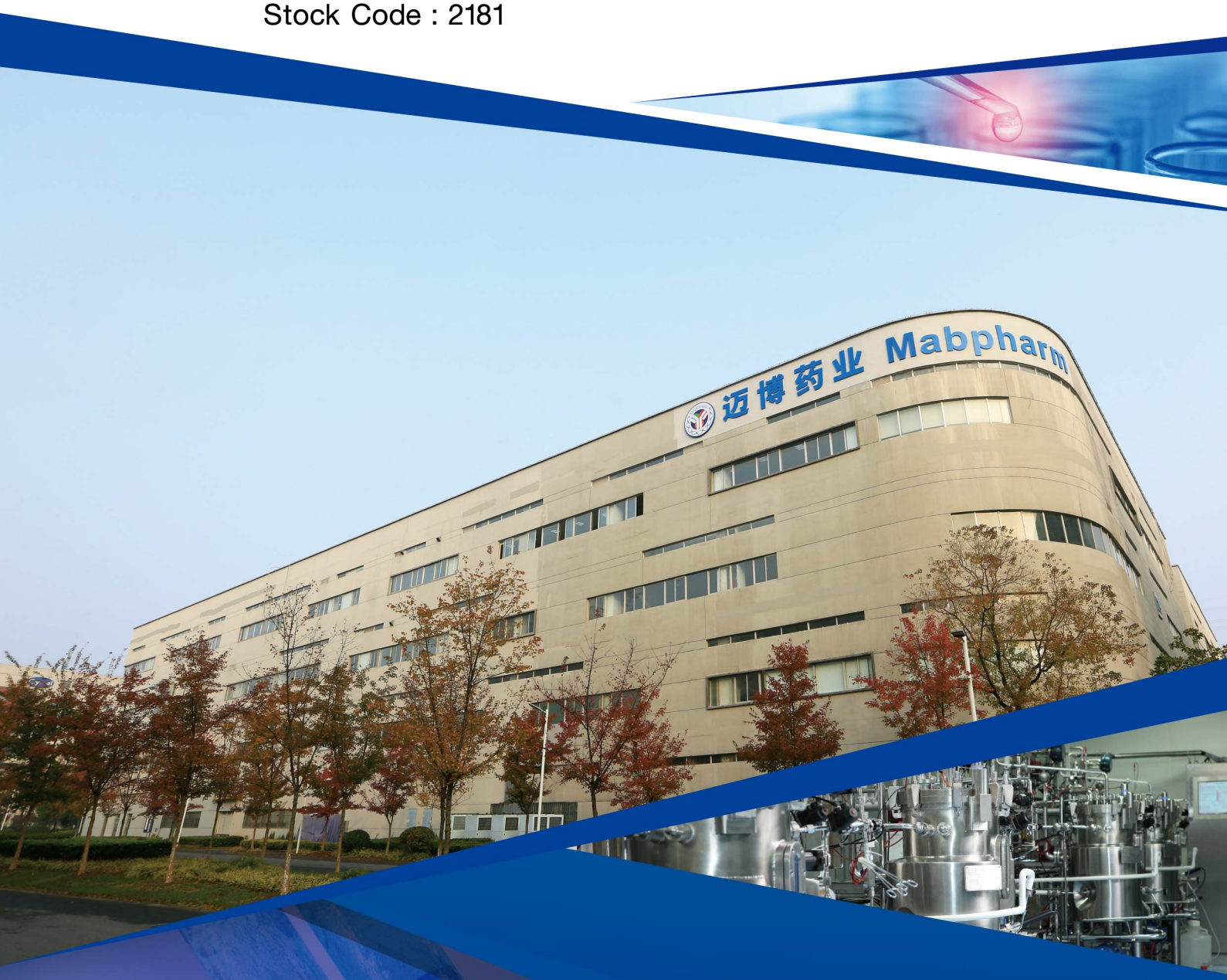
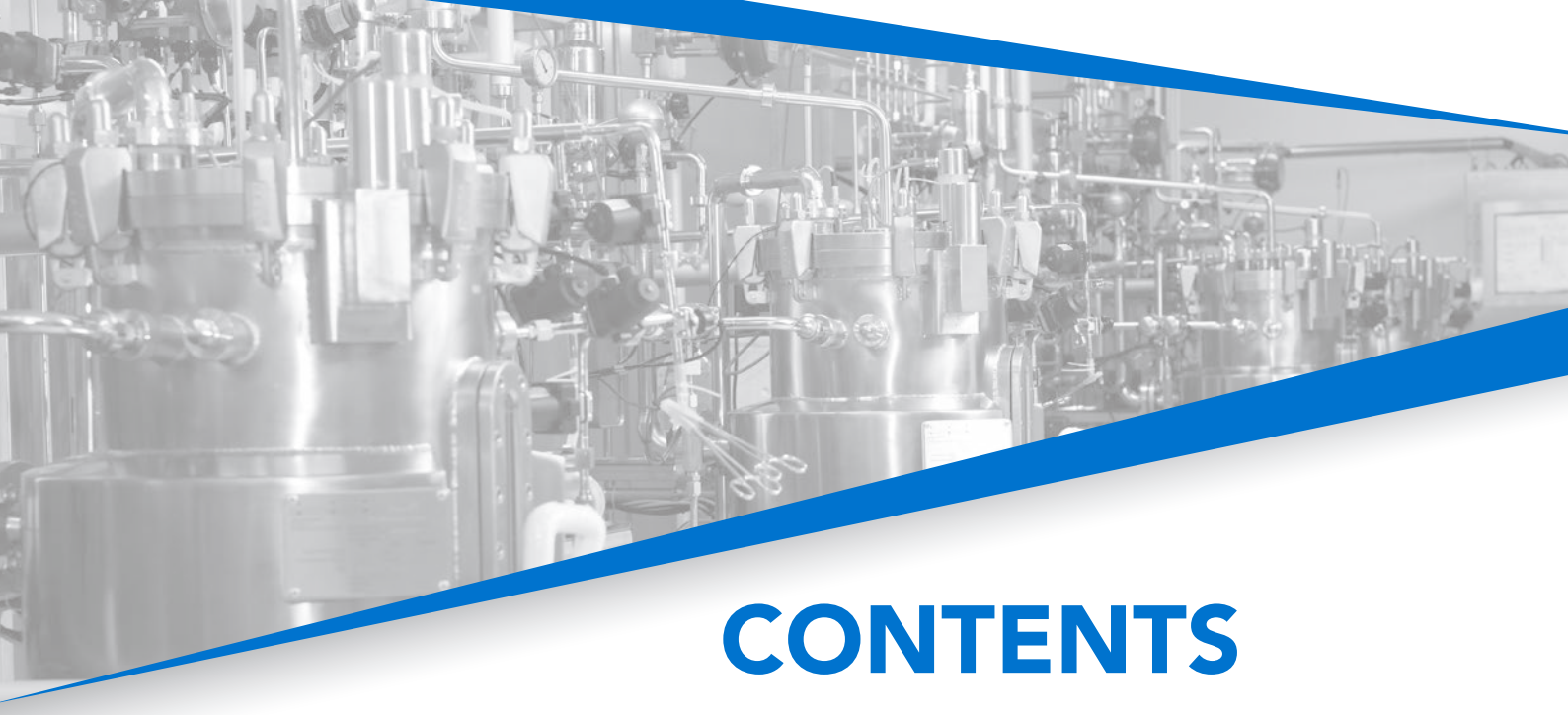
MABPHARM LIMITED
迈博药业有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2181



