邁博藥業
MABPHARM LIMITED
迈博药业有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2181

2023
INTERIM REPORT

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Wang Hao *(Chief Executive Officer)*
Mr. Li Yunfeng
Dr. Li Jing
Mr. Tao Jing

Non-executive Directors

Mr. Jiao Shuge *(Chairman)*
Mr. Guo Jianjun

Independent Non-executive Directors

Mr. Guo Liangzhong
Dr. Zhang Yanyun
Mr. Leung, Louis Ho Ming

AUDIT COMMITTEE

Mr. Leung, Louis Ho Ming *(Chairman)*
Mr. Jiao Shuge
Mr. Guo Liangzhong

REMUNERATION COMMITTEE

Dr. Zhang Yanyun *(Chairman)*
Dr. Wang Hao
Mr. Guo Liangzhong

NOMINATION COMMITTEE

Mr. Guo Liangzhong *(Chairman)*
Mr. Tao Jing
Dr. Zhang Yanyun

JOINT COMPANY SECRETARIES

Mr. Li Yunfeng
Mr. Tsang Ho Yin

AUTHORIZED REPRESENTATIVES

Mr. Li Yunfeng
Mr. Tsang Ho Yin

REGISTERED OFFICE IN CAYMAN ISLANDS

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Block G79
Lujia Road East
Koutai Road West
China Medical City Taizhou PRC
225300

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 18/F, Hong Xiang Centre
83 Queen's Road East
Wanchai
Hong Kong

AUDITOR AND REPORTING ACCOUNTANT

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISORS

As to Hong Kong law

Cleary Gottlieb Steen & Hamilton (Hong Kong)
37/F, Hysan Place
500 Hennessy Road
Causeway Bay
Hong Kong

As to PRC law

Shanghai Allbright (Shenzhen) Law Offices
23rd Floor, Tower 1
Excellence Century Centre
Fu Hua 3rd Road
Futian District
Shenzhen
PRC

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F
Hopewell Centre
183 Queen's Road East Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL BANK

Shanghai Pudong Development Bank (Medical High-Tech Zone Branch)
1/F, Data Building, Taizhou Avenue
Medical High-Tech Zone
Taizhou, Jiangsu
PRC

STOCK CODE

2181

COMPANY WEBSITE

www.mabpharm.cn

Financial Highlights

	For the six months ended June 30,		
	2023	2022	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(unaudited)	
Revenue	**44,020**	28,847	52.6
Cost of sales	**(6,198)**	(11,054)	(43.9)
Gross profit	**37,822**	17,793	112.6
Other income	**3,730**	12,450	(70.0)
Other gains and losses	**(2,688)**	(2,862)	(6.1)
Selling and distribution expenses	**(27,045)**	(15,264)	77.2
Research and development expenses	**(59,527)**	(77,990)	(23.7)
Administrative expenses	**(47,154)**	(47,832)	(1.4)
Impairment losses on financial assets	**(639)**	—	N/A
Finance costs	**(4,498)**	(3,104)	44.9
Loss before tax	**(99,999)**	(116,809)	(14.4)
Income tax expense	**–**	–	N/A
Loss and total comprehensive expense for the period	**(99,999)**	(116,809)	(14.4)
Attributable to:			
Owners of the Company	**(99,999)**	(116,809)	(14.4)
Loss per share attributable to ordinary equity holders of the Company			
– Basic	**RMB(0.02)**	RMB(0.03)	
– Diluted	**RMB(0.02)**	RMB(0.03)	

	At June 30, 2023	At December 31, 2022	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(audited)	
Non-current assets	**692,757**	716,401	(3.3)
Current assets	**210,192**	201,120	4.5
Current liabilities	**253,864**	188,401	34.7
Net current (liabilities)/assets	**(43,672)**	12,719	(443.4)
Non-current liabilities	**342,462**	328,176	4.4
Net assets	**306,623**	400,944	(23.5)

Corporate Profile

We are a leading biopharmaceutical company in China, focusing on the research, development and commercialization of new drugs and biosimilar for cancers and autoimmune diseases. We strive to bring to the market high quality and affordable innovative biologics through our efficient R&D system and low-cost pharmaceutical production capabilities, and develop differentiated therapeutic products by fully utilizing our extensive R&D experience. Our drug pipeline currently consists of 9 monoclonal antibody drugs and 1 strong antibody drug, 3 of which are our core products:

- **CMAB008類停® (infliximab)**: was approved for marketing by the NMPA in July 2021 (Guo Yao Zhun Zi S20210025) for the treatment of 1) ulcerative colitis in adults; 2) ankylosing spondylitis; 3) rheumatoid arthritis; 4) Crohn's disease in adults and pediatric patients aged above 6 years old; 5) fistula Crohn's disease; and 6) psoriasis. The antibody drug production base of Taizhou Pharmaceutical of the Company which is located in China Medical City, Taizhou, Jiangsu Province also successfully passed the GMP compliance inspection for CMAB008 by Jiangsu Provincial Drug Administration. According to the regulations of China's basic medical insurance program (the "**Medical Insurance**"), CMAB008類停® has also been automatically included in the Medical Insurance.

CMAB008類停® is approved for the treatment of six indications which have huge long-term unmet market demand (with more than 10 million patients in the PRC which is still growing). Taizhou Pharmaceutical, an indirect wholly-owned subsidiary of the Company, entered into an exclusive promotion service agreement with Kexing Biopharm Co., Ltd.* (科興生物製藥股份有限公司) ("**Kexing Biopharm**"), a company listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688136). During the Reporting Period, CMAB008類停® posted an exponential growth in sales revenue by 758% period-on-period. We have quoted our CMAB008類停® on China's 34 provincial pharmaceutical product procurement and the GPO (group purchasing organizations) platforms, and included it in the Medical Insurance system. With its presence extending to approximately 1,000 hospitals and other terminals, CMAB008類停® has opened up sales channels across China. Besides, the Company has also started cooperating with partners who possess long-standing and profound resources in the overseas market to initiate the marketing registration process of CMAB008類停® in more than 30 countries and/or regions, and is expected to receive onsite inspection for overseas registration soon.

- **CMAB007奧邁舒® (Omalizumab alfa for Injection)**: approved for marketing by the NMPA in May 2023 (Guo Yao Zhun Zi S20230030 for specification of 75 mg/vial and Guo Yao Zhun Zi S20230031 for specification of 150 mg/vial) for the treatment of patients diagnosed with IgE mediated asthma, which is the first domestic allergic asthma therapeutic antibody new drug in China approved by the NMPA. In August 2023, CMAB007奧邁舒® was also approved by the NMPA to launch clinical trials targeting chronic spontaneous urticaria in adults and adolescents (aged 12 and above) who still show symptoms after treatment with H1 antihistamines.

  During the Reporting Period, Taizhou Pharmaceutical entered into an exclusive commercialization cooperation agreement in relation to CMAB007奧邁舒® in China with Jiangxi Jemincare Pharmaceutical Co., Ltd.* (江西濟民可信醫藥有限公司) ("**Jemincare**"), a pharmaceutical company with remarkable market promotion capability and proven track record. As of the date of this interim report, we have applied to quote our CMAB007奧邁舒® on over 10 provincial pharmaceutical product procurement and GPO platforms, of which four provincial and GPO platforms have included our quotations. In addition, we have completed the first commercial order of CMAB007奧邁舒®.

- **CMAB009:** CMAB009 is a recombinant anti-EGFR chimeric monoclonal antibody for first-line treatment of mCRC in combination with FOLFIRI. CMAB009 is prepared using a specific expression process developed by the Company, effectively avoiding glycosylation modification that may lead to hypersensitivity. The safety and efficacy of CMAB009 have been confirmed by the results of two completed clinical trials. By comparing the Company's clinical trial results to the published clinical trial results of traditional anti-EGFR monoclonal antibody drugs currently in the market, CMAB009 has a significant therapeutic effect when compared to traditional anti-EGFR monoclonal antibody drugs for treatment of mCRC currently in the market.

  The drug marketing application for CMAB009 was accepted by the NMPA in March 2023, and we expect that CMAB009 will be approved for marketing in the second quarter of 2024. We expect that upon commercialization, CMAB009 will be the first home-made anti-EGFR monoclonal antibody drug for treatment of mCRC launched in the PRC market, and is expected to provide affordable biological targeted remedy with better efficacy for hundreds of thousands of Chinese patients with tumors. At the same time, CMAB009 is also expected to expand its indications to pancreatic cancer, head and neck squamous cell carcinomas, cervical squamous cell carcinoma and other cancers, as its administration together with a variety of small molecule drugs has tremendous potential for application in various other cancer types. The Group will expedite the clinical and registration work of CMAB009 targeting the aforesaid indications.

  Taizhou Pharmaceutical has entered into a business cooperation agreement with Jiangsu Simcere Zaiming Pharmaceutical Co., Ltd*. (江蘇先聲再明醫藥有限公司) ("**Jiangsu Simcere Zaiming**"), pursuant to which Taizhou Pharmaceutical granted exclusive commercial rights in respect of CMAB009 (including but not limited to sales management, marketing and promotion, formulation and adjustment of related strategies and the rights to obtain relevant benefits) in the Chinese mainland.

Corporate Profile

Among our other drug candidates, CMAB807 (denosumab) has completed phase III clinical trials for osteoporosis, commenced data compilation for NDA application, and received the approval from the NMPA for clinical trials targeting tumor bone metastasis (CMAB807X) in January 2022 (Clinical trial approval notice number: 2022LP00032). The "strong antibody" new drug CMAB017 has obtained approval from the NMPA for clinical trial for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. Compared with marketed EGFR anti-body drugs, CMAB017 has better efficacy and safety. In addition, we will soon complete the phase I clinical trials for CMAB015 (secukinumab), a biosimilar and CMAB819 (nivolumab). CMAB015 (secukinumab) possesses remarkable efficacy advantages in the treatment of autoimmune diseases such as psoriasis, and has become one of the most rapidly growing biological agents in the treatment of psoriasis in China. We have also developed CMAB022 (ustekinumab), a biosimilar, which promises sound market prospect for the treatment of psoriasis, ankylosing spondylitis and Crohn's disease.

We have strong in-house capabilities in pharmaceutical research, manufacturing and pre-clinical and clinical development. We promote the commercialisation of drugs developed by us primarily through sales, license and cooperation backed by gradual establishment of an in-house sales team, so as to capitalise on the strong sales resources and experience of our business partners accumulated throughout the years to achieve a rapid increase in sales revenue and market share, and meanwhile build up and enhance our own distinctive and efficient sales system with a focus on specific indications. We focus on the R&D of monoclonal antibodies. Our core R&D team members have more than 20 years of experience in this area, and have led three major projects under the "863" Program, among other national-level scientific research projects. In addition, one of our core R&D team members is also a member of the 12th Session of the Chinese Pharmacopoeia Commission.

