenses		
– Research and development expenses (note a)	**548,394**	617,688
– Royalties and other related payments	**378,803**	340,179
– Selling and marketing expenses	**645,970**	471,660
– Legal and professional fee	**11,324**	13,395
– Employee reimbursement	**89,763**	93,700
– Others	**49,577**	67,962
	1,723,831	1,604,584
Amounts due to partners of joint operations (note b)	**42,960**	42,960
Interest payables	**2,400**	2,964
Other payables	**55,481**	81,948
Other tax payable	**142,757**	194,049
Payables in respect of acquisition of property, plant and equipment	**304,836**	187,251
Staff payroll payables	**339,427**	354,015
	2,611,692	2,467,771

Notes:

a. Amounts included accrued service fees to outsourced service providers, namely, contract research organisation and clinical trial sites.

b. The amount is unsecured, non-interest bearing and repayable on demand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

19. BORROWINGS

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Fixed-rate borrowings – at amortised cost	**3,205,410**	3,521,932
Analysed as:		
Secured	**2,145,932**	2,327,404
Unsecured*	**1,059,478**	1,194,528
	3,205,410	3,521,932
The carrying amounts of the above borrowings are repayable**:		
Within one year	**934,649**	1,195,155
Within a period of more than one year but not exceeding two years	**594,800**	350,100
Within a period of more than two years but not exceeding five years	**1,310,000**	1,642,712
Within a period of more than five years	**365,961**	333,965
	3,205,410	3,521,932
Less: Amounts due within one year shown under current liabilities	**(934,649)**	(1,195,155)
Amounts shown under non-current liabilities	**2,270,761**	2,326,777

* In accordance with the loan agreements, for borrowings with carrying amount of RMB670 million, the Group is required to pledge qualified assets within 5 years since 30 September 2020, or repay of the loan in advance.

** The amounts due are based on scheduled repayment dates set out in the loan agreements.

The ranges of effective interest rates on the Group's fixed-rate borrowings are as follows:

	Six months ended 30 June 2024	2023
Effective interest rate:		
Fixed-rate borrowings	**2.60%-4.90%**	2.60%-4.90%

The Group pledged the following assets to secure credit facilities granted to the Group:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Property, plant and equipment	**1,967,460**	1,804,933
Right-of-use assets – leasehold land	**272,536**	275,583
Pledged bank deposits	**192,295**	849,848
	2,432,291	2,930,364

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

20. SHARE CAPITAL

	Number of ordinary shares	Amount US$'000
Authorised		
At 1 January 2023, 31 December 2023 and 30 June 2024	**5,000,000,000**	**50**

	Number of shares	Amount US$'000	Equivalent amount of ordinary shares RMB'000
Issues and fully paid			
At 1 January 2023 (audited)	1,534,406,983	15	105
Exercise of share options	2,057,684	–*	–*
Issuance of restricted share	4,255,425	–*	1
At 30 June 2023 (unaudited)	1,540,720,092	15	106
Exercise of share options	9,333,844	–	1
Issuance of restricted shares	3,776,969	–	–
Issuance of ordinary shares	68,000,000	1	5
At 31 December 2023 (audited)	**1,621,830,905**	**16**	**112**
Exercise of share options (note a)	**2,170,904**	**–***	**–***
Issuance of restricted share (note b)	**4,411,761**	**–***	**–***
At 30 June 2024 (unaudited)	**1,628,413,570**	**16**	**112**

*: Amount is less than RMB1,000.

Notes:

(a) During the six months ended 30 June 2024, a total of 2,170,904 ordinary shares were issued to the Group's employees in connection with the exercise of share options under the Pre-IPO plan and Post-IPO plan at an aggregate exercise price of USD389,000 (equivalent to RMB2,762,000) and HKD10,739,000 (equivalent to RMB9,763,000) respectively.

