

## WELCOME TO HKEX IN BIOTECH

A warm welcome to HKEX's first Biotech newsletter. Working alongside biotech professionals, innovators, research institutes, investors and the wider global biopharmaceutical industry, HKEX is committed to supporting the sector by providing platforms that help steer the industry towards investment and growth. We hope that this newsletter will help you to get to know us better. We welcome your feedback on this issue and your thoughts for content and themes that you would like to see covered in future editions.

## WHAT ARE THE TRENDS IN THE BIOTECH LANDSCAPE?

**Growing Demand. Increasing Transparency. New Investment.**



**Chinese Government Support**



**Regulatory Changes**



**Capital Investments**

The industry is undoubtedly going through a period of rapid change and expansion. Reforms within the biotech industry such as the accelerated review and approval of drugs, and the expansion of the reimbursement scheme have provided a real catalyst for transformation and innovation across this sector in China. The approval process for new, innovative drugs has shortened from 1-2 years to six months. And, capital investment in the biotech sphere is growing with venture capital and private equity investments reaching new highs. Likewise, Chinese investments have poured into US biotech companies, despite trade tensions creating the possibility of some headwind. Meanwhile, HKEX is rapidly developing as the leading new financing channel and exit option for biotech companies and investors, with a recent wave of IPOs by Chinese biotech companies and more lining up.

## HKEX BIOTECH WEEK

Following the success of last year's inaugural HKEX Biotech Summit, this year HKEX Biotech Week is bigger and better. The three day event will welcome over 1,000 biotech industry leaders from across the world.

Check out our programme and visit the [HKEX website](#) for more information.

**See you in Hong Kong from 28-30 May!**



# HKEX in Biotech

## Connecting the Life Sciences Industry.

### DID YOU KNOW?

**#1**  
Fundraiser under  
Chapter 18A



**#1**  
Best price  
performer



**1st**  
Dual listed in  
HK and US



**1st**  
Dual listed in  
HK and PRC



Note: Among the 9 biotech companies listed on HKEX Main Board since the introduction of the new listing regime  
The Listing Rules Chapter 18A sets out the requirements for the listing of pre-revenue biotech companies  
Source: Dealogic as of 31 March 2019

## IPO PIPELINE

### Biotech and Healthcare Companies Submitted Listing Application in Hong Kong (as of 30 April 2019)

Company Name	Chapter 18A	Non-Chapter 18A	Date	Domicile
1 TOT BIOPHARM International Company Limited – B	✓		29 April 2019	China
2 Ascentage Pharma Group International – B	✓		25 April 2019	China
3 Continent Pharmaceuticals Inc.		✓	18 April 2019	China
4 Hutchison China Meditech Limited		✓	15 April 2019	HK
5 Hansoh Pharmaceutical Group Company Limited		✓	11 April 2019	China
6 Frontage Holdings Corporation		✓	11 March 2019	US
7 Mabpharm Limited – B	✓		8 March 2019	China
8 IVD Medical Holding Limited		✓	26 February 2019	China
9 Jinxin Fertility Group Limited		✓	18 February 2019	China
10 MicuRx Pharmaceuticals, Inc. – B	✓		31 December 2018	China
11 Shanghai Henlius Biotech, Inc. – B	✓		14 December 2018	China

Source: HKEXnews website (www.hkxnews.hk)

