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?


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!
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)

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

Source: HKEXnews website (www.hkexnews.hk)
**WHY CHOOSE HKEX?**

**Over HK$2 trillion**

- **Global IPO fund formation centre in six of the past ten years**
- **Over 2,000 listed companies, including international and Mainland Chinese firms**

- **Emerging biotech hub**
- **Hong Kong is Asia’s premier listing venue**
- **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**

**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

<table>
<thead>
<tr>
<th>Date</th>
<th>Company Name</th>
<th>Code</th>
<th>Total Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Jul</td>
<td>China Isotope &amp; Radiation (1763.HK)</td>
<td>(US$220m)</td>
<td></td>
</tr>
<tr>
<td>1 Aug</td>
<td>Ascletis Pharma-B (1672.HK)</td>
<td>(US$400m)</td>
<td></td>
</tr>
<tr>
<td>8 Aug</td>
<td>BeiGene-B (6160.HK)</td>
<td>(US$903m)</td>
<td></td>
</tr>
<tr>
<td>14 Sep</td>
<td>Hua Medicine-B (2552.HK)</td>
<td>(US$114m)</td>
<td></td>
</tr>
<tr>
<td>31 Oct</td>
<td>Innovent-B (1801.HK)</td>
<td>(US$485m)</td>
<td></td>
</tr>
<tr>
<td>13 Dec</td>
<td>WuXi AppTec (2339.HK)</td>
<td>(US$1060m)</td>
<td></td>
</tr>
<tr>
<td>24 Dec</td>
<td>Shanghai Junshi-B (1877.HK)</td>
<td>(US$453m)</td>
<td></td>
</tr>
</tbody>
</table>

### 2019

<table>
<thead>
<tr>
<th>Date</th>
<th>Company Name</th>
<th>Code</th>
<th>Total Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 Feb</td>
<td>Cstone-B (2616.HK)</td>
<td>(US$328m)</td>
<td></td>
</tr>
<tr>
<td>28 Mar</td>
<td>CanSino-B (6185.HK)</td>
<td>(US$173m)</td>
<td></td>
</tr>
</tbody>
</table>

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

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.”
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.”
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

San Francisco (January 2019)
JPM Healthcare Conference

New York (January 2019)
HKEX Biotech Roadshow

Philadelphia (June 2019)
BIO International Convention

London/ Oxford/ Cambridge (June 2019)

Basel (June 2019)

Hong Kong (May 2019)
HKEX Biotech Week

Shanghai (March 2019)
WuXi Healthcare Forum

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

Suzhou (September 2019)
China BioMed Innovation and Investment Conference

Singapore (July 2019)
HKEX Biotech Roadshow

Taipei (November 2019)
APAC Biotech Investment Forum

Australia (October 2019)

Disclaimer
HKEX and/or its subsidiaries endeavour to ensure the accuracy and reliability of the information provided, but do not guarantee its accuracy and reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracy or omission or from any decision, action or non-action based on or in reliance upon information contained in this document.