We have four antibody drug production lines in operation in Taizhou. The construction of plants in our new R&D and industrial base in Taizhou has also been completed, and the Company's 5,000L GMP production line in construction has been under commissioning and trial production, bringing the aggregate scale of our cell reactor to over 40,000 liters. The solid equipment, technology and quality foundation we have in the field of antibody drug preparation will enable us to possess an excellent competitive advantage in future negotiations on centralized procurement of drugs for Medical Insurance. Leveraging the competitive advantages in the R&D and mass production capacity in anti-body drugs in the PRC, we have also proactively engaged in CDMO business without compromising our independent product R&D.

We believe that we are well positioned to seize China's substantial market opportunities, in particular those resulting from China's recent healthcare regulatory reforms, including new Medical Insurance measures. The primary focus of our R&D – monoclonal antibody drugs targeting cancers and autoimmune diseases – has substantial untapped clinical demand in China.

Further, during the rapid growth of the pharmaceutical market in China, the centralized procurement of drugs under Medical Insurance that may be extended to cover biological drugs in the future and the increased effort in national negotiations on Medical Insurance will restructure the pharmaceutical market in China to a large extent. We will actively participate in the national medical reform with our advantages in terms of advanced technology, quality and cost, as well as aggressive and flexible product cooperation model, and capture the opportunities presented during the policy reform so as to capture the huge unmet market demand in China. We have also initiated our global market expansion and accelerated the registration and launch of our drugs in the international market.

BUSINESS REVIEW

Research and development of our drug candidates

Set out below is an overview of our drug candidates and their R&D status as of June 30, 2023:

Field	Target	Indication	Drug candidate code	Classification	Pre-clinical	Phase I	Phase II or Phase II/III	Phase III	Expected time to reach the next regulatory milestone	Anticipated completion of regulatory review	Commercial rights	Competitive marketed drugs
Autoimmune Disease	TNF α	Rheumatoid Arthritis Ulcerative colitis in adults Ankylosing spondylitis Crohn's disease in adults and pediatric patients aged above 6 years old Fistula Crohn's disease Psoriasis	CMAB008 (INN name: Infliximab)	New Drug/ Core Product						Approved for marketing in July 2021	PRC and overseas (excluding Japan, North America and Europe)	Remicade®, Humira®, Enbrel®, Simponi®, Yisaipu®, Anbainuo®
Respiratory Disease	IgE	Asthma	CMAB007 (INN name: Omalizumab)	New Drug/ Core Product						Approved for marketing in May 2023	PRC and overseas (excluding Japan, North America and Europe)	Xolair®
Cancer	EGFR	Colorectal Cancer	CMAB009 (INN name: Cetuximab)	New Drug/ Core Product					New drug marketing application submitted in March 2023	Quarter 2, 2024	PRC and overseas (excluding Japan, North America and Europe)	Erbitux®
Bone-related diseases	RANKL	Osteoporosis	CMAB807 (INN name: Denosumab)	Biosimilar					Pending new drug marketing application submission (Quarter 2, 2024)	Quarter 4, 2025	Global	Prolia® 博優倍®
		Tumor bone metastasis	CMAB807X (INN name: Denosumab)	Biosimilar					Phase III (Quarter 3, 2024)	Quarter 2, 2028	Global	XGEVA®

Field	Target	Indication	Drug candidate code	Classification	Pre-clinical	Phase I	Phase II or Phase II/III	Phase III	Expected time to reach the next regulatory milestone	Anticipated completion of regulatory review	Commercial rights	Competitive marketed drugs
Cancer	PD1	Non-small cell lung cancer, hepatocellular carcinoma and squamous cell carcinoma of the head and neck	CMAB819 (INN name: Nivolumab)	New Drug					Phase III (Quarter 4, 2023)	Quarter 4, 2027	Global	Opdivo®, Keytruda®, Tyvyt®, JS001
Cancer	EGFR	Colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma	CMAB017	Innovative drug					Phase III (Quarter 2, 2025)	Quarter 2, 2029	Global	Vectibix®
Autoimmune Disease	IL-17A	Plaque psoriasis, psoriatic arthritis and ankylosing spondylitis	CMAB015 (INN name: Secukinumab)	Biosimilar					Phase III (Quarter 4, 2023)	Quarter 4, 2025	Global	Cosentyx®
Allergy, Inflammatory Disease	IL-5	Asthma and eosinophilic granulomatous polyangitis	CMAB018 (INN name: Mepolizumab)	Biosimilar					Pending submission of clinical trial application (Quarter 4, 2024)	Quarter 4, 2027	Global	Nucala®
Inflammatory Diseases	IL-12 & IL-23	Moderate to severe plaque psoriasis, active psoriatic arthritis, active ankylosing spondylitis, active non-radiographic axial spondyloarthritis	CMAB022 (INN name: Ustekinumab)	Biosimilar					Pending submission of clinical trial application (Quarter 4, 2024)	Quarter 3, 2027	Global	Stelara®
Allergic diseases such as asthma	TSLP	Severe asthma in adults and children aged above 12	CMAB023 (INN name: Tezepelumab)	Biosimilar					Pending submission of clinical trial application (Quarter 2, 2025)	Quarter 2, 2028	Global	TEZSPIRE®

Notes:

1. The research and development of CMAB810 (pertuzumab) and CMAB816 (canakinumab) was suspended in October 2022.

2. We commenced the research and development of CMAB023 (Tezepelumab), a new drug candidate, in August 2022.

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: We may not be able to ultimately develop and market our drug candidates (including Core Products) successfully.

Core Products

類停®– CMAB008 (infliximab)

CMAB008 (infliximab), trade name: 類停®, is a recombinant anti-TNFα chimeric monoclonal antibody that was approved by the NMPA (Guo Yao Zhun Zi S20210025) on July 12, 2021 for the treatment of:

(i) ulcerative colitis in adults;

(ii) ankylosing spondylitis;

(iii) rheumatoid arthritis;

(iv) Crohn's disease in adults and pediatric patients aged above 6 years old;

(v) fistula Crohn's disease; and

(vi) psoriasis.

CMAB008類停® is the first China-made infliximab approved for marketing, which is a monoclonal antibody biosimilar independently developed by the Company and one of the core products of the Company. CMAB008類停® uses the CHO expression system, and is a monoclonal antibody targeting TNFα that specifically merges with TNFα and blocks the inflammatory cascade response caused by TNFα. The researches we have completed have shown that, compared to other anti-TNFα drugs on the market, CMAB008類停® (infliximab for injection) has a stronger affinity for TNFα and a stronger glycosylation character, with rapid onset of effect, long-lasting efficacy, long dosing intervals and no hypersensitivity reactions. The results of our completed researches including, clinical trials, non-clinical comparative studies and pharmacological comparisons of CMAB008類停® have also shown that CMAB008類停® is identical to the original infliximab in terms of efficacy, safety, pharmacological profile and quality.

CMAB008類停® is the first infliximab launched in the domestic market following "Remicade", the original drug imported and sold by Xi'an Janssen Pharmaceutical Limited (西安楊森製藥有限公司). CMAB008類停® is approved for the treatment of six indications which have huge long-term unmet market demand with more than 10 million patients in the PRC which is still growing. During the past decades, following the inclusion in the Medical Insurance system and shift in habit towards adopting biological agents, the overall market share of infliximab witnessed a rapid increase, especially in the field of IBD, for which infliximab has become the key biological agent for treatment due to its rapid onset of effect and obvious curative effect.

Taizhou Pharmaceutical entered into an exclusive promotion service agreement with Kexing Biopharm, pursuant to which Taizhou Pharmaceutical granted an exclusive licence to promote CMAB008類停® in the Chinese mainland (excluding Hong Kong, Macau and Taiwan regions) to Kexing Biopharm. For details of the above transaction, please refer to the announcement of the Company dated March 31, 2022.

During the Reporting Period, CMAB008類停® posted an exponential growth in sales revenue by 758% period-on-period. We have quoted our CMAB008類停® on China's 34 provincial pharmaceutical product procurement and the GPO (group purchasing organizations) platforms, and included it in the Medical Insurance system. With its presence extending to approximately 1,000 hospitals and other terminals, CMAB008類停® has opened up sales channels across China. Besides, the Company has also started cooperating with partners with long-standing and profound resources in the overseas market to initiate the marketing registration process of CMAB008類停® in more than 30 countries and/or regions, and is expected to receive onsite inspection for overseas registration soon.

奧邁舒® – CMAB007 (Omalizumab alfa for Injection)

CMAB007奧邁舒®, a recombinant humanized anti-IgE monoclonal antibody, is our new monoclonal antibody drug for treatment of patients diagnosed with IgE mediated asthma. CMAB007奧邁舒® combines with free IgE to form an anti-IgE complex that inhibits the high affinity IgE receptor and thereby prevents the allergic response. The safety and efficacy of CMAB007奧邁舒® have been confirmed by the results of four clinical trials of a total of 824 subjects who have been administered CMAB007奧邁舒®, which were the largest clinical trials of mAb treating asthma in China. Based on our clinical trial results, CMAB007奧邁舒® can improve asthma patients' conditions with lower-dose inhaled corticosteroids and reduce the incidence of acute asthma attacks. CMAB007奧邁舒® is expected to expand its indications to chronic idiopathic urticarial, seasonal allergic rhinitis and food allergies in the future.

CMAB007奧邁舒® has been approved for marketing by the NMPA in May 2023 (Guo Yao Zhun Zi S20230030 for specification of 75 mg/vial and Guo Yao Zhun Zi S20230031 for specification of 150 mg/vial) for the treatment of patients diagnosed with IgE mediated asthma, which is the first domestic allergic asthma therapeutic antibody new drug in China approved by the NMPA. For details regarding the approval of the NDA, please refer to the announcement of the Company dated May 23, 2023. CMAB007奧邁舒® was also approved by the NMPA in August 2023 to launch clinical trials targeting chronic spontaneous urticaria in adults and adolescents (aged 12 and above) who still show symptoms after treatment with H1 antihistamines (acceptance number: CXSL2300377 for specification of 75 mg/vial and acceptance number: CXSL2300378 for specification of 150 mg/vial). We expect to file the NDA of CMAB007奧邁舒® for the treatment of chronic spontaneous urticaria with the NMPA in September 2025. During the Reporting Period, Taizhou Pharmaceutical entered into an exclusive commercialization cooperation agreement in relation to CMAB007奧邁舒® in China with Jemincare, pursuant to which Taizhou Pharmaceutical granted an exclusive promotion right in respect of CMAB007奧邁舒® in China (including the Chinese mainland, Hong Kong, Macau and Taiwan) to Jemincare. Taizhou Pharmaceutical will continue to possess all the rights and interests in respect of CMAB007奧邁舒® in China (including the Chinese mainland, Hong Kong, Macau and Taiwan) other than promotion right. For details regarding the aforesaid transaction, please refer to the announcement of the Company dated April 13, 2023. As of the date of this interim report, we have applied to quote our CMAB007奧邁舒® on over 10 provincial pharmaceutical product procurement and GPO platforms, of which four provincial and GPO platforms have included our quotations. In addition, we have completed the first commercial order of CMAB007奧邁舒®.