(b) During the six months ended 30 June 2024, a total of 4,411,761 restricted shares were issued to Dr. Yu, Mr. Ede, independent non-executive directors and other employees of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

21. SHARE-BASED PAYMENT TRANSACTIONS

(i) Pre-IPO Plan

On 10 May 2012, the shareholders of the Company approved the adoption of the Pre-IPO Plan for the purpose of incentivising, retaining and rewarding certain employees, board members and individual consultant or adviser who renders bona fide services to the Company or its subsidiaries ("Eligible Person") for their contributions the Group's business, and to align their interests with those of the Group.

The following table discloses movements of the Company's share options held by grantees during the periods:

	Number of share options Employees six months ended	
	2024	2023
At the beginning of the period	**21,079,011**	30,271,504
Exercised	**(1,798,800)**	(1,587,502)
At the end of the period	**19,280,211**	28,684,002

As at 30 June 2024, 16,902,711 (six months ended 30 June 2023: 23,889,002) outstanding options under the Pre-IPO Plan were exercisable.

For the outstanding options, vesting period ended dates range from 31 October 2017 to 8 October 2024, weighted average remaining contractual life being 3.91 years, exercise price ranges from US$0.04 to US$0.30 and weighted average exercise price being US$0.23.

The following table discloses the weighted average exercise price of the Company's share options held by grantees during the periods:

	Weighted average exercise price Employees six months ended	
	2024	2023
Exercised	**US$0.22**	US$0.21

The total expenses recognised in the condensed consolidated statement of profit or loss and other comprehensive income for share options granted to directors of the Company and employees are RMB667,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB685,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) Post-IPO ESOP

On 13 October 2018, shareholders resolution was passed to adopt the Post-IPO ESOP. The purpose of the Post-IPO ESOP is to encourage participants to work towards enhancing the value of the Company.

The following table discloses movements of the Company's share options held by grantees during the periods:

	Number of share options			
	Directors of the Company six months ended		Employees six months ended	
	2024	2023	**2024**	2023
At the beginning of the period	**13,421,528**	11,119,356	**40,693,747**	35,576,603
Transfer (Note)	**2,652,191**	–	**(2,652,191)**	–
Granted	**1,276,415**	2,302,172	**3,528,984**	11,287,470
Forfeited	**–**	–	**(2,079,320)**	(2,878,679)
Exercised	**–**	–	**(372,104)**	(470,182)
At the end of the period	**17,350,134**	13,421,528	**39,119,116**	43,515,212

Note: Ms. Qian Zhang was appointed as an executive Director. Her outstanding share options were reclassed from employees to directors of the Company.

On 22 March 2024, 3 May 2024 and 14 June 2024, the Company granted a total of 1,276,415 and 3,528,984 share options at nil consideration to directors and employees of the Group, subject to the accomplishment of certain non-market performance conditions respectively.

For the granted options to directors and employees, 75% of the granted options shall vest on the third anniversary of the vesting commencement date while another 25% shall vest on the fourth anniversary of the vesting commencement date, subject to the performance condition to be fulfilled. For the granted options to non-executive directors, the grant options will be vested on a straight-line basis over three years after the vesting commencement date. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options may not be exercised until they vest. Once vested, the vested portion of the options may be exercised in whole or in part, at any time before the share options expired, i.e. ten years after the date of vesting commencement.

As at 30 June 2024, a total of 27,229,958 (six months ended 30 June 2023: 18,322,332) outstanding options under the Post-IPO ESOP were exercisable.

For the outstanding options, vesting period ended dates ranges from 14 March 2022 to 14 June 2028, weighted average remaining contractual life being 7.11 years, exercise price ranges from HK$24.30 to HK$90.05 and weighted average exercise price being HK$41.53.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) Post-IPO ESOP (Continued)

The following table discloses the weighted average exercise price of the Company's share options held by grantees during the periods:

	Weighted average exercise price			
	Directors of the Company six months ended		Employees six months ended	
	2024	2023	**2024**	2023
Granted	**HK$40.24**	HK$38.39	**HK$33.13**	HK$38.39
Exercised	**–**	–	**HK$28.86**	HK$30.29
Forfeited	**–**	–	**HK$44.31**	HK$47.45

Fair value of share options granted

Binomial Options Pricing Model was used to determine the fair value of the options granted during the six months ended 30 June 2024. Key assumptions, such as expected dividend yield, post-vesting exit rate, expected exercise multiple, risk-free interest rate and expected volatility, are determined by the directors of the Company with best estimate.