2020
INTERIM REPORT



CONTENTS

2	Corporate Information
4	Financial Highlights
5	Corporate Profile
7	Management Discussion and Analysis
28	Other Information
37	Independent Review Report
39	Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
40	Interim Condensed Consolidated Statement of Financial Position
42	Interim Condensed Consolidated Statement of Changes in Equity
43	Interim Condensed Consolidated Statement of Cash Flows
45	Notes to Interim Condensed Consolidated Financial Information
62	Definitions
66	Glossary of Technical Terms

Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

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

Independent Non-executive Directors

Mr. Guo Liangzhong
Dr. Zhang Yanyun
Dr. Liu Linqing

AUDIT COMMITTEE

Dr. Liu Linqing *(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)*
Dr. Qian Weizhu
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
Cayman Corporate Centre
27 Hospital Road
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
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

LEGAL ADVISORS

As to Hong Kong law

Stevenson, Wong & Co.
39/F, Gloucester Tower, the Landmark
15 Queen's Road Central
Central
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

COMPLIANCE ADVISOR

Red Solar Capital Limited
Unit 402B, 4/F, China Insurance Group Building
No.141 Des Voeux Road Central
Central
Hong Kong

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
Cayman Corporate Centre
27 Hospital Road
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,		
	2020	2019	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(unaudited)	(unaudited)
Other income	**20,939**	3,726	462.0
Other gains and losses	**19,066**	(1,322)	1,542.2
Research and development expenses	**(60,828)**	(58,703)	3.6
Administrative expenses	**(30,741)**	(27,882)	10.3
Finance costs	**(2,624)**	(3,973)	(34.0)
Listing expenses	**–**	(27,527)	(100.0)
Loss before tax	**(54,188)**	(115,681)	(53.2)
Income tax expense	**–**	–	–
Loss and total comprehensive expense for the period	**(54,188)**	(115,681)	(53.2)
Attributable to:			
Owners of the Company	**(54,188)**	(115,681)	(53.2)
Loss per share attributable to ordinary equity holders of the Company			
– Basic	**RMB(0.01)**	RMB(0.03)	
– Diluted	**RMB(0.01)**	RMB(0.03)	

	At June 30, 2020	At December 31, 2019	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(audited)	(unaudited)
Non-current assets	**540,715**	441,338	22.5
Current assets	**776,561**	955,139	(18.7)
Current liabilities	**273,385**	270,334	1.1
Net current assets	**503,176**	684,805	(26.5)
Non-current liabilities	**37,496**	72,432	(48.2)
Net assets	**1,006,395**	1,053,711	(4.5)

Corporate Profile

We are a leading biopharmaceutical company in China, focusing on the research, development and production of new drugs and biosimilar for cancers and autoimmune diseases. We strive to bring to market high quality and affordable innovative biologics through our efficient research and development ("**R&D**") system and low-cost pharmaceutical production capability, and develop differentiated therapeutic products by fully utilizing our extensive R&D experience. Our pipeline of drug candidates currently consists of 11 monoclonal antibody drugs and one strong antibody drug, three of which are our Core Products:

- **CMAB008 (infliximab)**: completed clinical trial and is in the process of new drug marketing application. We have completed the "Phase I comparative study of randomized, double-blind, parallel-controlled, single-dose pharmacokinetics, safety and immunogenicity of CMAB008 and infliximab for injection in healthy male volunteers", which is expected to be directly admitted to the markets for treating (i) rheumatoid arthritis, (ii) adult and pediatric patients with Crohn's disease, (iii) patients with fistulizing Crohn's disease, (iv) ankylosing spondylitis, (v) psoriasis and (vi) adult patients with ulcerative colitis;

- **CMAB007 (omalizumab)**: currently under phase III clinical trials;

- **CMAB009 (cetuximab)**: currently under phase III clinical trials (together, the "**Core Products**").

Among our other drug candidates, CMAB809 (trastuzumab) completed phase I clinical trials and is launching phase III clinical trials; and CMAB819 (nivolumab) has started its clinical trials. The latest research results show that CMAB816 developed by us has a sound prospect in the treatment and prevention of tumors, especially lung cancer, as such we will give priority to the development of CMAB816. The new "strong antibody" drug CMAB017 for treating cancer developed by us has launched pre-clinical animal experiments.

We have strong in-house capabilities in pharmaceutical research, pre-clinical and clinical development, and manufacturing, and are building our sales and marketing team to prepare for the commercialization of our product candidates. We focus on the R&D of monoclonal antibodies. Our core R&D team members have more than 17 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 11th Session of the Chinese Pharmacopoeia Commission. Our production site in Taizhou, currently equipped with (i) one 3×1,500L monoclonal antibody bioreactor system, (ii) three 3×1,500L monoclonal antibody bioreactor systems to be put into use in the fourth quarter of 2020 and (iii) 18,000L and 7,500L production lines under construction expected to commence production in 2022, is one of the largest antibody drug production facilities in China in terms of production capacity.

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.

With the current pandemic caused by 2019 Novel Coronavirus ("**COVID-19**"), we have newly developed a recombinant bispecific fusion protein, CMAB020, which is expected to be used for prevention and treatment of SARS-CoV/-2 (SARS-CoV and SARS-CoV-2) infections and SARS/COVID-19 diseases (pneumonia caused by SARS-CoV/-2). We have submitted a patent application for the invention of CMAB020 to China National Intellectual Property Administration on March 23, 2020 (Application No.: 202010208906.8/PCT No.: PCT/CN2020/080859). The drug consists of two functional arms, one of which has an antibody that targets the spike protein of coronavirus and the other consists of a protein which can preserve enzyme activity to reduce vasoconstriction and increase blood flow to the infected lung tissue. It is expected that the drug can effectively treat pneumonia caused by SARS-CoV and SARS-CoV-2, and reduce lung inflammation and cytokine storms. At present, the Company has completed the lab-scale preparation and in vitro function evaluation of CMAB020, and is implementing pharmacodynamic and pharmacological research and developing pilot processes.

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, 2020[1]:

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
Respiratory Disease	IgE	Asthma	CMAB007 (INN name: Omalizumab)	New Drug/ Core Product					Pending new drug application submission (Quarter 2, 2021)	Quarter 1, 2022	PRC and overseas (excluding Japan, North America and Europe)	Xolair®
Cancer	EGFR	Colorectal Cancer	CMAB009 (INN name: Cetuximab)	New Drug/Core Product					Pending new drug application submission (Quarter 3, 2022)	Quarter 1, 2023	PRC and overseas (excluding Japan, North America and Europe)	Erbitux®
Autoimmune Disease	TNFα	Rheumatoid Arthritis	CMAB008 (INN name: Infliximab)	New Drug/Core Product					New drug application submitted in Quarter 4, 2019	Quarter 1, 2021	PRC and overseas (excluding Japan, North America and Europe)	Remicade®, Humira®, Enbrel®, Simponi®, Yisaipu® and Anbainuo®
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 3, 2021)	Quarter 2, 2026	Global	Opdivo®, Keytruda®, Tyvyt®, JS001
Cancer	HER2	Breast Cancer/Gastric Cancer	CMAB809 (INN name: Trastuzumab)	Biosimilar					Phase III (Quarter 4, 2020)	Quarter 4, 2023	Global	Herceptin®
Cancer	HER2	Breast Cancer	CMAB810 (INN name: Pertuzumab)	Biosimilar					Phase III (Quarter 4, 2021)	Quarter 3, 2024	Global	Perjeta®