# HKEX in Biotech

## Connecting the Life Sciences Industry.

### WHY CHOOSE HKEX?

**Over HK\$2 trillion**  
total IPO funds raised  
by issuers over the  
past eight years



Emerging biotech hub

**#1**  
Global IPO  
fund formation centre  
in six of the past ten  
years



Hong Kong is  
Asia's premier listing venue

**Over 2,000**  
listed companies,  
including international  
and Mainland  
Chinese firms



Diverse and global investor base



Deep and liquid market



Stock Connect with access to  
Mainland Chinese investors



Transparent process



Sound regulatory regime



Well established legal system

Source: HKEX

### IPO FUNDS RAISED

**9 Biotech HKEX Main Board Listings Since Our Introduction of the New Listing Regime - Raising US\$4.1 bn in Total**

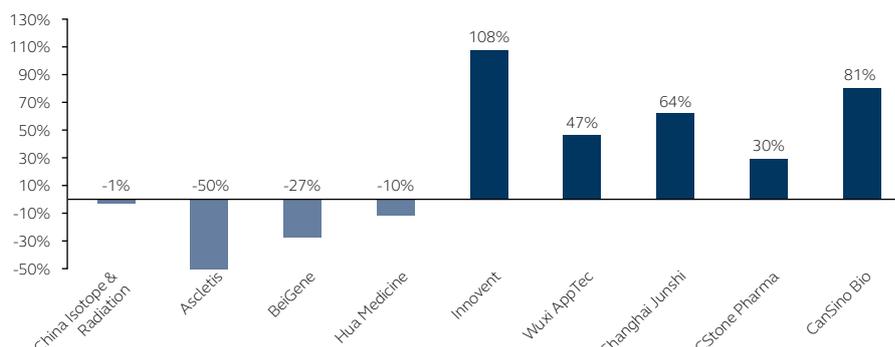
2018



2019

Note: Include 7 pre-revenue companies listed under the Listing Rules Chapter 18A with a stock marker "B" at the end of the stock name.  
Source: Dealogic

### PRICE PERFORMANCES OF BIOTECH LISTINGS SINCE IPO



Sources: HKEX, Dealogic & Bloomberg as of 31 March 2019



## HKEX Special Interview

### WE MEET WITH RONNIE EDE, INNOVENT CFO, TO TALK ABOUT IPO FUNDRAISING IN THE BIOTECH SECTOR.



Ronnie Ede, CFO, Innovent



Pre-IPO fundraising shouldn't just focus on valuation, but focus on who the funds are and how willing (they are) to invest and grow your company.



#### Why choose Hong Kong for IPO?

"The advantages are obvious - **the Hong Kong market attracts investors from the US, Europe and Asia Pacific including China.**"

#### Innovent is considered universally as a successful listing of a pre-revenue biotech company: can you share some insights on this success?

"Taking advantage of Hong Kong's new listing regime, we have had the chance to attract many more sophisticated global investors. For example, we recently built a pipeline of 20 drugs that capped the downside risk. When we filed for IPO, our first product had already filed for New Drug Application (NDA). That first product we filed for under NDA is now considered to be one of our key products with huge market potential. The certainty of product approval is now much higher than other companies, due to our status.

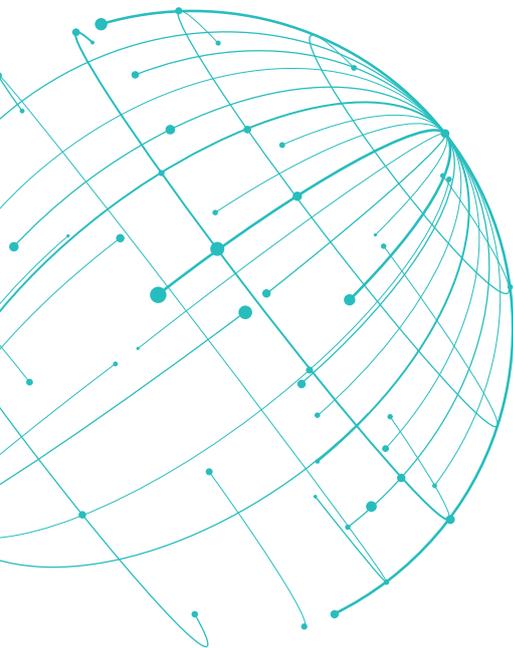
**The investment enabled us to build a platform to support the entire product lifecycle - from discovery to commercialisation, and we now have all the capabilities and functions that make Innovent unique.** We were not rushing to be the number one listing in Chapter 18A, we did a lot of marketing to allow our investors to understand us, including marketing in China, US, Europe and Asia Pacific with multiple trips."