CMAB009

CMAB009 is a recombinant anti-EGFR chimeric monoclonal antibody for first-line treatment of mCRC in combination with FOLFIRI. CMAB009 is prepared using a specific expression process developed by the Company, effectively avoiding glycosylation modification that may lead to hypersensitivity. The safety and efficacy of CMAB009 have been confirmed by the results of two completed clinical trials. By comparing the Company's clinical trial results to the published clinical trial results of traditional anti-EGFR monoclonal antibody drugs currently in the market, CMAB009 has a significant therapeutic effect when compared to traditional anti-EGFR monoclonal antibody drugs for treatment of mCRC currently in the market.

The NDA for CMAB009 was accepted by the NMPA in March 2023, and we expect that CMAB009 will be approved for marketing in the second quarter of 2024. We expect that upon commercialization, CMAB009 will be the first home-made anti-EGFR monoclonal antibody drug for treatment of mCRC launched in the PRC market, and is expected to provide affordable biological targeted remedy with better efficacy for hundreds of thousands of Chinese patients with tumors. At the same time, CMAB009 is also expected to expand its indications to pancreatic cancer, head and neck squamous cell carcinomas, cervical squamous cell carcinoma and other cancers, as its administration together with a variety of small molecule drugs has tremendous potential for application in various other cancer types.

Recently, Taizhou Pharmaceutical has entered into a business cooperation agreement with Jiangsu Simcere Zaiming, a wholly-owned subsidiary of Simcere Pharmaceutical Group Limited, a company listed on the Stock Exchange (stock code: 2096). Please refer to the section headed "SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD" below for further details.

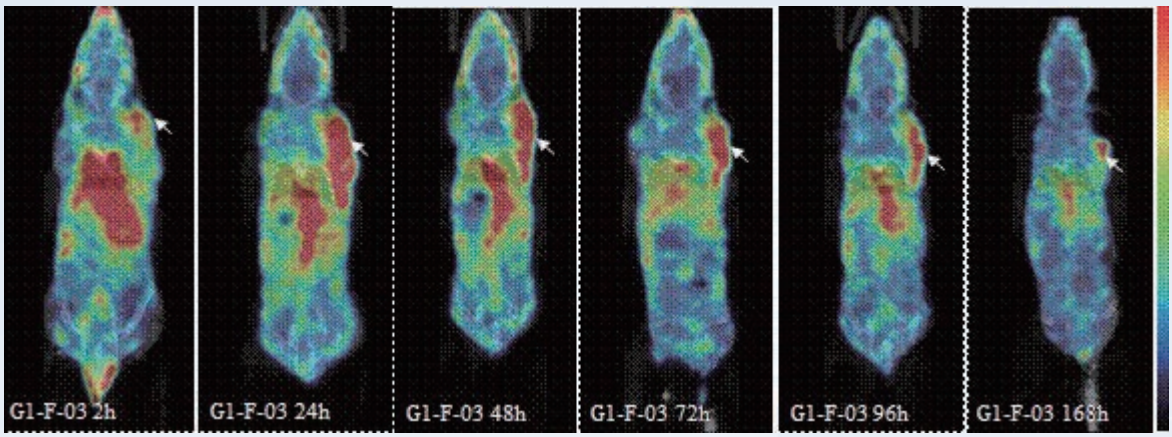
Other Product Candidates

CMAB807 (Denosumab) is a human immunoglobulin G2 (IgG2) monoclonal antibody with affinity and specificity for human RANKL (receptor activator of nuclear factor kappa-B ligand), which is a transmembrane or soluble protein essential for the formation, function, and survival of osteoclasts, the cells responsible for bone resorption. CMAB807 prevents RANKL from activating its receptor, RANK, on the surface of osteoclasts and their precursors. Prevention of the RANKL/RANK interaction inhibits osteoclast formation, function, and survival, thereby decreasing bone resorption and increasing bone mass and strength in both cortical and trabecular bones. CMAB807 has completed phase III clinical trials for osteoporosis, and has commenced data compilation for NDA application. We expect that CMAB807 will be approved by NMPA for marketing in the fourth quarter of 2025 for the indication of osteoporosis.

We have also developed a dosage form of CMAB807, i.e. CMAB807X (denosumab), for the treatment of tumor bone metastasis and conducted pre-clinical study, and obtained the Clinical Trial Approval Notice. It is currently expected that CMAB807X will be approved by NMPA for marketing in the second quarter of 2028 for the treatment for indication of tumor bone metastasis.

CMAB819 (nivolumab) is our biosimilar drug candidate currently undergoing phase I clinical trial. CMAB819 has been approved by the NMPA for clinical trial. The phase I clinical trials are in process. We expect that CMAB819 may be approved by the NMPA for marketing in the fourth quarter of 2027. CMAB819 is indicated for the treatment of metastatic non-small cell lung cancer, hepatocellular carcinoma and head and neck squamous cell carcinomas.

CMAB017 (anti-EGFR probody) is an innovative probody drug. Regarding CMAB017, the design of blocking peptide is expected to significantly reduce adverse skin reactions, gastrointestinal mucosa, etc. The selection of human immunoglobulin G1 (IgG1) constant region can enhance the effect mediated by Fc fragment of antibody and thus improve the curative effect. CMAB017 is a biological class I new drug with better efficacy and safety than similar products available on the market, and it is expected that more new probody drugs will be developed by leveraging the research and development platform of CMAB017. CMAB017 is indicated for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. CMAB017 has been approved by the NMPA for clinical trials for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. Results of the completed experimental study on tissue distribution of tumor-bearing mice show that CMAB017 concentrates locally in tumor 24-72 hours after administration. We expect that CMAB017 may be approved by the NMPA for marketing in the second quarter of 2029.



CMAB015 (Secukinumab) is a biosimilar candidate for secukinumab. CMAB015 targets interleukin 17A (IL-17A) for treating psoriasis and ankylosing spondylitis. Secukinumab is the most effective curer for psoriasis at present, which offers significant efficacy and guarantees much more stable condition after drug withdrawal compared with peers. CMAB015 has been approved by the NMPA for clinical trials of the treatment of psoriasis and ankylosing spondylitis. It is currently under phase I clinical trial. We expect that CMAB015 may be approved by the NMPA for marketing in the fourth quarter of 2025.

CMAB022 is a candidate biosimilar product of stelara® (ustekinumab). Ustekinumab is a monoclonal antibody targeting interleukin-12 (IL-12) and interleukin-23 (IL-23). It inhibits these two proinflammatory cytokines by binding to the P40 subunit shared by IL-12 and IL-23 and preventing them from binding to the cell surface IL-12 receptor $\beta 1$. IL-12 and IL-23 are two natural proteins, which play a key role in immune-mediated inflammatory diseases, including plaque psoriasis, psoriatic arthritis and Crohn's disease, indications include: moderate to severe plaque psoriasis in adult patients who are candidates for systemic therapy or phototherapy; adults with active psoriatic arthritis (PsA); adults with active ankylosing spondylitis (AS); adults with active non-radiographic axial spondyloarthritis (nr-axSpA) with objective signs of inflammation. The pilot processes are currently in development. We expect CMAB022 may be approved by the NMPA for marketing in the third quarter of 2027.

CMAB018 is a biosimilar candidate for mepolizumab, which is under preclinical study. At present, the screening of high expression engineering cells and the establishment of engineering cell bank have been completed, and the research on production process is in progress. We expect that CMAB018 may be approved by the NMPA for marketing in the fourth quarter of 2027. CMAB018 targets interleukin 5 (IL-5) in treating severe asthma and eosinophilic granulomatous polyangitis.

CMAB023 is an anti-TSLP IgG2-lambda monoclonal antibody, and a biosimilar drug candidate for TEZSPIRE (Tezepelumab). TSLP is a key epithelial cytokine in response to pro-inflammatory stimuli (such as lung allergens, viruses and other pathogens), which can be found at the top of multiple inflammatory cascades and will trigger excessive and sustained immune response to airway inflammation relating to severe asthma such as eosinophilia. Therefore, the early upstream activity of TSLP in the inflammatory cascade has been identified as a potential target in a wide range of asthma patients. Blocking TSLP can prevent immune cells from releasing pro-inflammatory cytokines, thus preventing asthma from deterioration and enhancing control over asthma. We have successfully developed CMAB023, which has completed cell line construction and is under process development. It is expected that CMAB023 will obtain marketing approval from the NMPA in the second quarter of 2028. As a broad-spectrum anti-allergic antibody drug, it covers broader scope of allergic patients, offers a better curative effect, and contributes significantly to mitigating the condition aggravation among patients with severe asthma.

Research and development of new drug candidates

We have launched a series of follow-up R&D on new antibody drugs for the treatment of autoimmune diseases and/or tumor diseases. We expect to successfully complete the screening of several new antibody drugs, cell banking and even start pre-clinical animal experiments, thus further expand our product line and provide sufficient drug candidate pipeline expansion for our long-term development.

Research and development system

We have developed efficient R&D capabilities, broad and advanced preparation technologies, and low-cost drug production capabilities that will allow us to offer high quality and affordable innovative biopharmaceutical products to patients in China and other emerging markets. Within our product pipeline, CMAB008 and CMAB007 have been marketed and commercialized, CMAB009 has filed NDA, is under R&D site verification and will soon be approved for marketing, while NDA will be filed for CMAB807 soon. We also own a number of patents for our core technologies, including antibody engineering and humanization technologies, efficient expression vector construction technologies, efficient clone screening technologies, as well as a proprietary R&D animal model. Our R&D activities are carried out by three core teams: basic R&D, clinical trials, and product preparation in compliance with GMP. The operations, design, and construction needs of these three core teams are supported by an assisting engineering team. Our R&D teams consist of professionals who have extensive industry experience in biologics R&D and have gained valuable work experience at global pharmaceutical companies. Employees in our R&D teams possess strong academic backgrounds from leading institutions in immunology, molecular biology, oncology or monoclonal antibody development.

DRUG CANDIDATES COMMERCIALIZATION AND PRODUCTION FACILITIES CONSTRUCTION

Existing production facilities

Our production site in Taizhou consists of two premises, one of which accommodates two buildings of 30,000 square meters in total, houses our mAb production facilities and is equipped with production facilities currently in operation, including (i) four 3×1,500L antibody bioreactor systems and related purification lines, (ii) an injection vial filling line capable of manufacturing four million units per annum and (iii) a pre-filled syringes production line capable of manufacturing one million units per annum. Our production facilities have successfully passed the GMP compliance inspection for CMAB008 and CMAB007 by the Jiangsu Provincial Drug Administration and have commenced commercial production.

The other production premise accommodates a parcel of industrial land of approximately 100,746 square meters in the Taizhou Hi-tech Zone, on which we are constructing (i) large-scale monoclonal antibody drug substance production lines with scale of each cell reactor reaching 7,500L and 18,000L, respectively, and (ii) two drug product filling lines which have already completed the construction of the plant. In particular, the Company's large-scale GMP production line in construction has been under commissioning and trial production, bringing the aggregate scale of our cell reactor to over 40,000 liters.