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
Respiratory Disease	RSV	Prevention of severe lower respiratory tract disease caused by RSV	CMAB813 (INN name: Palivizumab)	Biosimilar					Phase III (Quarter 1, 2022)	Quarter 4, 2024	Global	Synagis®
Cancer/Autoimmune Disease	IL-1β	Periodic Fever Syndromes/Systemic Juvenile Idiopathic Arthritis/Lung cancer	CMAB816 (INN name: canakinumab)	Biosimilar					Phase III (Quarter 1, 2022)	Quarter 3, 2024	Global	ILaris®
Cancer	EGFR	KRAS wild-type colorectal cancer/ squamous cell carcinoma of the head and neck/ skin squamous cell carcinoma	CMAB017	Innovative drug					Phase III (Quarter 4, 2023)	Quarter 4, 2026	Global	Vectibix®
Autoimmune Disease	IL-17A	Plaque psoriasis, psoriatic arthritis and ankylosing spondylitis	CMAB015 (INN name: Secukinumab)	Biosimilar					Phase III (Quarter 2, 2023)	Quarter 4, 2024	Global	Cosentyx®
Allergy, Inflammatory Disease	IL-5	Asthma and eosinophilic granulomatous polyangitis	CMAB018 (INN name: Mepolizumab)	Biosimilar					Phase III (Quarter 1, 2024)	Quarter 4, 2026	Global	Nucala®
New drug candidate developed after December 31, 2019												
Infection	SARS-CoV SARS-CoV-2	Pneumonia infected by novel coronavirus	CMAB020	Innovative drug					Phase III (Quarter 3, 2021)	Quarter 3, 2022	PRC and overseas (excluding North America and Europe)	

1. The development of CMAB815 was suspended in March 2020.

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 Product Candidates

CMAB007 (omalizumab)

CMAB007 (omalizumab), a recombinant humanized anti-IgE monoclonal antibody, is our new drug candidate for treatment of asthma patients who remain inadequately controlled despite med/high dose of ICS plus LABA. As of June 30, 2020, CMAB007 was the only mAb asthma therapy developed in China by a local Chinese company that had reached phase III clinical trial, and we believe that, once approved by the National Medical Products Administration (the "**NMPA**"), it will be the first mAb asthma therapy developed by a local Chinese company marketed in China. CMAB007 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 have been confirmed by the results of two completed clinical trials of a total of 665 subjects, which were the largest clinical trials of mAb treating asthma in China. Based on our clinical trial results, CMAB007 can improve asthma patients' conditions with lower-dose inhaled corticosteroids and reduce the incidence of acute asthma attacks.

During the Reporting Period, CMAB007 was under phase III clinical trials for allergic asthma. As of June 30, 2020, we had completed case recruitment for the clinic trials. The outbreak of pneumonia caused by SARS-CoV-2, being a respiratory disease, and the recent rebound of pandemic in Beijing and northeastern region of China had certain impact on our research and development. Based on the new regulations and technical guidelines introduced by the NMPA on new biological drugs, we are initiating a head-to-head phase I comparative study versus the currently marketed omalizumab products to confirm the similar pharmacokinetic profile and immunogenicity of CMAB007. It is expected that CMAB007 will expand its indications to chronic idiopathic urticaria and seasonal allergic rhintis in the future. We expect to file the drug marketing application with the NMPA in the second quarter of 2021 upon completion of clinical observation and data analysis of all cases. Currently, we expect that CMAB007 may be approved by the NMPA for marketing in the first quarter of 2022.

CMAB009 (cetuximab)

CMAB009 (cetuximab), a recombinant anti-EGFR chimeric monoclonal antibody, is our new drug candidate based on cetuximab for first-line treatment of metastatic colorectal cancer ("**mCRC**") in combination with FOLFIRI. CMAB009 is the first NMPA approved chimeric anti-EGFR antibody for clinical trial developed in China by a local Chinese company. CMAB009 uses the Chinese hamster ovary cell ("**CHO**") expression system, which is different from the mouse myeloma cell SP2/0 expression system used in marketed cetuximab product. The safety and efficacy of CMAB009 have been confirmed from the results of two completed clinical trials of a total of 530 subjects, which were the largest clinical trials of anti-EGFR mAb developed in China by a local Chinese company. Based on our clinical trial results compared to published clinical trial results for the currently marketed cetuximab products, CMAB009 significantly reduces immunogenicity and decreases the incidence of adverse reactions, such as severe hypersensitivity. We believe that CMAB009 is safer than, and as effective as, the currently marketed cetuximab drugs for treatment of mCRC.

During the Reporting Period, CMAB009 was under phase III clinical trials for colorectal cancer. The outbreak of SARS-CoV-2, being a respiratory disease, and the recent rebound of pandemic in Beijing and northeastern region of China had certain impact on our research and development. We expect to file the drug marketing application with the NMPA in the third quarter of 2022 upon completion of clinical observation and data analysis of all cases. We are also preparing for clinical trials of other indications of CMAB009. Currently, we expect that CMAB009 may be approved by the NMPA for marketing in the first quarter of 2023.

CMAB008 (infliximab)

CMAB008 (infliximab), a recombinant anti-TNF-alpha chimeric monoclonal antibody, is our new drug candidate based on infliximab for moderate to severe active rheumatoid arthritis and is potentially one of the best in class of chimeric anti-TNF-alpha antibody in China. CMAB008 was the first NMPA approved chimeric anti-TNF-alpha antibody for clinical trial developed in China by a local Chinese company. CMAB008 uses the CHO expression system which reduces immunogenicity, according to our clinical results compared to published results of the currently marketed infliximab products. The safety and efficacy of CMAB008 have been confirmed by the results of three completed clinical trials of a total of 588 subjects, which were the largest clinical trials of infliximab in China. Based on our clinical results compared to published clinical results of currently marketed infliximab products, we believe that CMAB008 is safer than, and as effective as, the marketed infliximab products for treatment of moderate to severe active rheumatoid arthritis as of June 30, 2020. The completed tests also show that CMAB008 and marketed infliximab products have similar safety and effectiveness.

In 2019, CMAB008 completed the clinical trial for the treatment of rheumatoid arthritis and an application was made to the NMPA on December 30, 2019 for marketing the drug. We have completed the head-to-head study versus the currently marketed infliximab product and confirmed similar pharmacokinetic profile and immunogenicity of CMAB008 ("**phase I comparative study CTR20200314 of CMAB008 and Infliximab for injection in healthy male volunteers featuring randomized, double-blind, parallel control, single-dose pharmacokinetics, safety and immunogenicity**"). We expect that CMAB008 will be granted admission to target six indications, (including (i) rheumatoid arthritis, (ii) adult and pediatric patients with Crohn's disease, (iii) patients with fistulizing Crohn's disease, (iv) ankylosing spondylitis, (v) psoriasis and (vi) adult patients with ulcerative colitis) and be included in the medical insurance drug list. Currently, we expect that CMAB008 may be approved by the NMPA for marketing in the first quarter of 2021.