The key inputs into the model were as follows:

	2024
Fair value per option on grant date	**HK$17.57 – HK$22.14**
Weighted average share price of the Company on grant date	**HK$38.30 – HK$40.90**
Exercise price	**HK$36.00 – HK$40.90**
Expected volatility	**46.00% – 47.00%**
Risk-free rate	**3.47% – 4.02%**
Expected dividend yield	**0%**
Post-vesting exit rate	**0.00% – 6.60%**
Expected exercise multiple	**2.2 – 2.6**

The directors of the Company estimated the risk-free interest rate based on the yield of Hong Kong Government Bonds issued under the Institutional Bond Issuance Programme with a maturity life close to the option life of the share option. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share option. Dividend yield is based on management estimation at the grant date. The total expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income for share options granted to directors of the Company and employees are RMB94,500,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB88,432,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(iii) 2018 RS Plan

On 15 October 2018, the board of directors approved the RS Plan to issue 55,907,535 restricted shares within two years of the Company's IPO. The purpose of the RS Plan is to enable the directors, officers, and other key contributors and employees of the Group to share the success of the Company and stimulate the efforts of such persons on the Group's behalf.

The following table summarised the Group's unvested restricted shares movement under 2018 RS Plan.

	Numbers of unvested restricted shares	Weighted average grant date fair value per share HK$
Unvested as at 1 January 2023	7,114,634	40.10
Vested	(4,526,983)	41.00
Forfeited	(149,761)	42.98
Unvested as at 30 June 2023	2,437,890	38.26
Unvested as at 1 January 2024	**2,361,133**	**45.63**
Vested	**(2,361,133)**	**45.63**
Unvested as at 30 June 2024	**–**	**–**

The Group measured the fair value of the unvested restricted shares as of the grant dates and is recognised as compensation expense over the vesting period for each separately vesting portion of the unvested restricted shares. The total expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income for restricted shares granted to employees of the Group and directors of the Company are RMB4,041,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB20,240,000).

The fair value of the Company's restricted shares was determined using the closing price of each share as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited on the grant date.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(iv) 2020 RS Plan

On 22 March 2024, 3 May 2024 and 14 June 2024, the Company granted a total of 3,616,512 and 19,196,269 restricted shares at nil consideration to directors and employees of the Group, subject to the accomplishment of certain non-market performance conditions respectively. The restricted shares shall initially be unvested. For the granted restricted shares to directors and employees, 75% of the restricted shares shall vest in 2027 while another 25% shall vest in 2028, subject to the performance condition to be fulfilled. For the granted restricted shares to non-executive directors, the grant restricted shares will be vested on a straight-line basis over three years after the vesting commencement date.

The following table summarised the Group's unvested restricted shares movement under 2020 RS Plan.

	Number of unvested restricted shares	Weighted average grant date fair value per share HK$
Unvested as at 1 January 2023	24,783,148	40.79
Granted	20,182,372	36.41
Vested	(8,739)	27.08
Forfeited	(2,595,623)	37.97
Unvested as at 30 June 2023	42,361,158	38.92
Unvested as at 1 January 2024	**37,821,161**	**38.40**
Granted	**22,812,781**	**36.05**
Vested	**(1,819,514)**	**78.72**
Forfeited	**(3,781,845)**	**36.24**
Unvested as at 30 June 2024	**55,032,583**	**36.25**

The Group measured the fair value of the unvested restricted shares as of the grant dates which is recognised the amount as compensation expense over the vesting period for each separately vesting portion of the unvested restricted shares. The total expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income for restricted shares granted to employees of the Group and directors of the Company are RMB198,514,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB117,633,000).