Marketing and distribution

Further, during the rapid growth of the pharmaceutical market in China, the central procurement under the Medical Insurance that may be extended to cover biological drugs in the future and the increased effort in national negotiations on Medical Insurance will restructure the pharmaceutical market in China to a large extent. We will actively participate in the national medical reform with our advantages in advanced technology, quality and cost, as well as the strong sales teams of our partners who possess profound experience in fields of specific diseases, and capture the opportunities presented during the policy reform so as to capture the huge unmet market demand in China. At the same time, we have also initiated our global market expansion, launched drug registration of CMAB008 in over 30 countries, and will soon obtain the first Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme ("**PIC/s**") certification for our products, thereby laying the solid foundation for the commercialization of our drug products in the global market.

We sell our products to (i) distributors that sell our products to hospitals and (ii) direct-to-patient pharmacies and others. We have established our network of distributors in accordance with the national drug sales regulations. Our distribution model is consistent with industry practice and serves to ensure efficient coverage of our sales network while controlling our cost of distribution and account receivables. We intend to select sales providers and distributors according to their qualification, reputation, market coverage and sale experience. Sales service providers are expected to have long-term experience in prescription drug sales and a proven track record, while a distributor must maintain its business license and other requisite licenses and permits. A distributor must also maintain extensive hospital coverage in the designated region. A distributor must be capable of delivering our products to covered hospitals in a safe and timely manner. We plan to actively monitor the inventory levels of our distributors to increase the efficiency of our distribution network.

Quality assurance

We believe that an effective quality management system for our raw materials, equipment and finished products is critical to ensure the quality of our services and maintain our reputation and success. To ensure that our products and services consistently meet high industry standards and requirements, we have also established a company-level quality assurance department to inspect the quality of our products and services. It is also responsible for the approval, organization and coordination of quality control and quality assurance procedures within each subsidiary. Facilities and equipment are subject to inspection measures such as united registrar systems, factory acceptance testing, site acceptance testing, installation qualification, operator qualification, performance qualification, and regular maintenance throughout their entire life cycles. Our manufacturing business lines are inspected in accordance with the PRC national laboratory quality control standard and the GMP management requirements; our research and development business lines are also inspected in accordance with the GMP management requirements.

FUTURE AND OUTLOOK

We leverage our efficient sales system with a focus on niche markets to capture the opportunities presented in the pharmaceutical reform in China.

Under the implementation of the new Medical Insurance policy in recent years, the pharmaceutical market in China is undergoing significant market restructuring. Companies with more competitive advantages in quality and pricing have benefited greatly from the negotiations on Medical Insurance price between the National Healthcare Security Administration and regional healthcare security administrative bodies at all levels and negotiations in relation to central procurement for drugs covered under the Medical Insurance. As a result, the overall market penetration has increased significantly during the reformation. This trend will drive the development of the pharmaceutical market in China for a long time into the future. Riding on the trend of the overall pharmaceutical policy reform, we will join forces with our partners to build a sales team in China with high efficiency and academic promotion as its core strategy, focusing on niche markets, such as gastroenterology, respiratory, rheumatology and oncology, with an aim to promote our products and cultivate the practice of antibody drugs application. We will actively monitor, and participate in, the negotiations of Medical Insurance, especially focusing on capturing the huge potentials brought by the negotiations of central procurement for biological products under the Medical Insurance. Relying on the significant advantages of our drugs in terms of quality and cost, we will capture opportunities presented in the significant increase in market penetration caused by the policy reform, effectively satisfying the unmet market demand in China in respect of biological agents with high quality products and ultimately benefiting patients.

The antibody drugs development in overseas markets has shown a rapid increase resulting in a huge unmet global market demand for antibody drugs, especially for those with PIC/s as the core. In light of the policy reform in China, the economies of scale of antibody drugs will greatly enhance the global competitiveness of Chinese antibody drugs. In view of this, we are collaborating closely with our overseas market expansion partners to initiate new drug registration and launching new drugs in different countries and regions in a comprehensive and flexible manner with multiple products, with an aim to promote our products' global presence and accelerate their growth in the global market.

Continue to advance the clinical research and commercialization of our drug candidates

Over the short-term, we intend to focus on market exploration and sales of CMAB008, CMAB007 and CMAB009, and completing clinical trials and the eventual commercialization of our current pipeline of other drug candidates, including, in particular, CMAB807, CMAB015 and CMAB022. To bring our products to market, we aim to reinforce our R&D teams, particularly the clinical medicine team, through the provision of regular professional training and pushing ahead with the clinical trials for product candidates. We are working with partners to build a sales team composed of professionals with extensive academic promotion experience and strong competence. Our goal is to generate stable revenue stream and profitability through cooperation with leading enterprises in China and cultivating our in-house sales team to enhance our commercialization capacity.

Continue to maintain investments in advanced technologies and product development

We believe R&D is the key element to support our future growth and our ability to maintain our competitiveness in a global biopharmaceutical market. We plan to upgrade the development of our integrated technological platforms from molecular design to commercialized production, and focus on the R&D of biologics with huge clinical demand and the potential for sustained and rapid growth in China. In order to capture new opportunities in the biopharmaceutical market, we plan to continue increasing our investment in innovative technologies for the development of drugs with improved curative effects and less toxic side effects in order to maintain our industry leading position. We also expect to invest in talent to expand and enhance our R&D team.

Continue to attract and nurture high quality talent to support our rapid growth

Recruiting and retaining high quality scientific and technological talent as well as other leaders in R&D technology will be key to our success. We plan to leverage our close cooperation with elite universities in China and internationally to recruit and develop outstanding R&D personnel. We also plan to provide systematic and sophisticated training and development programs to our research teams in order to enhance and optimize their scientific and technical abilities to benefit our Company. Part of this strategy involves the creation of an incentive scheme to retain and motivate high-performing team members.

Establish global brand awareness and foster deeper and more extensive cooperative relationship with domestic and overseas renowned pharmaceutical companies

To build our brand internationally and to support our sustainable growth, we plan to in-license products from global pharmaceutical companies for sales in China and/or to transfer or out-license overseas product rights of certain of our drug candidates to other pharmaceutical companies. We have established collaborative partnerships with domestic and foreign pharmaceutical companies with overseas channel resources, and constantly seek more opportunities to cooperate with potential partners with sales resources, in order to enter and expand our market share in markets outside of China and to further broaden the geographic coverage of our business. As part of this strategy, we may take advantage of strategic opportunities for cooperation and mergers and acquisitions internationally to expand our pipeline of products for R&D development and sales in overseas markets.

FINANCIAL INFORMATION

The financial information set out below in this interim report represents an extract from the interim condensed consolidated financial information, which is unaudited but has been reviewed by the Audit Committee.

FINANCIAL REVIEW

The following table summarizes our results of operations for the six months ended June 30, 2023 and 2022:

	For the six months ended June 30,			
	2023	2022	Change	Change
	RMB'000	*RMB'000*	*RMB'000*	*(%)*
	(unaudited)	(unaudited)		
Revenue	**44,020**	28,847	15,173	52.6
Cost of sales	**(6,198)**	(11,054)	4,856	(43.9)
Gross profit	**37,822**	17,793	20,029	112.6
Other income	**3,730**	12,450	(8,720)	(70.0)
Other gains and losses	**(2,688)**	(2,862)	174	(6.1)
Selling and distribution expenses	**(27,045)**	(15,264)	(11,781)	77.2
Research and development expenses	**(59,527)**	(77,990)	18,463	(23.7)
Administrative expenses	**(47,154)**	(47,832)	678	(1.4)
Impairment losses on financial assets	**(639)**	–	(639)	N/A
Finance costs	**(4,498)**	(3,104)	(1,394)	44.9
Loss before tax	**(99,999)**	(116,809)	16,810	(14.4)
Income tax expense	**–**	–	–	N/A
Loss and total comprehensive expense for the period	**(99,999)**	(116,809)	16,810	(14.4)
Attributable to:				
Owners of the Company	**(99,999)**	(116,809)	16,810	(14.4)
Loss per share attributable to ordinary equity holders of the Company				
– Basic	**RMB(0.02)**	RMB(0.03)	0.01	(33.3)
– Diluted	**RMB(0.02)**	RMB(0.03)	0.01	(33.3)

REVENUE

The Group's revenue increased by 52.6% from RMB28.8 million for the six months ended June 30, 2022 to RMB44.0 million for the six months ended June 30, 2023, primarily attributable to a significant period-on-period increase in revenue from sale of pharmaceutical products. Set out below are the components of revenue for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from the sale of pharmaceutical products	**36,071**	4,203
Revenue from the exclusive right for the commercialisation in Mainland China	**7,312**	3,538
Revenue from the contract development and manufacturing agreement	**–**	21,106
Others	**637**	–
	44,020	28,847

COST OF SALES

The Group's cost of sales decreased by 43.9% from RMB11.1 million for the six months ended June 30, 2022 to RMB6.2 million for the six months ended June 30, 2023, primarily because no cost was incurred from contract development and manufacturing agreement during the Reporting Period.

OTHER INCOME

Other income of the Group decreased by 70.0% from RMB12.5 million for the six months ended June 30, 2022 to RMB3.7 million for the six months ended June 30, 2023, which was primarily due to a decrease in government grants and subsidies related to income during the Reporting Period.

Set out below are the components of other income for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**20**	244
Government grants and subsidies related to income	**3,626**	12,206
Others	**84**	–
	3,730	12,450

OTHER GAINS AND LOSSES

Other gains and losses of the Group decreased by 6.1% from losses of RMB2.9 million for the six months ended June 30, 2022 to losses of RMB2.7 million for the six months ended June 30, 2023, which was primarily due to relatively less foreign exchange losses recorded related to the borrowings denominated in US$ during the Reporting Period.

Set out below are the components of other gains and losses for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net foreign exchange losses	**(2,747)**	(2,862)
Fair value gains on financial assets at fair value through profit or loss	**59**	–
	(2,688)	(2,862)

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of pipelines of the Group decreased by 23.7% from RMB78.0 million for the six months ended June 30, 2022 to RMB59.5 million for the six months ended June 30, 2023, primarily due to that our core products have completed clinical trials.

The Group's research and development expenses mainly include contracting costs, raw materials and consumables, staff costs, depreciation and others.

Set out below are the components of research and development expenses for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Contracting costs	**22,349**	34,641
Raw materials and consumables	**7,640**	9,364
Staff costs	**18,864**	22,856
Depreciation	**6,333**	6,616
Others	**4,341**	4,513
Total	**59,527**	77,990

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group decreased by 1.4% from RMB47.8 million for the six months ended June 30, 2022 to RMB47.2 million for the six months ended June 30, 2023, remaining relatively stable compared to the corresponding period of last year.

Administrative expenses of the Group primarily comprise of staff salary and benefit costs of our administrative personnel, depreciation and others.

Set out below are the components of administrative expenses for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Staff cost	**20,608**	21,698
Depreciation	**16,909**	16,529
Others	**9,637**	9,605
Total	**47,154**	47,832

FINANCE COSTS

Finance costs of the Group increased by 44.9% from RMB3.1 million for the six months ended June 30, 2022 to RMB4.5 million for the six months ended June 30, 2023, which was primarily due to an increase in interest expenses during the Reporting Period which was in line with the increase in borrowings as compared with the corresponding period of last year.

The Group's finance costs mainly include interests on loans from a related party, interests on bank and other borrowings and lease liabilities.