Other Product Candidates

CMAB819 (nivolumab) is our new drug candidate pending phase I clinical trial. CMAB819 was approved by the NMPA for clinical trial in September 2017. As of June 30, 2020, we have completed the preparation of clinical samples and are initiating phase I clinical trial. We expect that CMAB819 may be approved by the NMPA for marketing in the second quarter of 2026. CMAB819 is indicated for the treatment of metastatic non-small cell lung cancer, hepatocellular carcinoma and head and neck squamous cell carcinomas.

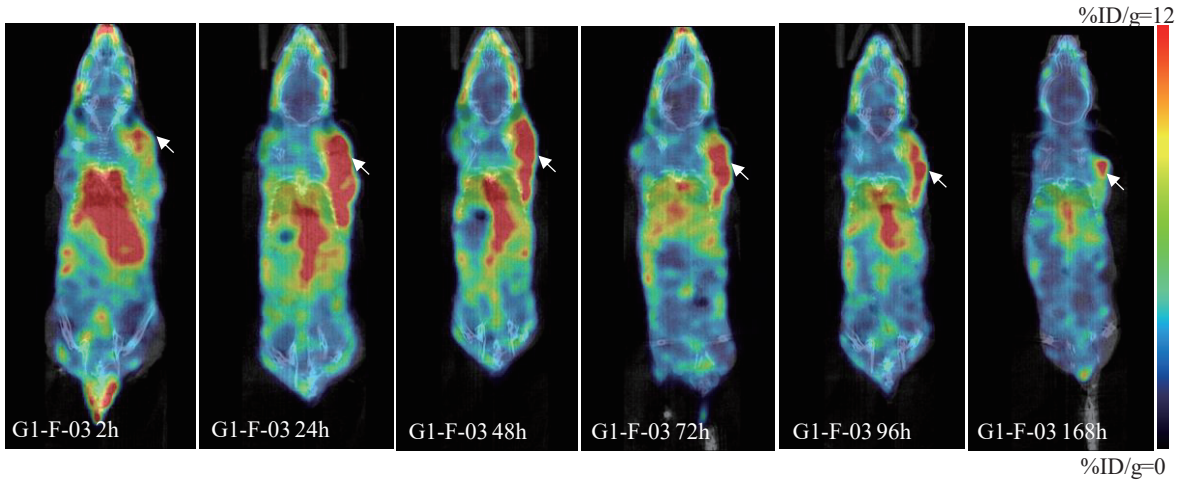
CMAB809 (trastuzumab) is our biosimilar drug candidate which has completed phase I clinical trial and is kicking off phase III clinical trial. CMAB809 was approved by the NMPA for clinical trial in April 2017. As of June 30, 2020, we have completed the phase I clinical trial for CMAB809. As the phase I results confirmed that its pharmacokinetic characteristics are similar to those of the reference drug (Herceptin), we are launching the phase III clinical trial directly without the need to go through phase II clinical trial. We expect that CMAB809 may be approved by the NMPA for marketing in the fourth quarter of 2023. CMAB809 is indicated for the (adjuvant) treatment of HER2 over-expressing breast cancer and metastatic gastric cancer.

CMAB810 (pertuzumab) is our pre-clinical trial biosimilar drug candidate. The related screening processes, the establishment of a cell bank, and the pilot process for CMAB810 have been completed. We are carrying out pre-clinical animal experiments for CMAB810 and expect to apply for clinical trials in the fourth quarter of 2020. We expect that CMAB810 may be approved by the NMPA for marketing in the third quarter of 2024. CMAB810 is indicated for the treatment of breast cancer.

CMAB813 (palivizumab) is our pre-clinical trial biosimilar drug candidate. The related screening processes and the establishment of a cell bank have been completed. We expect to launch phase III clinical trials in the first quarter of 2022 and CMAB813 may be approved by the NMPA for marketing in the fourth quarter of 2024. CMAB813 is indicated for the prevention of severe lower respiratory tract disease caused by RSV in pediatric patients.

CMAB816 (canakinumab) is our pre-clinical trial biosimilar drug candidate. The related screening processes and the establishment of cell bank have been completed. The pilot process has been developed. It is expected to apply for clinical trials in the third quarter of 2021. We expect that CMAB816 may be approved by the NMPA for marketing in the third quarter of 2024. CMAB816 is indicated for the treatment of periodic fever syndrome and systemic juvenile idiopathic arthritis. According to the study results of "Effect of interleukin-1 β inhibition with canakinumab on incident lung cancer in patients with atherosclerosis: exploratory results from a randomized, double-blind, placebo-controlled trial (CANTOS, NCT01327846)" published in The Lancet in August 2017, the total cancer mortality was significantly lower in the (including all dosages) canakinumab group than those in the placebo group. The 300 mg dose was statistically significant in its effect on total cancer mortality. Furthermore, both the 150 mg and 300 mg groups had significantly less frequent incidents of lung cancer when compared to the placebo group. Additionally, lung cancer mortality was significantly less frequent in the 300 mg group and the canakinumab group compared to the placebo group. Therefore, it is suggested that CMAB816 therapy could be beneficial in reducing incident lung cancer and lung cancer-associated mortality by targeting the interleukin-1 β pathway.

CMAB017 is an innovative candidate in pre-clinical research stage and an innovative strong antibody drug. At present, the screening of high expression engineering cells and the establishment of engineering cell bank have been completed. The research on production process and formulation selection has been concluded. Animal experiments have been completed and 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 to apply for clinical trial in the third quarter of 2021. We expect that CMAB017 may be approved by the NMPA for marketing in the fourth quarter of 2026. Regarding CMAB017, the design of blocking peptide is expected to significantly reduce adverse reactions of skin, gastrointestinal mucosa, etc. The selection of IgG1 constant region can enhance the effect mediated by Fc fragment of antibody and thus improve the curative effect. Based on the advantages of safety and curative effect, the cost of case medication is far lower than CMAB009, and it is expected that more new strong antibody drugs will be developed leveraging the research and development experience and platform of CMAB017. CMAB017 is indicated for the treatment of KRAS wild-type colorectal cancer, squamous cell carcinoma of the head and neck and skin squamous cell carcinoma.



CMAB015 is a biosimilar candidate for secukinumab, which is under pre-clinical study. At present, the screening of high expression engineering cells and the establishment of engineering cell bank have been completed. The research on production process is in progress and it is expected that we will apply for clinical trials in the second quarter of 2022. We expect that CMAB015 may be approved by the NMPA for marketing in the fourth quarter of 2024. CMAB015 targets interleukin 17A (IL-17A) for treating plaque psoriasis, psoriatic arthritis and ankylosing spondylitis.

CMAB018 is a biosimilar candidate for mepolizumab, which is under pre-clinical study. At present, the screening of high expression engineering cells and the establishment of engineering cell bank have been completed, the research on production process is in progress and it is expected that we will apply for clinical trials in the fourth quarter of 2022. We expect that CMAB018 may be approved by the NMPA for marketing in the fourth quarter of 2026. CMAB018 targets interleukin 5 (IL-5) for treating severe asthma and eosinophilic granulomatous polyangiitis.

CMAB020 With the current outbreak of COVID-19, we started to develop a recombinant bispecific fusion protein, CMAB020, which is expected to be used for prevention and treatment of SARS-CoV/-2 (SARS-CoV and SARS-CoV-2) infections and SARS/COVID-19 diseases (pneumonia caused by SARS-CoV/-2) in the first quarter of 2020.