The fair value of the Company's restricted shares was determined using the closing price of each share as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited on the grant date.

(v) 2024 Share Scheme

2024 Share Scheme (the "2024 Share Scheme") is newly adopted to provide incentives for the Company's employees. Details of the 2024 Share Scheme is set out in the Company's interim report.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

22. CAPITAL COMMITMENT

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements:		
Acquisition of property, plant and equipment	**553,528**	1,141,174
Acquisition of intangible asset	**15,234**	15,930
	568,762	1,157,104

23A. TRANSACTIONS AND BALANCES WITH DR. YU

Historically, the Group used certain domain names which are owned by Dr. Yu for free. On 11 June 2018, the Group and Dr. Yu formalised the arrangement and entered into agreement pursuant to which Dr. Yu agreed to license his rights in the domain names to Innovent Suzhou for use by it and the Group in connection with business and operations on an exclusive and royalty-free basis for a term commencing from the date of the agreement until such times that Dr. Yu ceases to hold shares or ceases to be a director of the Company. Such rights in the domain names are not transferable to any third parties.

23B. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors of the Company and other members of key management was as follows:

	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Short term benefits	**26,132**	21,672
Share-based payment expenses	**66,627**	65,593
	92,759	87,265

The remuneration of key management personnel is determined by the management of the Company having regard to the performance of individuals and market trends.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs, the Company established the appropriate valuation techniques and inputs to the model. The valuation was reviewed and approved by the Chief Financial Officer. The valuation process and results are discussed with the directors twice a year for interim and annual financial reporting. The valuation processes were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

The fair value of financial assets (except for those set out below) are determined in accordance with generally accepted pricing models based on the discounted cash flow analysis using prices from observable current market transactions.

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair value of these financial assets are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as at 30 June 2024 RMB'000	Fair value as at 31 December 2023 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(1) Equity instruments at FVTOCI price	**205,763**	218,301	Level 1	Active market quoted transaction	N/A	N/A
(2) Other financial assets – investment in preference shares	**36,152**	35,932	Level 3	Back-solve from recent transaction price market multiple	IPO/Redemption/ Liquidation probability/Expected option life/Risk free rate/Expected volatility	The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is (note a).
(3) Other financial assets – investment in preference shares	**32,361**	32,361	Level 3	Back-solve from recent transaction price market multiple	IPO/Redemption/ Liquidation probability/Expected option life/Risk free rate/Expected volatility	The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, fair value is (note b)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements and valuation processes (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 30 June 2024 RMB'000	Fair value as at 31 December 2023 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(4) Other financial assets – unlisted equity investments and investment in preference shares	**461,243**	414,327	Level 2	Recent transaction price	N/A	N/A
(5) Other financial assets – unlisted equity investment	**-**	32,402	Level 3	Income approach - in this approach, the discounted cash flow method was used to estimate the return from the underlying assets (31 December 2023: Market comparison approach - reference to Price-to-cumulative Research & Development Expenses multiple ("P/R&D multiple"))	Discount rate (31 December 2023: DLOM-discount of lack of marketability/ P/R&D multiple/ Expected option life/Risk free rate/ expected volatility)	The higher the discount rate is, the lower the fair value is (note c). (31 December 2023: The higher the DLOM is, the lower the fair value is. The higher the P/R&D is, the higher the fair value is. The higher the expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is.)
(6) Other financial assets – investment in preference shares	**82,360**	60,766	Level 3	Income approach - in this approach, the discounted cash flow method was used to estimate the return from the underlying assets (31 December 2023: Back-solve from recent transaction price market multiple)	Discount rate (31 December 2023: IPO/Redemption/ Liquidation probability/Expected option life/Risk free rate/Expected volatility)	The higher the discount rate is, the lower the fair value is (note d). (31 December 2023: The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO Probability, the higher the fair value is.)
(7) Other financial assets – structured products	**1,583,659**	50,000	Level 2	Income approach - in this approach, the discounted cash flow method was used to estimate the return from the underlying assets	N/A	N/A

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements and valuation processes (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Note a: A slight increase in the DLOM used in isolation would result in a slight decrease in the fair value measurement of unlisted equity investment. If the DLOM was 5% higher/lower while holding all other variables constant, the carrying amount of the unlisted equity investment would decrease/increase by RMB1,426,000 as at 30 June 2024 (31 December 2023: RMB1,418,000).