Set out below are the components of finance costs for the periods indicated:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on loans from a related party	**833**	–
Interest on bank and other borrowings	**2,512**	1,674
Interest on lease liabilities	**1,153**	1,430
Total	**4,498**	3,104

LIQUIDITY AND CAPITAL RESOURCES

Our trade receivables increased by 204.3% from RMB9.5 million as at December 31, 2022 to RMB29.0 million as at June 30, 2023, which was primarily due to a corresponding increase in sales of pharmaceutical products. Our financial assets at fair value through profit or loss decreased by 100% from RMB15.0 million as at December 31, 2022 to nil as at June 30, 2023, which was primarily attributable to withdrawal of the financial products.

Set out below is an analysis of the liquidity and capital resources at the dates indicated:

	At June 30, 2023 ***RMB'000*** **(unaudited)**	At December 31, 2022 *RMB'000* (audited)	Change *(%)*
Trade receivables	**29,010**	9,532	204.3
Prepayments and other receivables	**48,465**	41,733	16.1
Amounts due from a related party	**376**	446	(15.7)
Inventories	**103,237**	100,797	2.4
Contract costs	**5,962**	–	N/A
Financial assets at fair value through profit or loss	**–**	15,044	(100.0)
Cash and bank balances	**23,142**	33,568	(31.1)
Total	**210,192**	201,120	4.5

INDEBTEDNESS

As of June 30, 2023, we had lease liabilities of RMB39.7 million, interest-bearing bank and other borrowings of RMB107.8 million, and loans from a related party of RMB45.0 million. As of the same date, none of our existing indebtedness included any material covenants or covenants that could potentially limit our ability to incur new indebtedness.

Set out below is a breakdown of our outstanding lease liabilities, interest-bearing bank and other borrowings and loans from a related party at the dates indicated:

	At June 30, 2023 *RMB'000* **(unaudited)**	At December 31, 2022 *RMB'000* (audited)
Lease liabilities	**39,673**	41,629
Interest-bearing bank and other borrowings	**107,799**	84,708
Loans from Biomabs	**45,000**	45,000

As at June 30, 2023, we, as a lessee, had outstanding lease liabilities for the remaining terms of relevant lease agreements (excluding our contingent rental agreements) in an aggregate amount of approximately RMB39.7 million.

CONTINGENT LIABILITIES, CHARGE OF ASSETS AND GUARANTEES

As at June 30, 2023, the 100,746-square-meter land located at No. 288 Xiangtai Road of the Taizhou Hi-tech Zone with a carrying amount of approximately RMB34.7 million and several production and office buildings with a total floor area of 50,835 square meters located in the same address above and with a carrying amount of approximately RMB105.3 million were pledged to Bank of Communications Co., Ltd. Taizhou Branch as security for the bank loans of the Group amounting to RMB49.0 million as of June 30, 2023. For details, please refer to note 18 to the interim condensed consolidated financial information.

Saved as disclosed, we did not have any outstanding debt securities, charges, mortgages, or other similar indebtedness, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are guaranteed, unguaranteed, secured or unsecured, any guarantees or other material contingent liabilities.

CAPITAL STRUCTURE

There were no changes in the capital structure of the Group during the Reporting Period. The share capital of the Group only comprises ordinary Shares. As at June 30, 2023, the total issued share capital of the Company was US$412,408 divided into 4,124,080,000 Shares.

The capital structure of the Group was 66.0% debt and 34.0% equity as at June 30, 2023, compared with 56.3% debt and 43.7% equity as at December 31, 2022.

FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may affect our financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars and the U.S. dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars and the U.S. dollars, has been based on rates set by the People's Bank of China. The Group primarily limits our exposure to foreign currency risk by closely monitoring the foreign exchange market. During the Reporting Period, the Group did not enter into any currency hedging transactions.

GEARING RATIO

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As at June 30, 2023, the gearing ratio of the Group was 66.0% (unaudited) (as at December 31, 2022: 56.3% (audited)).

The following table sets forth our other key financial ratios as of the dates indicated.

	At June 30, 2023 ***RMB'000*** **(unaudited)**	At December 31, 2022 *RMB'000* (audited)
Current ratio [(1)]	**0.8**	1.1
Quick ratio [(2)]	**0.4**	0.5

Notes:

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories and divided by current liabilities as of the same date.

Our current ratio decreased from 1.1 as of December 31, 2022 to 0.8 as of June 30, 2023, and our quick ratio decreased from 0.5 as of December 31, 2022 to 0.4 as of June 30, 2023, primarily due to an increase in loans and use of funds to finance production and research and development as scheduled.

Other Information

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2023.

USE OF NET PROCEEDS FROM LISTING

With the Shares of the Company listed on the Stock Exchange on May 31, 2019, the net proceeds from the Global Offering were approximately HK$1,144.5 million (equivalent to approximately RMB1,005.1 million). As of June 30, 2023, the Company has used all the net proceeds in accordance with the purposes as set out in the prospectus of the Company dated May 20, 2019.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this interim report, as at the date of this interim report, there were no significant investments held by the Group or future plans regarding significant investment or capital assets. For the six months ended June 30, 2023, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2023, we had a total of 383 employees, of which 101 are located in Shanghai and 282 are located in Taizhou. The table below sets forth a breakdown of our employees by function:

Function	Number of Employees
Business units	61
R&D personnel [(1)]	247
Administration	26
Management	49
Total	383

Notes:

(1) The number of R&D personnel here excludes 28 R&D team members who have been included in our management.

Other Information

Our success depends on our ability to attract, recruit and retain qualified employees. We provide our employees with opportunities to work on cutting-edge biologics projects with world-class scientists. We aim to attract qualified employees with overseas educational backgrounds and relevant experience gained from global pharmaceutical or biotechnology companies. As of June 30, 2023, Dr. Li Jing and Dr. Wang Hao of our scientists held a Ph.D. degree or equivalent in fields that are highly relevant to our business. In addition, as of the same date, 180 out of our 275 R&D personnel (including those who are our management) held a bachelor's degree or above.

Our employment agreements typically cover matters such as wages, benefits and grounds for termination. The remuneration package of our employees generally includes salary and bonus elements. In general, we determine the remuneration package based on the qualifications, position and performance of our employees. We also make contributions to the social insurance fund, including basic pension insurance, medical insurance, unemployment insurance, childbirth insurance, work-related injury insurance funds, and housing reserve fund.

We have established a labor union at Taizhou that represents employees with respect to the promulgation of bylaws and internal protocols. As of June 30, 2023, all of our employees at Taizhou were members of the labor union. We believe that we maintain a good working relationship with our employees. We had not experienced any material difficulty in recruiting employees for our operations during the Reporting Period and up to the date of this interim report.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2023, the interests or short positions of our Directors and chief executives in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest [1]
Mr. Guo Jianjun (郭建軍)	Interest in controlled corporation (L)[2]	2,227,000,000	54.00%
Dr. Wang Hao (王皓)	Beneficial owner (L)[3]	24,827,006	0.60%
Mr. Li Yunfeng (李雲峰)	Beneficial owner (L)[3]	3,236,234	0.08%
Dr. Li Jing (李晶)	Beneficial owner (L)[3]	3,236,234	0.08%
Mr. Tao Jing (陶靜)	Beneficial owner (L)[3]	3,236,234	0.08%

Notes:

(1) As at June 30, 2023, the total number of issued shares of the Company was 4,124,080,000 Shares.

(2) The Company is held as to 49.95% and 4.05% by Asia Mabtech and United Circuit, respectively. United Circuit is held as to 100% by Asia Mabtech, which is wholly-owned by Asia Pacific Immunotech Venture which is in turn wholly-owned by the Guo Family Trust, of which Mr. Guo Jianjun is the settlor. As such, Mr. Guo Jianjun is deemed or is taken to be interested in 167,025,000 Shares beneficially owned by United Circuit and 2,059,975,000 Shares beneficially owned by Asia Mabtech for the purpose of Part XV of the SFO.

(3) These interests represented the share options granted under the Pre-IPO Share Option Scheme.

Save as disclosed above, as at the date of this interim report, so far as the Directors and the chief executive of the Company are aware, none of the Directors or the chief executive of the Company had registered an interest or short position in any Shares or underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified under Division 7 and 8 of Part XV of the SFO or recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2023, the interests of relevant persons (other than a Director or the chief executive of the Company) who had interests or short positions in the Shares or the underlying shares, as recorded in the register required to be kept under Section 336 of SFO, were as follows:

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
Asia Mabtech[1]	Beneficial owner (L); Interest in controlled corporation (L)	2,227,000,000	54.00%
United Circuit[1]	Beneficial owner (L)	167,025,000	4.05%
Guo Family Trustee[1]	Interest in controlled corporation (L)	2,227,000,000	54.00%
Asia Pacific Immunotech Venture Limited[1]	Interest in controlled corporation (L)	2,227,000,000	54.00%
Mr. Guo Jianjun[1]	Interest in controlled corporation (L)	2,227,000,000	54.00%
CDH PE[2]	Beneficial owner (L)	742,348,180	18.00%
CDH Fund V, L.P. ("**CDH Fund**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
CDH V Holdings Company Limited ("**CDH V**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
China Diamond Holdings V Limited ("**China Diamond V**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
China Diamond Holdings Company Limited ("**China Diamond**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
FH Investment[3]	Beneficial owner (L)	213,435,680	5.18%
Link Best Capital Limited[3]	Interest in controlled corporation (L)	213,435,680	5.18%

Notes:

(1) The Company is held as to 49.95% and 4.05% by Asia Mabtech and United Circuit, respectively. United Circuit is held as to 100% by Asia Mabtech, which is wholly-owned by Asia Pacific Immunotech Venture which is in turn wholly-owned by the Guo Family Trust, of which Mr. Guo Jianjun is the settlor and Guo Family Trustee is the trustee. As such, Mr. Guo Jianjun is deemed or is taken to be interested in 167,025,000 Shares beneficially owned by United Circuit and 2,059,975,000 Shares beneficially owned by Asia Mabtech for the purpose of Part XV of the SFO.

(2) The Company is held as to 18.00% by CDH PE. CDH PE is wholly-owned by CDH Fund. Pursuant to the SFO, CDH Fund is therefore deemed to be interested in the shares held by CDH PE. CDH Fund is controlled by CDH V, which in turn held as to 80% by China Diamond V. China Diamond V is held as to 100% by China Diamond.

(3) FH Investment is a direct wholly-owned subsidiary of Link Best Capital Limited, which is held by independent third parties.

Saved as disclosed above, so far as the Directors are aware, no other persons had registered an interest or short position in any Shares or underlying shares or debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO, or as otherwise notified.

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on August 10, 2018. On August 18, 2018, the Company granted an aggregate of 83,512,500 share options to 62 grantees, representing the rights to subscribe for 83,512,500 Shares (taking into account the Capitalization Issue). Subsequent to the granting of the share options, a total of 20 of the grantees resigned from their respective positions within our Group. As such, the share options held by these 20 grantees were lapsed and no longer exercisable. As of June 30, 2023, the number of Shares underlying the outstanding and unexercised share options granted under the Pre-IPO Share Option Scheme amounted to 76,293,650 Shares and 1.85% of the issued share capital of the Company as at the date of this interim report. None of the share options granted under the scheme has been exercised by any grantee.