CMAB020 is designed with two functional arms: (1) one of the arms is a fully human monoclonal antibody ("**Ab**") targeting the spike protein of SARS-CoV, SARS-CoV-2 and some other SARS-like CoV with high affinity; and (2) the other arm is a truncated angiotensin converting enzyme 2 ("**ACE2**") protein. The binding epitopes of the Ab and ACE2 to the spike protein are different. The truncated ACE2 preserves the enzyme activity in converting angiotensin II to angiotensin 1-7, resulting in reduced vasoconstriction and increased blood flow to the infected lung tissue. It could potentially confer organ protection and lessen severe acute respiratory distress syndrome caused by COVID-19. In addition, CMAB020 could potentially antagonize the binding of receptor binding domain with CD147 and mitigate lung inflammation and cytokine storm.

While CMAB020's primary functionality is to interfere with the viral infection cycle, our current research and development result suggests that the fusion protein with an active ACE2 enzyme may have therapeutic potential for late-stage COVID-19 infections. Such dual functionality of the fusion protein may have a synergistic effect and CMAB020 could help generate passive immunity and shield people, in particular healthcare workers, elderlies and patients with compromised immune systems, from coronavirus such as SARS-CoV/-2. Our current research and development result also shows that the bispecific fusion protein could bind with spike protein with much tighter affinity as compared to that of the individual Ab or ACE2 protein.

We have submitted a patent application for the invention of CMAB020 to China National Intellectual Property Administration on March 23, 2020 (Application No.: 202010208906.8/PCT No.: PCT/CN2020/080859). At present, the Company has completed the lab-scale preparation and in vitro function evaluation of CMAB020, and is implementing further pharmacodynamic and pharmacological research and developing the amplification processes.

Research and development of new drug candidates

We have launched a series of follow-up R&D of 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 by the end of 2020, 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, we currently have three Core Products, one of which has completed clinical trial and applied for marketing and the other two are under phase III clinical development. Two other drug products have been approved for clinical trials, one of which has completed phase I clinical trial. 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 industrialized good manufacturing practices ("**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 background 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 has two buildings of 15,000 square meters each and houses our mAb production facilities. The first building is equipped with production facilities currently in operation, including (i) a 3×1,500L antibody bioreactor system 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. We have not commenced commercial manufacturing at our production facilities.

Construction of new production facilities

We are constructing new production facilities in the second building of our Taizhou production site and on the parcel of industrial land of approximately 100,746 square meters in Taizhou Hi-tech Zone. Our expansion plan includes the construction of (i) three cGMP-certified workshops, each with a 3×1,500L stainless steel bioreactor system, and corresponding purification lines, which is expected to be put into trial operation by December 2020; (ii) large-scale monoclonal antibody drug substance production lines with scale of each cell reactor reaching 7,500L and 18,000L, respectively, and (iii) two drug product filling lines which have commenced construction and completed design and purchase of key equipment and is expected to be put into trial operation in the middle of 2022.

Marketing and distribution

We are in the process of building our sales and marketing strategy. We expect our marketing strategies to focus on precision marketing through academic promotion and center around increasing knowledge and awareness of the clinical benefits of our pharmaceuticals among medical professionals. We intend to focus on hospitals with potential clinical demand for our products as our primary customer base. We intend to continue to communicate frequently with major hospitals in China to understand the hospitals and their doctors' academic views on antibody drugs and patient demands. We also intend to continue to meet industry experts regularly to understand industry trends. We will continue to participate in academic conferences, seminars and symposia, which include large-scale national and provincial conferences organized by the Chinese Medical Association or its local chapters, as well as smaller events tailored to specific cities and hospital departments to promote our brand awareness.

Half of our current core sales team members have over a decade of experience in sales and management of antibody drugs, including the first antibody drug produced by a local Chinese company marketed in China. Our sales team has maintained direct relationships with hospitals through its participation in and support of our clinical trials. In anticipation of the launch of our products, we have been expanding our sales and marketing force. In line with our sales and marketing strategy, we will focus on the recruitment of sales and marketing personnel who has notable academic profile in medicine and pharmacy, and who has over three years' clinical experience in therapeutic areas of cancers and autoimmune diseases. We expect to implement certain procedures to ensure that our academic promotion and general marketing efforts are in compliance with applicable laws and regulations.

We expect to sell our products to (i) distributors that sell our products to hospitals and (ii) direct-to-patient pharmacies and others. We plan to build our network of distributors when our products are approved by the NMPA for commercialization. We anticipate that our distribution model will be consistent with customary 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 our distributors based on their qualifications, reputation, market coverage and sales experience. To distribute our products in the future, 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. To date, we have not entered into any distribution agreement with distributors.

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

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

Over the short-term, we intend to focus on completing clinical trials and the eventual commercialization of our current pipeline of drug candidates, particularly our Core Products, CMAB007, CMAB009 and CMAB008. To bring our Core 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 CMAB007, CMAB009 and CMAB008. We are also in the process of establishing a sales team consisting of staff with strong academic promotion experience and capabilities. Our goal is to generate stable revenue and profits in the future by creating our own sales team in China and strengthening our commercialization capabilities by further building our sales team.

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 into 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 talents 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 may also consider developing collaborative partnerships with global pharmaceutical companies 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 merger and acquisition 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, 2020 and 2019:

	For the six months ended June 30,			
	2020	2019	Change	Change
	RMB'000	*RMB'000*	*RMB'000*	*(%)*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other income	**20,939**	3,726	17,213	462.0
Other gains and losses	**19,066**	(1,322)	20,388	1,542.2
Research and development expenses	**(60,828)**	(58,703)	(2,125)	3.6
Administrative expenses	**(30,741)**	(27,882)	(2,859)	10.3
Finance costs	**(2,624)**	(3,973)	1,349	(34.0)
Listing expenses	**–**	(27,527)	27,527	(100.0)
Loss before tax	**(54,188)**	(115,681)	61,493	(53.2)
Income tax expense	**–**	–	–	–
Loss and total comprehensive expense for the period	**(54,188)**	(115,681)	61,493	(53.2)
Attributable to:				
Owners of the Company	**(54,188)**	(115,681)	61,493	(53.2)
Loss per share attributable to ordinary equity holders of the Company				
– Basic	**RMB(0.01)**	RMB(0.03)		
– Diluted	**RMB(0.01)**	RMB(0.03)		

OTHER INCOME

Other income of the Group increased by 462.0% from RMB3.7 million for the six months ended June 30, 2019 to RMB20.9 million for the six months ended June 30, 2020, which was primarily due to a significant increase in government grants during the Reporting Period from the corresponding period of last year and a sharp rise in interest income obtained from the unutilized proceeds which were deposited at a higher interest rate.

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

	For the six months ended June 30,	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**8,173**	187
Government grants and subsidies related to income	**12,766**	3,539
	20,939	3,726

OTHER GAINS AND LOSSES

Other gains and losses of the Group increased by 1,542.2% from RMB1.3 million losses for the six months ended June 30, 2019 to RMB19.1 million gains for the six months ended June 30, 2020, which was primarily due to increase in exchange rate of foreign currencies held by the Group.