Note b: A slight increase in the DLOM used in isolation would result in a slight decrease in the fair value measurement of unlisted equity investment. If the DLOM was 5% higher/lower while holding all other variables constant, the carrying amount of the unlisted equity investment would decrease by RMB882,000 as at 30 June 2024 (31 December 2023: RMB882,000).

Note c: A slight increase in the discount rate used in isolation would result in a slight decrease in the fair value measurement of unlisted equity investment and vice versa. If the discount rate was 5% higher/lower while all other variables remain constant, the carrying amount of the unlisted equity investment would decrease/increase by RMB0 as at 30 June 2024.

Note d: A slight increase in the discount rate used in isolation would result in a slight decrease in the fair value measurement of unlisted equity investment and vice versa. If the discount rate was 5% higher/lower while all other variables remain constant, the carrying amount of the unlisted equity investment would decrease/increase by RMB1,028,000 as at 30 June 2024.

(ii) Reconciliation of level 3 fair value measurements of financial assets

The following table presents the reconciliation of Level 3 measurements of financial assets at FVTPL during the period.

	RMB'000
At 1 January 2023 (audited)	216,238
Fair value loss recognized in profit or loss	(3,213)
At 30 June 2023 (unaudited)	213,025
At 1 January 2024 (audited)	364,327
Disposals	(134,968)
Transferred to level 2	(110,367)
Fair value gain recognized in profit or loss	31,881
At 30 June 2024 (unaudited)	150,873

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements and valuation processes (Continued)

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

25. EVENTS AFTER THE END OF THE REPORTING PERIOD

On July 5, 2024, The Company and IASO Biotechnology ("IASO Bio") announced an agreement on a series of cooperation, pursuant to which, IASO Bio purchased the global commercial right of FUCASO® (Equecabtagene Autoleucel) under the original "BCMA CAR-T Cell Therapy Cooperation Agreement" and the company used the proceeds to acquire 18% stake in IASO Bio.

Definitions

"2L"	second-line
"2018 RS Plan"	the Innovent Biologics, Inc. 2018 Restricted Share Plan adopted by the Company on 15 October 2018
"2020 RS Plan"	the Innovent Biologics, Inc. 2020 Restricted Share Plan adopted by the Company on 12 June 2020
"2024 Share Scheme"	the Innovent Biologics, Inc. 2024 Share Scheme adopted by the Company on 21 June 2024
"AACR"	American Association for Cancer Research
"AD"	atopic dermatitis
"ADA"	American Diabetes Association
"ADC(s)"	antibody drug conjugate(s)
"AGT"	angiotensinogen
"APAO"	Asia Pacific Academy of Ophthalmology
"ASCO"	American Society of Clinical Oncology
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board" or "Board of Directors"	the board of directors of our Company
"BCMA"	B cell maturation antigen
"CD3"	cluster of differentiation 3
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended from time to time
"China" or the "PRC"	the People's Republic of China, and for the purpose of this report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"CML"	chronic myeloid leukaemia
"CML-AP"	accelerated-phase CML
"CML-CP"	chronic phase CML