Details of the movements of the options granted under the Pre-IPO Share Option Scheme during the Reporting Period are as follows:

			Number of Share Options During the Reporting Period			
Category	Grant Date	Outstanding at January 1, 2023	Granted	Exercised	Forfeited	Outstanding at June 30, 2023
Category 1: Directors						
Dr. Wang Hao	August 18, 2018	24,827,006	–	–	–	24,827,006
Mr. Li Yunfeng	August 18, 2018	3,236,234	–	–	–	3,236,234
Dr. Li Jing	August 18, 2018	3,236,234	–	–	–	3,236,234
Mr. Tao Jing	August 18, 2018	3,236,234	–	–	–	3,236,234
	Sub-total	34,535,708	–	–	–	34,535,708
Category 2: Employees	August 18, 2018	41,933,390	–	–	175,448	41,757,942
	Total	76,469,098	–	–	175,448	76,293,650

Save as disclosed above, the Company did not have other share option schemes.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code and the Company has adopted the CG code as its own code of corporate governance. The Board is of the view that the Company has complied with the applicable code provisions as set out in the CG Code during the Reporting Period. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the guidelines for the Directors' dealings in the securities of the Company.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange during the Reporting Period.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL REPORT

The independent auditors of the Company, namely Ernst & Young, have carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee has examined the efficiency of our risk management and internal control system and is convinced that our internal control system is sufficient to identify, manage and reduce various risks arising from our business activities. The Audit Committee consists of two independent non-executive Directors, being Mr. Leung, Louis Ho Ming and Mr. Guo Liangzhong, and one non-executive Director, being Mr. Jiao Shuge. Mr. Leung, Louis Ho Ming serves as chairman of the Audit Committee.

The Audit Committee has reviewed the interim consolidated financial statements of the Group for the six months ended June 30, 2023. The Audit Committee has also discussed matters with respect to the accounting principles and policies adopted by the Company and internal control with members of senior management and the external auditors of the Company, Ernst & Young.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Our Directors have confirmed that as at June 30, 2023, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Taizhou Pharmaceutical has entered into a business cooperation agreement (the "**Agreement**") with Jiangsu Simcere Zaiming (a wholly-owned subsidiary of Simcere Pharmaceutical Group Limited, a company listed on the Stock Exchange (stock code: 2096)), pursuant to which Taizhou Pharmaceutical granted exclusive commercial rights in respect of CMAB009 (including but not limited to sales management, marketing and promotion, formulation and adjustment of related strategies and the rights to obtain relevant benefits) in the Chinese mainland. Taizhou Pharmaceutical will continue to possess all the rights and interests in respect of CMAB009 in the Chinese mainland other than the aforementioned commercial rights. On the basis of complying with the provisions of the Agreement, Jiangsu Simcere Zaiming shall be entitled to provide exclusive promotion services in respect of CMAB009 in the Chinese mainland. For details of the aforesaid transaction, please refer to the announcement of the Company dated August 18, 2023.

Save as disclosed above, there was no other significant event subject to disclosure from June 30, 2023 and up to the date of this interim report.

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude to our Shareholders and business partners for their continued support, and to our employees for their dedication and hard work.

By Order of the Board
Mabpharm Limited
Jiao Shuge
Chairman

Hong Kong, August 25, 2023

Independent Review Report

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the board of directors of Mabpharm Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 44 to 68, which comprises the condensed consolidated statement of financial position of Mabpharm Limited (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2023 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. 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 this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
25 August 2023

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Revenue	5	**44,020**	28,847
Cost of sales		**(6,198)**	(11,054)
Gross profit		**37,822**	17,793
Other income	6	**3,730**	12,450
Other gains and losses	7	**(2,688)**	(2,862)
Selling and distribution expenses		**(27,045)**	(15,264)
Research and development expenses		**(59,527)**	(77,990)
Administrative expenses		**(47,154)**	(47,832)
Impairment losses on financial assets		**(639)**	–
Finance costs	8	**(4,498)**	(3,104)
Loss before tax	9	**(99,999)**	(116,809)
Income tax expense	10	**–**	–
Loss and total comprehensive expense for the period		**(99,999)**	(116,809)
Attributable to:			
Owners of the Company		**(99,999)**	(116,809)
Loss per share attributable to ordinary equity holders of the Company	12		
– Basic		**RMB (0.02)**	RMB (0.03)
– Diluted		**RMB (0.02)**	RMB (0.03)

Interim Condensed Consolidated Statement of Financial Position

30 June 2023

	Notes	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	*13*	**621,689**	636,306
Right-of-use assets		**63,533**	67,707
Other non-current assets	*14*	**7,124**	11,977
Rental deposit to a related party		**411**	411
Total non-current assets		**692,757**	716,401
Current assets			
Trade receivables	*15*	**29,010**	9,532
Prepayments and other receivables	*16*	**48,465**	41,733
Amounts due from a related party	*20*	**376**	446
Inventories		**103,237**	100,797
Contract costs		**5,962**	–
Financial assets at fair value through profit or loss ("**FVTPL**")		**–**	15,044
Cash and bank balances		**23,142**	33,568
Total current assets		**210,192**	201,120

Interim Condensed Consolidated Statement of Financial Position

30 June 2023

	Notes	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Current liabilities			
Trade and other payables	17	**159,032**	148,328
Amounts due to a related party	20	**379**	180
Interest-bearing bank and other borrowings	18	**49,022**	–
Lease liabilities to third parties		**9,776**	8,442
Lease liability to a related party	20	**4,992**	4,849
Contract liabilities		**23,613**	19,552
Deferred income		**7,050**	7,050
Total current liabilities		**253,864**	188,401
Net Current (Liabilities)/Assets		**(43,672)**	12,719
Total Assets Less Current Liabilities		**649,085**	729,120
Non-current liabilities			
Deferred income		**11,005**	10,405
Amounts due to a related party	20	**93,530**	92,697
Contract liabilities		**154,245**	112,028
Interest-bearing bank and other borrowings	18	**58,777**	84,708
Lease liabilities to third parties		**22,674**	23,952
Lease liability to a related party	20	**2,231**	4,386
Total non-current liabilities		**342,462**	328,176
Net Assets		**306,623**	400,944
Capital and reserves			
Share capital		**2,804**	2,804
Reserves		**303,819**	398,140
Total Equity		**306,623**	400,944

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Share capital *RMB'000*	Share premium *RMB'000*	Other reserve *RMB'000*	Share-option reserve *RMB'000*	Accumulated losses *RMB'000*	Total equity *RMB'000*
At 1 January 2023 (Audited)	**2,804**	**1,400,504**	**(32,763)**	**53,717**	**(1,023,318)**	**400,944**
Loss and total comprehensive expense for the period (Unaudited)	**–**	**–**	**–**	**–**	**(99,999)**	**(99,999)**
Recognition of equity-settled share-based compensation (Unaudited)	**–**	**–**	**–**	**5,678**	**–**	**5,678**
At 30 June 2023 (Unaudited)	**2,804**	**1,400,504**	**(32,763)**	**59,395**	**(1,123,317)**	**306,623**
At 1 January 2022 (Audited)	2,804	1,400,504	(32,763)	43,935	(812,499)	601,981
Loss and total comprehensive expense for the period (Unaudited)	–	–	–	–	(116,809)	(116,809)
Recognition of equity-settled share-based compensation (Unaudited)	–	–	–	5,956	–	5,956
At 30 June 2022 (Unaudited)	2,804	1,400,504	(32,763)	49,891	(929,308)	491,128

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(99,999)	(116,809)
Adjustments for:			
Bank interest income	6	(20)	(244)
Finance costs	8	4,498	3,104
Depreciation of property, plant and equipment	9	23,514	20,979
Depreciation of right-of-use assets	9	4,174	4,565
Net foreign exchange losses	7	2,747	2,862
Impairment losses on financial assets	9	639	–
Fair value gains on financial assets at FVTPL	9	(59)	–
Share-based payment expenses	9	5,678	5,956
		(58,828)	(79,587)
Increase in inventories		(2,440)	(27,147)
(Increase)/decrease in contract costs		(5,962)	9,164
Increase in trade receivables		(20,117)	(3,057)
(Increase)/decrease in prepayments and other receivables		(6,732)	8,563
(Increase)/decrease in other non-current assets		(155)	1,348
Decrease in amounts due from a related party		70	–
Increase in amounts due to a related party		199	1,802
Increase in trade and other payables		13,553	13,034
Increase in contract liabilities		46,278	72,075
Increase/(decrease) in deferred income		600	(7,240)
Net cash flows used in operating activities		(33,534)	(11,045)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from bank		20	244
Purchase of property, plant and equipment		(7,107)	(98,059)
Withdraw of pledged bank deposits		–	34,748
Purchase of financial assets at FVTPL		(55,000)	–
Withdraw of financial assets at FVTPL		70,103	–
Net cash flows from/(used in) investing activities		8,016	(63,067)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	2023 (Unaudited) *RMB'000*	2022 (Unaudited) *RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank and other borrowings	**21,622**	77,332
Repayment of bank loans	**(2,250)**	–
Interest paid	**(1,542)**	(637)
Repayments to a related party	**–**	(2,222)
Repayments of principal portion of lease liabilities	**(2,462)**	(1,460)
Net cash flows from financing activities	**15,368**	73,013
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(10,150)**	(1,099)
Cash and cash equivalents at beginning of period	**33,568**	81,556
Effects of foreign exchange rate changes, net	**(276)**	(171)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**23,142**	80,286

Notes to Interim Condensed Consolidated Financial Information

30 June 2023

1. GENERAL INFORMATION

Mabpharm Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 1 June 2018, and its shares are listed on The Stock Exchange of Hong Kong Limited on 31 May 2019. The address of the registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands and the principal place of business is located at Block G79, Lujia Road East, Koutai Road West, China Medical City, Taizhou, the People's Republic of China (the "**PRC**").

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are principally engaged in research, development and production of monoclonal antibody drugs for cancers and autoimmune diseases and transfer of intellectual property.

The immediate holding company of the Company is Asia Mabtech Limited, a limited liability company incorporated in the British Virgin Islands, which is ultimately controlled by Mr. Guo Jianjun.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

This interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

During the six months ended 30 June 2023, the Group incurred a net loss of RMB99,999,000 (unaudited), and as detailed in note 18, as of 30 June 2023, the Group had secured bank loans which are due to be repaid within one year from the end of the reporting period amounted to RMB49,022,000 (unaudited), leading to the Group's current liabilities exceeding its current assets by RMB43,672,000 (unaudited) as of 30 June 2023.