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

	For the six months ended June 30,	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net foreign exchange gains (losses)	**13,677**	(1,322)
Others	**5,389**	–
	19,066	(1,322)

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of pipelines of the Group increased by 3.6% from RMB58.7 million for the six months ended June 30, 2019 to RMB60.8 million for the six months ended June 30, 2020. Research and development expenses remained stable without significant fluctuations.

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

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

	For the six months ended June 30,	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Contract costs	**25,609**	21,935
Raw materials and consumables	**11,193**	11,833
Staff cost	**17,174**	15,619
Depreciation and amortization	**3,770**	4,028
Others	**3,082**	5,288
Total	**60,828**	58,703

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group increased by 10.3% from RMB27.9 million for the six months ended June 30, 2019 to RMB30.7 million for the six months ended June 30, 2020. There was no significant fluctuation in administrative expenses.

Administrative expenses of the Group primarily comprise of staff salary and benefit costs of our non-R&D personnel, depreciation and others.

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

	For the six months ended June 30,	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Staff cost	**16,065**	16,000
Building rental fees	**–**	17
Depreciation	**7,366**	7,022
Others	**7,310**	4,843
Total	**30,741**	27,882

FINANCE COSTS

Finance costs of the Group decreased by 34.0% from RMB4.0 million for the six months ended June 30, 2019 to RMB2.6 million for the six months ended June 30, 2020, which was primarily due to the repayments of loans from related parties.

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

LISTING EXPENSES

Listing expenses of the Group decreased by 100.0% from RMB27.5 million for the six months ended June 30, 2019 to nil for the six months ended June 30, 2020. Listing expenses were incurred in line with the progress of Listing. As the Company has been listed on May 31, 2019, no Listing expenses were incurred during the Reporting Period.

LIQUIDITY AND CAPITAL RESOURCES

Our current pledged bank deposits, time deposit and cash and bank decreased by RMB208.8 million from RMB897.8 million at December 31, 2019 to RMB689.0 million at June 30, 2020, which was primarily due to the utilization of such resources for manufacturing and operation as scheduled.

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

	At June 30, 2020 ***RMB'000*** **(unaudited)**	At December 31, 2019 *RMB'000* (audited)	Change *(%)* (unaudited)
Prepayments and other receivables	**44,629**	21,904	103.7
Inventories	**26,749**	22,224	20.4
Contract costs	**16,168**	13,240	22.1
Pledged bank deposits	**–**	129,891	(100.0)
Time deposit	**45,670**	179,160	(74.5)
Cash and bank	**643,345**	588,720	9.3
Total	**776,561**	955,139	(18.7)

INDEBTEDNESS

As of June 30, 2020, we had non-trade amount due to a related party of RMB0.5 million and lease liabilities of RMB40.5 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 borrowings, non-trade amount due to a related party and lease liabilities at the dates indicated:

	At June 30, 2020 *RMB'000* (unaudited)	At December 31, 2019 *RMB'000* (audited)
Unsecured and unguaranteed amount due to Biomabs	530	2,431
Lease liabilities	40,506	42,418
Secured borrowings from the bank	–	63,205

As at June 30, 2020, we have repaid all principals and interests thereon to Nanyang Commercial Bank Shenzhen Branch.

As at June 30, 2020, we, as a lessee, had outstanding lease liabilities for the remaining terms of relevant lease agreements in an aggregate amount of RMB40.5 million.

As at June 30, 2020, 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

On April 8, 2019, in preparing for the Global Offering, the then existing shareholders of the Company passed resolutions to conditionally approve, among other things, (i) to increase in the authorized share capital of the Company from 500,000,000 ordinary shares of US$0.0001 par value each to 50,000,000,000 ordinary shares of US$0.0001 par value each; (ii) to allot and issue at par 3,265,500,000 shares as fully paid, which shall rank pari passu in all respects with the then existing shares for allotment and issue, to the persons whose names appear on the register of members of the Company on the day preceding the Listing Date in proportion to their respective shareholdings (as nearly as possible without involving fractions) in the Company by way of capitalization of an amount of US$326,550 standing to the credit of the share premium account of the Company. On May 30, 2019, 3,265,500,000 shares of the Company were issued under the Capitalization Issue.

Subsequently, 783,580,000 Shares were issued under the Global Offering and the Shares were listed on the Main Board of the Stock Exchange on May 31, 2019. There were no changes in the capital structure of the Group since then. The share capital of the Group only comprises ordinary Shares. As at June 30, 2020, 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 23.6% debt and 76.4% equity as at June 30, 2020, compared with 24.5% debt and 75.5% equity as at December 31, 2019.

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, 2020, the gearing ratio of the Group was 23.6% (unaudited) (as at December 31, 2019: 24.5% (audited)).

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

	At June 30, 2020 (unaudited) %	At December 31, 2019 (audited) %
Current ratio [1]	**284.1**	353.3
Quick ratio [2]	**274.3**	345.1

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 353.3% as of December 31, 2019 to 284.1% as of June 30, 2020, and our quick ratio decreased from 345.1% as of December 31, 2019 to 274.3% as of June 30, 2020, primarily due to utilization of monetary funds for operation as scheduled.

Other Information

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2020.

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 (after deducting the underwriting fees and related expenses) were approximately HK$1,144.5 million (equivalent to approximately RMB1,005.1 million), which included approximately RMB37.7 million which forms part of the Listing expenses payable settled after receipt of the proceeds from the Listing. By excluding this portion, the net proceeds planned for applications amount to approximately RMB967.4 million. As of June 30, 2020, the Company used a total of approximately RMB293.7 million of the proceeds, including approximately RMB101.6 million for research and development of our Core Products, approximately RMB132.7 million for production scale-up and construction of new production facilities in Taizhou, PRC, approximately RMB24.8 million for research and development of our other candidate products and approximately RMB34.6 million for working capital and general purpose. The Company intends to apply such net proceeds in accordance with the plan as set out in the Prospectus. The table below sets out the planned applications of the net proceeds of the Global Offering and actual usage up to June 30, 2020[1] [2]:

Use of proceeds	Allocation of net proceeds of the Global Offering *(RMB million)*	Percentage of total net proceeds	**Utilized amount (as of June 30, 2020) *(RMB million)***	Unutilized amount (as of June 30, 2020) *(RMB million)*	Timetable for full utilization of the unutilized amount
For R&D of our Core Products	180.9	18.7%	**101.6**	79.3[3]	By June 30, 2022
For production scale-up and construction of new production facilities in Taizhou, PRC	497.2	51.4%	**132.7**	364.5[4]	By December 31, 2022
For R&D of our other product candidates	194.5	20.1%	**24.8**	169.7[5]	By June 30, 2022
For working capital and other general corporate purposes	94.8	9.8%	**34.6**[6]	60.2	By December 31, 2021
Total	967.4	100%	**293.7**	673.7	

Note:

(1) Net IPO proceeds were received in Hong Kong dollar and translated to Renminbi for application planning.

(2) Timetable for utilizing the unutilized proceeds as disclosed above was prepared based on the best estimates of the Board and the latest information as of the date of this interim report.

(3) CMAB008 has completed clinical trials and is in the process of application for new drug marketing, while CMAB007 and CMAB009 are currently under phase III clinical trials.

(4) We are constructing new production facilities in the second building of our Taizhou production site and on the parcel of industrial land of approximately 100,746 square meters in Taizhou Hi-tech Zone.

(5) Of our other drug candidates, CMAB809 has completed phase I clinical trials and CMAB819 is pending to initiate clinical trials.