Definitions

"CLDN18.2"	claudin18.2
"Company", "our Company", "the Company" or "Innovent"	Innovent Biologics, Inc. 信達生物製藥, an exempted company with limited liability incorporated under the laws of the Cayman Islands on 28 April 2011
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"CSE"	Chinese Society of Endocrinology
"CTLA-4"	Cytotoxic T lymphocyte antigen 4
"CVM"	cardiovascular and metabolic
"Director(s)"	the director(s) of our Company
"Dr. Yu"	Dr. De-Chao Michael Yu, our chief executive officer, Chairman and executive Director
"EGFR"	epidermal growth factor receptor
"Eli Lilly" or "Lilly"	Eli Lilly and Company, a U.S. company, organised and existing under the laws of the State of Indiana on 17 January 1901, having a place of business at Lilly Corporate Center, Indianapolis, Indiana 46285
"EMC"	endometrial cancer
"Employee Participants"	has the meaning ascribed to it in the Listing Rules
"ESG"	Environmental, Social and Governance
"ESMO"	European Society of Medical Oncology
"ESMO GI"	European Society of Medical Oncology Gastrointestinal Cancer
"FDA" or "U.S. FDA"	U.S. Food Drug Administration
"FGFR"	fibroblast growth factor receptor
"FVTOCI"	fair value through other comprehensive income
"FVTPL"	fair value through profit or loss
"GC"	gastric cancer

Definitions

"GCGR"	glucagon receptor
"GLP-1"	glucagon-like peptide-1
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HER-2"	human epidermal growth factor receptor 2
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IASO Bio"	IASO Biotherapeutics
"ICE"	International Congress of Endocrinology
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IGF-1R"	insulin-like growth factor-1 receptor
"ImmVirX"	ImmVirX Pty Limited
"Incyte"	Incyte Biosciences International Sàrl, a subsidiary of Incyte Corporation (the shares of which are listed on the Nasdaq Global Select Market (Ticker Symbol: INCY))
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"IL-2"	interleukin-2
"IL-4Rα/TSLP"	interleukin-4 receptor alpha/thymic stromal lymphopoietin
"IL23p19"	interleukin 23p19 subunit
"IO"	immunotherapy
"KRAS G12C"	Kristen rat sarcoma viral oncogene homolog G12C
"Latest Practicable Date"	10 September 2024, being the latest practicable date to ascertain certain information set out in this interim report prior to its bulk printing

Definitions

"LBITDA"	Loss Before Interest, Taxes, Depreciation and Amortization
"LFC"	liver fat content
"LG Chem"	LG Chem Life Sciences
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"MASH"	metabolic dysfunction-associated steatohepatitis
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MSI-H/dMMR"	microsatellite instability-high or mismatch repair-deficient
"nAMD"	neovascular age-related macular degeneration
"NDA"or "NDAs"	new drug application(s)
"NMPA"	China National Medical Products Administration (國家藥品監督管理局), successor to the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of the Company
"NRDL"	National Reimbursement Drug List
"NSCLC"	non-small cell lung cancer
"OSA"	obstructive sleep apnea
"OX40L"	OX40 ligand
"PDAC"	pancreatic ductal adenocarcinoma
"PD-1"	first-in-class programmed cell death protein
"Ph+ ALL"	Philadelphia-positive acute lymphoblastic leukemia

Definitions

"Post-IPO ESOP"	the post-IPO share option scheme adopted by the Company on 12 June 2018
"Pre-IPO Share Incentive Plan"	the pre-IPO share incentive plan adopted by the Company on 10 May 2012 as amended from time to time
"Prospectus"	the prospectus of the Company dated 18 October 2018
"pSS"	participants with Sjögren's syndrome
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the six months ended 30 June 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"ROS1"	repressor of silencing 1
"Service Provider"	has the meaning ascribed to it in the Listing Rules
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company, currently with a par value of US$0.00001 each
"Shareholder(s)"	holder(s) of the Share(s)
"siRNA"	small interfering ribonucleic acid
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Company
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"T2D"	type 2 diabetes
"TED"	thyroid eye disease
"TKI"	tyrosine kinase inhibitor

Definitions

"TOPO1i"	topoisomerase 1 inhibitor
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"VEGF"	vascular endothelial growth factor
"WOC"	World Ophthalmology Congress
"XOI"	xanthine oxidase inhibitor
"%"	per cent

Innovent

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