2. BASIS OF PREPARATION (continued)

Going concern basis (continued)

In view of these circumstances, the directors of the Company have given careful consideration to the future working capital and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern for at least 12 months from 30 June 2023. The Group has formulated the following plans and measures to mitigate the liquidity pressure and to improve its cash flows:

1. the commercial arrangements under the business cooperation agreement that the Group entered into in respect of core product CMAB009 and the exclusive commercialization cooperation agreement in relation to core product CMAB007 will provide sufficient working capital for the Group to mitigate the liquidity pressure and to improve its cash flows;

2. the Group will discuss with the existing lender(s) on the renewal of bank loans in the amount of RMB50 million at appropriate timing in line with market practice. In light of the current market condition and the value of collateral given for the borrowings, the Directors do not foresee any circumstance that would result in the Group not being able to extend or refinance the borrowing upon their maturity.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the unaudited interim condensed consolidated financial statements on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Insurance Contracts*
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases and decommissioning obligations as at 1 January 2022, with no financial effect recognised as an adjustment to the balance of accumulated losses or other component of equity as at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases and decommissioning obligations that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset amounting to RMB7,472,000 (unaudited) for all deductible temporary differences associated with lease liabilities and tax losses (provided that sufficient taxable profit is available), and (ii) a deferred tax liability amounting to RMB7,472,000 (unaudited) for all taxable temporary differences associated with right-of-use assets as at 1 January 2022.

The adoption of amendments to IAS 12 did not have any impact on the financial position or performance of the Group for the six months ended 30 June 2023 and 2022.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

4. OPERATING SEGMENT INFORMATION

Segment information

For the purpose of resources allocation and performance assessment, the key management of the entities and business comprising the Group, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

Geographical information

During the reporting period, all of the Group's revenue was derived from customers located in the PRC and the Group's non-current assets are substantially located in the PRC, accordingly, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about a major customer

Revenue of approximately RMB7,075,000 (unaudited) was derived from the exclusive right for the commercialisation in Mainland China with a single customer (during the six months ended 30 June 2022: RMB21,106,000 (unaudited) was derived from a contract development and manufacturing agreement with a single customer).

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**44,020**	28,847

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Revenue from the sale of pharmaceutical products	**36,071**	4,203
Revenue from the exclusive right for the commercialisation in Mainland China	**7,312**	3,538
Revenue from the contract development and manufacturing agreement	**–**	21,106
Others	**637**	–
	44,020	28,847
Geographical market		
Mainland China	**44,020**	28,847
Timing of revenue recognition		
Over time	**7,312**	3,538
At a point in time	**36,708**	25,309
	44,020	28,847

6. OTHER INCOME

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**20**	244
Government grants and subsidies related to income	**3,626**	12,206
Others	**84**	–
	3,730	12,450

7. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange losses	**(2,747)**	(2,862)
Fair value gains on financial assets at FVTPL	**59**	–
	(2,688)	(2,862)

8. FINANCE COSTS

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on loans from a related party *(note 20)*	**833**	–
Interest on bank and other borrowings	**2,512**	1,674
Interest on lease liabilities	**1,153**	1,430
	4,498	3,104

9. LOSS BEFORE TAX

Loss before tax for the period has been arrived at after charging/(crediting):

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation for property, plant and equipment	**23,514**	20,979
Depreciation for right-of-use assets	**4,174**	4,565
Government grants and subsidies related to income	**(3,626)**	(12,206)
Impairment losses on financial assets		
– Impairment of trade receivables	**639**	–
Fair value gains on financial assets at FVTPL	**(59)**	–
Foreign exchange differences, net	**2,747**	2,862
Staff cost (including directors' emoluments):		
– Independent non-executive directors' fee	**157**	151
– Salaries and other benefits	**31,103**	43,648
– Pension scheme contributions	**4,466**	4,569
– Share-based payment expenses	**5,678**	5,956
– Consultation fee	**298**	266
	41,702	54,590
Auditors' remuneration	**969**	900
Short-term lease payment	**20**	216
Cost of inventories sold and services provided	**5,741**	11,028
Cost of inventories recognised as expense (included in research and development expense)	**7,640**	9,364

10. INCOME TAX

The Company was incorporated in the Cayman Islands and is exempted from income tax.

No Hong Kong profits tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong profits tax during the periods presented in the interim condensed consolidated financial information.

No PRC Enterprise Income tax was provided for as there was no estimated assessable profit of the Group's PRC subsidiaries during the periods presented in the interim condensed consolidated financial information.

Deferred taxation had not been fully recognised on the unused tax losses and deductible temporary differences since it is not probable that the taxable profits will be available against which the tax losses and deductible temporary differences can be utilised in the foreseeable future.

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2023, nor has any dividend been proposed since the end of the reporting period (during the six months ended 30 June 2022: Nil).

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic and diluted loss per share is based on the following data:

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss attributable to ordinary equity holders of the Company for the purpose of calculating basic and diluted loss per share	**(99,999)**	(116,809)

	For the six months ended 30 June	
	2023	2022
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**4,124,080**	4,124,080

The calculation of diluted loss per share for the six months ended 30 June 2023 and 2022 did not assume the exercise of the pre-IPO share options since its inclusion would be anti-dilutive.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired assets with a cost of RMB8,897,000 (unaudited) including RMB7,319,000 (unaudited) of construction in process (for the six months ended 30 June 2022: RMB133,572,000 (unaudited) including RMB132,570,000 (unaudited) of construction in process).

14. OTHER NON-CURRENT ASSETS

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Prepayment for acquisition of property, plant and equipment *(note a)*	**1,568**	6,576
Deposit for construction of production facilities	**3,000**	3,000
VAT recoverable *(note b)*	**2,556**	2,401
	7,124	11,977

Notes:

a. Prepayment for acquisition of property, plant and equipment is mainly related to the new production facilities on the parcel of industrial land of approximately 100,746 square meters in Taizhou Hi-tech Zone.

b. VAT recoverable is presented in prepayments and other receivables and other non-current assets based on the management's estimation of the amount of VAT recoverable to be utilised within one year.

15. TRADE RECEIVABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade receivables	**29,767**	9,650
Impairment	**(757)**	(118)
	29,010	9,532

15. TRADE RECEIVABLES (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 3 months	**6,500**	8,357
4 to 6 months	**21,553**	1,166
7 to 9 months	**618**	9
10 to 12 months	**339**	–
	29,010	9,532

16. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Other receivables	**1,133**	1,484
Prepayments for research and development services	**12,951**	7,651
Other deposits and prepayments	**3,052**	3,418
VAT recoverable	**31,329**	29,180
	48,465	41,733

17. TRADE AND OTHER PAYABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade payables	**16,357**	16,586
Accrued expenses for research and development services	**40,294**	39,877
Other payables for purchases of property, plant and equipment	**48,026**	51,244
Salary and bonus payables	**9,998**	14,856
Other taxes payable	**1,333**	935
Accrued listing expenses and issue costs	**11,406**	11,037
Other payables	**31,618**	13,793
	159,032	148,328

Payment terms with suppliers are mainly on credit with 60 days from the time when the goods and/or services are received from the suppliers. The aging analysis of the trade payables presented based on the receipt of goods/services by the Group at the end of the reporting period is as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 60 days	**2,346**	9,794
Over 60 days but within 1 year	**14,011**	6,792
	16,357	16,586

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2023			31 December 2022		
	Effective interest rate *(%)*	Maturity	Amount *RMB'000* (Unaudited)	Effective interest rate *(%)*	Maturity	Amount *RMB'000* (Audited)
Current:						
Bank loans – secured *(note)*	One-year loan prime rate ("LPR") +50 bps	2024	49,022	–	–	–
Non-current:						
Other loans – unsecured	6.0%	2024	58,777	6.0%	2024	55,019
Bank loans – secured *(note)*	–	–	–	One-year LPR + 50 bps	2024	29,689
			107,799			84,708

	30 June 2023 *RMB'000* (Unaudited)	31 December 2022 *RMB'000* (Audited)
Analysed into:		
Bank loans repayable:		
Within one year	49,022	–
In the second year	–	29,689
	49,022	29,689
Other loans repayable		
In the second year	58,777	55,019
	107,799	84,708

18. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Note: At 30 June 2023, the 100,746-square-meter land in Taizhou Hi-tech Zone with a carrying amount of approximately RMB34,703,000 (unaudited) (2022: RMB35,089,000 (audited)) and the 50,835-square-meter building with a carrying amount of approximately RMB105,320,000 (unaudited) (2022: RMB108,121,000 (audited)) were pledged to secure the bank borrowings of the Group.

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The differences between the carrying amounts and fair values of the non-current portion of interest-bearing bank and other borrowings were assessed to be insignificant. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2023 were assessed to be insignificant.

19. CAPITAL COMMITMENTS

The Group had capital commitments for equipment purchase and building construction under contracts as follows:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contracted but not provided *(note)*	**15,092**	20,760

Note: The capital commitments are mainly related to the new production facilities on the parcel of industrial land of approximately 100,746 square meters in Taizhou Hi-tech Zone.

20. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Expenses incurred in clinical business and CMAB807 paid by a related party on behalf of the Group		
Biomabs *(note a)*	**70**	1,796
Repayments to a related party regarding to the expenses incurred in clinical business and CMAB807 paid by a related party on behalf of the Group:		
Biomabs	**–**	2,222
Interest on lease liabilities to a related party:		
Biomabs	**251**	385
Interest on loans from a related party:		
Biomabs *(note b)*	**833**	–

Notes:

a. Biomabs is ultimately controlled by a close family member of the controlling shareholder.

b. In September 2022, the group borrowed unsecured loans from Biomabs amounting to RMB45,000,000 with an annual interest rate of 3.7%. The term of the loans is from the date on receiving the loan by the group to 31 December 2024.

20. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Rental deposit to a related party:		
Biomabs	**411**	411
Amounts due from a related party:		
Prepayments – non-trade nature		
Biomabs	**376**	446
Amounts due to a related party:		
Trade payables		
Biomabs	**47,549**	47,350
Interest payables		
Biomabs	**1,360**	527
Loans payables		
Biomabs	**45,000**	45,000
	93,909	92,877
Analysed into:		
Current portion	**379**	180
Non-current portion	**93,530**	92,697
Lease liabilities payable to Biomabs:		
Within one year	**4,992**	4,849
Over one year	**2,231**	4,386
	7,223	9,235

20. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties: (continued)

Payment terms with suppliers are mainly on credit with 60 days from the time when the goods and/or services are received from the suppliers. The ageing analysis of the trade payables presented based on the receipt of goods/services by the Group at the end of the reporting period is as follows:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 60 days	**379**	180
Over 1 year	**47,170**	47,170
	47,549	47,350

Trade payables to Biomabs are unsecured and non-interest-bearing.

20. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries and other benefits	**2,094**	2,276
Pension scheme contributions	**115**	149
Directors' fee	**157**	151
Share-based compensation	**2,626**	2,922
Consultation fee	**298**	266
	5,290	5,764

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the board of directors on 25 August 2023.