(6) RMB20.6 million has been used for repayment of principal and interests of bank loans.

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, 2020, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2020, we had a total of 314 employees, of which 101 are located in Shanghai and 213 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]	177
Sales and marketing [2]	15
Administration	23
Management	38
Total	314

Notes:

(1) The number of R&D personnel here excludes 19 R&D team members who have been included in our management.

(2) The number of sales and marketing personnel here excludes our four core sales and marketing team members, who have been included in our management.

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 the date of this interim report, we had 104, 12 and 7 scientists holding a bachelor's degree or equivalent, a master's degree or equivalent, and a Ph.D. degree or equivalent in fields that are highly relevant to our business. In addition, as of the same date, 123 out of our 196 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. In addition, we have adopted an employee share option plan to provide an additional means to attract, motivate, retain and reward our employees.

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, 2020, 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 labor disputes or 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, 2020, 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 of Securities Transactions by Directors of Listed Issuers 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. Qian Weizhu (錢衛珠)	Beneficial owner (L)[3]	29,642,137	0.72%
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%

Notes:

(1) As at June 30, 2020, 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 68.89% 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. For details, please refer to note 19 of the interim condensed consolidated financial information of this interim report.

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, 2020, 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%

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
CDH Fund V, L.P. ("**CDH Fund**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
CDH V Holdings Company Limited ("**CDH V**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
China Diamond Holdings V Limited ("**CDH 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 68.89% 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 in held as to 100% by China Diamond which is held by independent third parties.

(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

Save as disclosed below and in note 19 of the interim condensed consolidated financial information of this interim report, the Company did not have other share option schemes.

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 six of the grantees resigned from their respective positions within our Group. As such, the share options held by these six grantees were lapsed and no longer exercisable. As of June 30, 2020, the number of Shares underlying the outstanding and unexercised share options granted under the Pre-IPO Share Option Scheme amounted to 81,072,209 Shares. 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, 2020	Granted	Exercised	Forfeited	Outstanding at June 30, 2020
Category 1: Directors						
Dr. Qian Weizhu	August 18, 2018	29,642,137	–	–	–	29,642,137
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
	Sub-total	60,941,611	–	–	–	60,941,611
Category 2: Employees	August 18, 2018	20,474,895	–	–	(344,297)	20,130,598
	Total	81,416,506	–	–	(344,297)	81,072,209

For further details, please refer to note 19 of the interim condensed consolidated financial information of this interim report.

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 contained in Appendix 14 to the Listing Rules and the Company has adopted the CG code as its own code of corporate governance. The CG Code has been effective and applicable to the Company with effect from the Listing Date. 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 six months ended June 30, 2020. 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

With consent from the Directors, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the guidelines for the Directors' dealings in the securities of the Company since the Listing Date. 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 six months ended June 30, 2020.

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 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 Dr. Liu Linqing and Mr. Guo Liangzhong, and one non-executive Director, being Mr. Jiao Shuge. Dr. Liu Linqing 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, 2020. 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.

CHANGE IN INFORMATION OF DIRECTORS

As of June 30, 2020, there was no change in information of Directors subject to disclosure under Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Our Directors have confirmed that as at June 30, 2020, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

IMPORTANT EVENTS AFTER THE REPORTING DATE

Save as disclosed in this interim report, no important events affecting the Company occurred since June 30, 2020 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 26, 2020

Independent Review Report

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 39 to 61, which comprises the condensed consolidated statement of financial position of Mabpharm Limited (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2020 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
26 August 2020

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

For the six months ended 30 June 2020

	Notes	2020 (Unaudited) RMB'000	2019 (Unaudited) RMB'000
Other income	6	20,939	3,726
Other gains and losses	7	19,066	(1,322)
Research and development expenses		(60,828)	(58,703)
Administrative expenses		(30,741)	(27,882)
Finance costs	8	(2,624)	(3,973)
Listing expenses		–	(27,527)
Loss before tax	9	(54,188)	(115,681)
Income tax expense	10	–	–
Loss and total comprehensive expense for the period		(54,188)	(115,681)
Attributable to:			
Owners of the Company		(54,188)	(115,681)
Loss per share attributable to ordinary equity holders of the Company	12		
– Basic		RMB (0.01)	RMB (0.03)
– Diluted		RMB (0.01)	RMB (0.03)

Interim Condensed Consolidated Statement of Financial Position

30 June 2020

	Notes	30 June 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000
Non-current assets			
Plant and equipment	13	**417,504**	255,049
Right-of-use assets		**74,894**	77,346
Other non-current assets	14	**47,906**	85,415
Rental deposit to a related party	21	**411**	411
Pledged bank deposits	16	**–**	23,117
Total non-current assets		**540,715**	441,338
Current assets			
Prepayments and other receivables	15	**44,629**	21,904
Inventories		**26,749**	22,224
Contract costs		**16,168**	13,240
Pledged bank deposits	16	**–**	129,891
Time deposit	16	**45,670**	179,160
Cash and bank	16	**643,345**	588,720
Total current assets		**776,561**	955,139

Interim Condensed Consolidated Statement of Financial Position

30 June 2020

	Notes	30 June 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000
Current liabilities			
Trade and other payables	17	**151,703**	128,119
Amount due to a related party	21	**640**	2,538
Lease liabilities		**3,122**	2,823
Lease liabilities to a related party	21	**4,238**	4,472
Contract liabilities		**70,058**	58,662
Bank borrowings	18	**–**	63,205
Deferred income		**43,624**	10,515
Total current liabilities		**273,385**	270,334
Net Current Assets		**503,176**	684,805
Total Assets Less Current Liabilities		**1,043,891**	1,126,143
Non-current liabilities			
Deferred income		**4,350**	37,309
Lease liabilities		**30,915**	30,737
Lease liabilities to a related party	21	**2,231**	4,386
Total non-current liabilities		**37,496**	72,432
Net Assets		**1,006,395**	1,053,711
Capital and reserves			
Share capital		**2,804**	2,804
Reserves		**1,003,591**	1,050,907
Total Equity		**1,006,395**	1,053,711

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Share capital *RMB'000* (Unaudited)	Share premium *RMB'000* (Unaudited)	Other reserve *RMB'000* (Unaudited)	Share-option reserve *RMB'000* (Unaudited)	Accumulated losses *RMB'000* (Unaudited)	Total equity *RMB'000* (Unaudited)
At 1 January 2020	**2,804**	**1,400,504**	**(32,763)**	**19,289**	**(336,123)**	**1,053,711**
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(54,188)**	**(54,188)**
Recognition of equity-settled share-based compensation	**–**	**–**	**–**	**6,872**	**–**	**6,872**
At 30 June 2020	**2,804**	**1,400,504**	**(32,763)**	**26,161**	**(390,311)**	**1,006,395**
At 1 January 2019	51	410,433	(32,763)	5,445	(133,594)	249,572
Loss and total comprehensive expense for the period	–	–	–	–	(115,681)	(115,681)
Shares issued upon initial public offerings	541	1,032,727	–	–	–	1,033,268
Transaction costs attributable to issue of new shares	–	(40,444)	–	–	–	(40,444)
Capitalization issue	2,212	(2,212)	–	–	–	–
Recognition of equity-settled share-based compensation	–	–	–	7,032	–	7,032
At 30 June 2019	2,804	1,400,504	(32,763)	12,477	(249,275)	1,133,747