# HKEX in Biotech

## Connecting the Life Sciences Industry.

HKEX Special Interview

**WE MEET WITH RONNIE EDE, INNOVENT CFO,  
TO TALK ABOUT IPO FUNDRAISING IN THE BIOTECH SECTOR.**



**What is the most important thing, that you think would be useful for other biotech companies to know, when they are considering an IPO, especially in Hong Kong?**

**“The most important thing is to do a lot of preparation, to be very solid in that preparation and allow investors to see the long term value and future growth, and the risk side should be relatively low. I don’t think the Hong Kong or the US investors will participate if the company is too risky.”**

**How has the IPO helped the company grow its business?**

**“As a listed company - one abides by certain rules and requirements. This helps to build the reputation of the company, and this in turn - helps us to negotiate with our partners, distributors and suppliers. **People have more trust in listed companies and our financials are more transparent.**”**

**How did you optimise access to global investors and global footprints during your IPO?**

**“When we started the company, we were invested by well-known international funds from A to E rounds, such as Fidelity, Lilly Asia, Temasek etc., which added a lot of credibility. We had been talking to different funds years before the IPO. They started to understand us, looking into the model and doing their research. And so, it wasn’t a last minute roadshow, **but the result of a multi-year effort. Pre-IPO fundraising shouldn’t just focus on valuation, but focus on who the funds are and how willing (they are) to invest and grow your company.**”**

**How would you correlate Innovent’s share price performance with your business progress?**

**“We have been transparent in every stage of our fundraising, and achieving the milestones we’ve discussed with investors. We’ve been forecasting before our IPO about our first NDA in Q4 of FY18, which happened in November, a couple of weeks after we listed. Our PD1 drug was approved on 24 December, slightly ahead of the Q1 time frame that we told the street. We also told the street that we would get another NDA file in Q1, we did that in January. All those are huge milestones that we’ve achieved on time, **we have delivered on our investors’ expectations, I think the stock movement reflects those achievements and milestones we’ve reached.**”**

# HKEX in Biotech

## Connecting the Life Sciences Industry.

### MEET THE HKEX GLOBAL ISSUER SERVICES TEAM

Our talented team of professionals are dedicated to delivering on HKEX's vision to be the global markets leader in the Asian time-zone: Connecting China. Connecting the world. Please do contact us to see how we can help you access expertise, business support and expand your reach amongst global investors.



**Christina Bao, Managing Director**

Head of Global Issuer Services

+852 2840 3399 | ChristinaBao@HKEX.COM.HK



**Silvia Chen, Senior Vice President**

Head of China Issuer Services

+852 2840 3720 | SilviaChen@HKEX.COM.HK



**Winnie Han, Senior Vice President**

Head of Northern & Western China Issuer Services

+852 2840 5106 | WinnieHan@HKEX.COM.HK



**Michael Chan, Senior Vice President**

Head of International Issuer Services

+852 2840 3536 | MichaelMTChan@HKEX.COM.HK

## WHERE YOU CAN MEET US IN 2019

**Vancouver (January 2019)**  
HKEX Biotech Roadshow

**Boston (January 2019)**  
HKEX Biotech Roadshow

**New York (January 2019)**  
HKEX Biotech Roadshow

**San Francisco (January 2019)**  
JPM Healthcare Conference

**Philadelphia (June 2019)**  
BIO International Convention

**London/ Oxford/ Cambridge (June 2019)**

**Basel (June 2019)**

**Shanghai (March 2019)**  
WuXi Healthcare Forum

**Shanghai (March 2019)**  
China Healthcare Investment Conference (CHIC)

**Suzhou (September 2019)**  
China BioMed Innovation and Investment Conference

**Hong Kong (May 2019)**  
HKEX Biotech Week

**Singapore (July 2019)**  
HKEX Biotech Roadshow

**Taipei (November 2019)**  
APAC Biotech Investment Forum

**Australia (October 2019)**

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