Definitions

In this interim report, the following expressions have the meanings set out below unless the context requires otherwise:

"Asia Mabtech"	Asia Mabtech Limited, a limited liability company incorporated in the BVI on November 23, 2017 and one of the Controlling Shareholders
"Asia Pacific Immunotech Venture"	Asia Pacific Immunotech Venture Limited, a limited liability company incorporated in the BVI on July 23, 2018 and one of the Controlling Shareholders
"Audit Committee"	the audit committee of the Board
"Biomabs"	Shanghai Biomabs Pharmaceuticals Co., Ltd. (上海百邁博製藥有限公司), a limited liability company incorporated in the PRC on October 16, 2009 and a direct wholly-owned subsidiary of Sinomab as of the date of this interim report
"Board" or "Board of Directors"	the board of Directors of the Company
"CDH PE"	CDH Mabtech Limited, a limited liability company incorporated in the Cayman Islands
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Company"	Mabpharm Limited (迈博药业有限公司), an exempted company incorporated in the Cayman Islands with limited liability on June 1, 2018 and whose Shares are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, refers to Mr. Guo Jianjun, Guo Family Trustee, Asia Pacific Immunotech Venture, Asia Mabtech and United Circuit
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this interim report, our Core Products include CMAB007, CMAB009 and CMAB008

Definitions

"Director(s)"	the director(s) of our Company
"FH Investment"	Fortune-Healthy Investment Limited, a limited liability company incorporated in the BVI
"Global Offering"	has the meaning ascribed to it under the Prospectus
"GMP"	good manufacturing practice
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"Guo Family Trust"	Guo Family Trust, a trust created by Mr. Guo Jianjun on August 8, 2018 under the laws of BVI for the benefit of his family members, for which Guo Family Trustee serves as trustee
"Guo Family Trustee"	Guo Family (PTC) Limited, a limited liability company incorporated in the BVI on March 1, 2018 and the trustee of the Guo Family Trust
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollar" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IPO"	initial public offering
"Listing"	the listing of Shares on the Main Board of the Stock Exchange on May 31, 2019
"Listing Date"	May 31, 2019, being the date on which the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules

"NDA"	new drug application
"NMPA"	National Medical Products Administration (國家藥品監督管理局) of China, formerly known as China's Food and Drug Administration ("**CFDA**") (國家食品藥品監督管理局) or China's Drug Administration ("**CDA**") (國家藥品監督管理局); references to NMPA include CFDA and CDA
"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this interim report, Hong Kong Special Administrative Region, the Macau and Taiwan
"Prospectus"	the prospectus issued by the Company on May 20, 2019 in connection with the Hong Kong public offering of the Shares
"R&D"	research and development
"Reporting Period"	six months from January 1, 2023 to June 30, 2023
"RMB"	Renminbi, the lawful currency of the PRC
"Shares"	ordinary share(s) in the capital of the Company with nominal value of US$0.0001 each
"Shareholder(s)"	holder(s) of Share(s)
"Sinomab"	Sinomab Limited (formerly known as Mabtech Limited), a limited liability company incorporated in the Cayman Islands on September 4, 2014, and a company which the controlling shareholder of the Company and its associate in aggregate indirectly controls 66.67% voting rights as of the date of this interim report
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Taizhou Pharmaceutical"	Taizhou Mabtech Pharmaceutical Limited* (泰州邁博太科藥業有限公司), a limited liability company incorporated in the PRC on February 4, 2015 and an indirect wholly-owned subsidiary of the Company
"United Circuit"	United Circuit Limited (域聯有限公司), a limited liability company incorporated in the BVI on August 25, 2015 and one of the Controlling Shareholders

Glossary of Technical Terms

"allergic asthma"	a common long-term inflammatory disease of the airways of the lungs. It is characterized by variable and recurring symptoms, reversible airflow obstruction, and bronchospasm. Symptoms include episodes of wheezing, coughing, chest tightness, and shortness of breath. These episodes may occur a few times a day or a few times per week. Depending on the person, they may become worse at night or with exercise
"autoimmune disease"	diseases such as rheumatoid arthritis and lupus which arise from an abnormal immune response of the body against substances and tissues normally present in the body
"biosimilar"	also known as follow-on biologic or subsequent entry biologic. It is a biologic medical product that is almost an identical copy of an original product that is manufactured by a different company. Biosimilars are officially approved versions of original "innovator" products and can be manufactured when the original product's patent expires. A biosimilar product is similar in terms of quality, safety and efficacy to a reference medicinal product, which has been granted a marketing authorisation on the basis of a complete dossier in the community
"canakinumab"	a recombinant, fully human anti-IL-1β monoclonal antibody that belongs to the IgG1κ isotype subclass used for periodic fever syndrome and systemic juvenile idiopathic arthritis, which binds to human IL-1β and neutralizes its activity by blocking its interaction with the IL-1 receptors, but does not bind IL-1α or IL-1ra
"carcinoma"	a type of cancer that develops from epithelial cells. Specifically, a carcinoma is a cancer that begins in a tissue that lines the inner or outer surfaces of the body, and that arises from cells originating in the endodermal, mesodermal or ectodermal germ layer during embryogenesis
"CDMO"	Contract Development and Manufacturing Organization
"cell culture"	the process by which cells are grown under controlled conditions, generally outside of their natural environment

"cell line"	a cell culture developed from a single cell and therefore consisting of cells with a uniform genetic makeup
"cetuximab"	an EGFR antagonist approved by the FDA for the treatment of KRAS wild-type, EGFR-expressing, metastatic colorectal cancer under certain conditions
"cGMP"	current Good Manufacturing Practice
"Chinese hamster ovary cell" or "CHO"	the ovary of the Chinese hamster, of which cell lines are derived from and often used in biological and medical research and commercial production of therapeutic proteins
"CMAB007"	one of our Core Products, a recombinant humanized anti-IgE monoclonal antibody and our new drug candidate based on omalizumab
"CMAB008"	one of our Core Products, a recombinant anti-TNFα chimeric monoclonal antibody and our new drug candidate based on infliximab
"CMAB009"	one of our Core Products, a recombinant anti-EGFR chimeric monoclonal antibody and our new drug candidate based on cetuximab
"CMAB018"	Mepolizumab biosimilar drug candidate in the preclinical stage, used to treat diseases such as asthma and eosinophilic granulomatous polyangitis
"CMAB807"	is a Denosumab, a human IgG2 monoclonal antibody with affinity and specificity for human RANKL (receptor activator of nuclear factor kappa-B ligand), which is a transmembrane or soluble protein essential for the formation, function, and survival of osteoclasts, the cells responsible for bone resorption
"CMAB810"	a pre-clinical stage biosimilar drug candidate based on Perjeta, a recombinant humanized monoclonal antibody for the treatment of breast cancer

Glossary of Technical Terms

"CMAB816"	a pre-clinical stage biosimilar drug candidate based on Ilaris for the treatment of periodic fever syndrome and systemic juvenile idiopathic arthritis
"CMAB819"	a phase I clinical trial new drug candidate based on nivolumab for the treatment of metastatic non-small cell lung cancer and hepatocellular carcinoma
"CRO"	a contract research organization, which provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research and development services outsourced on a contract basis
"cytokine"	a broad and loose category of small proteins that are important in cell signaling. Their release has an effect on the behavior of target cells
"DNA"	deoxyribonucleic acid
"EGFR"	epidermal growth factor receptor
"HER2"	human epidermal growth factor receptor 2
"IBD"	inflammatory bowel disease
"IgE"	immunoglobulin E

"IgG1 κ "or "IgG1 kappa"	immunoglobulin G (IgG), a type of antibody. Representing approximately 75% of serum antibodies in humans, IgG is the most common type of antibody found in blood circulation. IgG molecules are created and released by plasma B cells. Each IgG has two antigen binding sites. There are four IgG subclasses (IgG1, 2, 3, and 4) in humans, named in order of their abundance in serum (IgG1 being the most abundant). IgG antibodies are large molecules of about 150 kDa made of four peptide chains. It contains two identical classheavy chains of about 50 kDa and two identical light chains of about 25 kDa, thus a tetrameric quaternary structure. There are two types of light chain in humans kappa (κ) chain and lambda (λ) chain. Only one type of light chain is present in a typical antibody, thus the two light chains of an individual antibody are identical. IgG1 κ is an antibody molecule which contains two γ 1 heavy chains and two κ light chains
"IL-1ra"	IL-1 receptor antagonist
"IL-1 β "	interleukin-1 β
"immunoglobulin" or "Ig"	an antibody (Ab), also known as an immunoglobulin (Ig). It is a large, Y-shaped protein produced mainly by plasma cells that is used by the immune system to neutralize pathogens such as pathogenic bacteria and viruses. The antibody recognizes a unique molecule of the pathogen, called an antigen, via the Fab's variable region
"in vitro"	Latin for "in glass", studies in vitro are conducted using components of an organism that have been isolated from their usual biological surroundings, such a microorganisms, cells or biological molecules
"in vivo"	Latin for "within the living", studies in vivo are those in which the effects of various biological or chemical substances are tested on whole, living organisms as opposed to a partial or dead organism, or those done in vitro

Glossary of Technical Terms

"infliximab"	a chimeric IgG1 κ monoclonal antibody (composed of human constant and murine variable regions) specific for human tumor necrosis factor-alpha used for adult patients with moderately to severely active rheumatoid arthritis in combination with methotrexate
"mCRC"	metastatic colorectal cancer
"monoclonal antibody" or "mAb"	an antibody produced by a single clone of immune cells or cell line and consisting of identical antibody molecules
"nivolumab"	a human immunoglobulin G4 (IgG4) monoclonal antibody, which targets the negative immunoregulatory human cell surface receptor programmed death-1 (PD1, PCD1) with immune checkpoint inhibitory and antineoplastic activities
"omalizumab"	anti-IgE humanized IgG1 κ monoclonal antibody used to reduce sensitivity to allergens
"oncology"	a branch of medicine that deals with tumors, including study of their development, diagnosis, treatment and prevention
"pathogen"	infectious agent such as a bacterium, fungus, virus, or other micro-organism
"PD"	programmed death
"pertuzumab"	a recombinant humanized monoclonal antibody, which targets the extracellular (domain II) of the human epidermal growth factor receptor 2 protein (HER2) and, thereby, blocks heterodimerization of HER2 with other HER family members, including HER1, HER3 and HER4
"pharmacodynamics"	the study of how a drug affects an organism, which, together with pharmacokinetic, influences dosing, benefit, and adverse effects of the drug

"pharmacokinetic"	the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug
"phase I clinical trial(s)"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"phase II clinical trial(s)"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"phase III clinical trial(s)"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"pre-clinical stage"	testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"RA" or "rheumatoid arthritis"	a chronic, systemic inflammatory disorder that may affect many tissues and organs, but principally attacks synovial joints

Glossary of Technical Terms

"recombinant"	the formation by the processes of crossing-over and independent assortment of new combination of genes in progeny that did not occur in the parents
"TNF"	tumor necrosis factor
"TNFα"	tumor necrosis factor (TNF, tumor necrosis factor α, TNFα, cachexin, or cachectin). It is a cell signaling protein (cytokine) involved in systemic inflammation and is one of the cytokines that make up the acute phase reaction. It is produced chiefly by activated macrophages, although it can be produced by many other cell types such as CD4+ lymphocytes, NK cells, neutrophils, mast cells, eosinophils, and neurons
"vector"	an agent (such as a plasmid or virus) that contains or carries modified genetic material (such as recombinant DNA) and can be used to introduce exogenous genes into the genome of an organism