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	Notes	2020 (Unaudited) RMB'000	2019 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(54,188)	(115,681)
Adjustments for:			
Bank interest income		(8,173)	(187)
Finance costs	8	2,624	3,973
Depreciation of plant and equipment	9	7,746	7,143
Depreciation of right-of-use assets	9	3,937	3,888
Write-down of inventories	9	–	119
Share-based payment expenses	9	6,872	7,032
		(41,182)	(93,713)
(Increase)/decrease in inventories		(4,525)	5,003
Increase in contract costs		(2,928)	–
Increase in prepayments and other receivables		(19,090)	(1,451)
Increase in other non-current assets		(3,472)	(7,265)
Increase/ (decrease) in amount due to a related party		1,231	(1,635)
(Decrease)/increase in trade and other payables		(12,991)	22,235
Increase in contract liabilities		11,396	–
Increase in deferred income		150	1,275
Net cash flows used in operating activities		(71,411)	(75,551)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from bank		6,038	187
Purchase of plant and equipment		(92,865)	(17,958)
Advance to a related party		–	(9)
Repayment from a related party		–	42
Placement of a time deposit		(45,012)	–
Withdraw of a time deposit		179,220	–
Withdraw of pledged bank deposits		153,008	522
Placement of pledged bank deposits		–	(70,799)
Net cash flows from/ (used in) investing activities		200,389	(88,015)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	2020 (Unaudited) *RMB'000*	2019 (Unaudited) *RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(2,832)**	(5,437)
Issue costs paid	**(1,280)**	(28,200)
Repayment of bank loans	**(63,086)**	–
Loans obtained from a bank	**–**	95,071
Repayments of loans from related parties	**–**	(105,000)
Repayments to a related party	**(3,129)**	(12,221)
Repayments of principal portion of lease liabilities	**(3,331)**	(2,732)
Proceeds from the issue of the Company's ordinary shares	**–**	1,033,268
Net cash flows (used in)/from financing activities	**(73,658)**	974,749
NET INCREASE IN CASH AND CASH EQUIVALENTS	**55,320**	811,183
Cash and cash equivalents at beginning of period	**588,720**	198,195
Effects of foreign exchange rate changes, net	**(695)**	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**643,345**	1,009,378

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 and the principal place of business of the Company are set out in the section headed "Corporate Information" to the interim report.

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

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 2020 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 2019.

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

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 2019, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendments to IAS 1 and IAS 8	*Definition of Material*

The adoption of these revised standards has had no significant financial effect on the Group's interim condensed consolidated financial information.

4. 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.

The Group did not record any revenue during the six months ended 30 June 2020 and the Group's non-current assets are substantially located in the People's Republic of China (the "**PRC**"), accordingly, no analysis of geographical segment is presented.

5. REVENUE

Intellectual property transfer agreement with a customer

In January 2017, the Group entered into an agreement with a third-party customer for transferring of an intellectual property in relation to CMAB806, at a consideration of RMB65,180,000 and further increased to RMB82,180,000 pursuant to two supplementary agreements signed in September 2019 and February 2020 (collectively named "**Intellectual Property Transfer Agreement**"). The Group did not recognize revenue from this contract during the reporting period since the control of rights of the intellectual property had not been transferred to the customer. The research and development cost incurred on this intellectual property before the Group entered into the Intellectual Property Transfer Agreement with the customer were all charged to profit or loss. While, after the inception of the Intellectual Property Transfer Agreement, the cost incurred to fulfil this contract, amounting to RMB16,168,000 and RMB13,240,000 at 30 June 2020 and 31 December 2019, respectively, were capitalized as cost to fulfil the contract and were included in contract costs in the condensed consolidated statement of financial position.

6. OTHER INCOME

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**8,173**	187
Government grants and subsidies related to income	**12,766**	3,539
	20,939	3,726

7. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange gains/ (losses)	**13,677**	(1,322)
Others	**5,389**	–
	19,066	(1,322)

8. FINANCE COSTS

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on related party loans *(Note 21)*	**–**	1,639
Interest on bank loans	**1,235**	900
Interest on lease liabilities	**1,389**	1,434
	2,624	3,973

9. LOSS BEFORE TAX

Loss before tax for the period has been arrived at after charging:

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation for plant and equipment	**7,746**	7,143
Depreciation for right-of-use assets	**3,937**	3,888
Write-down of inventories to net realisable value	**–**	119
Staff cost (including directors' emoluments):		
– Salaries and other benefits	**26,356**	20,395
– Retirement benefit scheme contributions	**1,120**	2,229
– Share-based payment expenses	**6,872**	7,032
– Consultation fee	**335**	244
	34,683	29,900
Auditors' remuneration	**600**	600
Short-term lease payment	**–**	17
Cost of inventories recognized as expense (included in research and development expense)	**11,193**	11,833

10. INCOME TAX EXPENSE

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.

10. INCOME TAX EXPENSE (continued)

Deferred taxation had not been recognized 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 utilized 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 2020, nor has any dividend been proposed since the end of the reporting period (during the six months ended 30 June 2019: 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	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	**(54,188)**	(115,681)

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**4,124,080**	3,474,704

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

The calculation of the basic and diluted loss per share for the six months ended 30 June 2019 was based on the weighted average number of ordinary shares assumed to be in issue after taking into account the retrospective adjustments on the assumption that the capitalization issue had been in effect on 1 January 2019.

The calculation of diluted loss per share for the six months ended 30 June 2020 did not assume the exercise of the pre-IPO share options since its inclusion would be anti-dilutive. The calculation of diluted loss per share for the six months ended 30 June 2019 did not assume the exercise of the pre-IPO share options or the over-allotment option since their inclusion would be anti-dilutive.

13. PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired assets with a cost of RMB170,201,000 (unaudited) including RMB165,279,000 (unaudited) of construction in process (for the six months ended 30 June 2019: RMB16,946,000 (unaudited) including RMB13,933,000 (unaudited) of construction in process).

14. OTHER NON-CURRENT ASSETS

	30 June 2020 *RMB'000* **(Unaudited)**	31 December 2019 *RMB'000* (Audited)
Prepayment for acquisition of plant and equipment	**15,014**	54,495
Deposit for construction of production facilities	**1,500**	3,000
VAT recoverable	**31,392**	27,920
	47,906	85,415

15. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Other receivables	1,625	1,616
Prepayments for research and development services	9,747	11,780
Interest receivables	5,572	3,437
Other deposits and prepayments	8,392	3,239
VAT recoverable	19,293	1,832
	44,629	21,904

16. PLEDGED BANK DEPOSITS/TIME DEPOSIT/CASH AND BANK

Pledged bank deposits

There are no current pledged bank deposits at 30 June 2020 (current pledged bank deposits at 31 December 2019 represented deposits pledged to the bank to secure banking facilities granted to the Group, which were interest-bearing at a fixed rate of 2.25% per annum).

There are no non-current pledged bank deposits at 30 June 2020 (non-current pledged bank deposits at 31 December 2019 were pledged to a bank as collateral for the issue of Euro letter of credit by the bank in connection with the purchase of plant and equipment by the Group, which were interest-bearing at a fixed rate of 0.05% per annum).

Time deposit

The time deposit is placed with bank in Hong Kong with a term of four months upon placement, which earns interest at a fixed rate of 1.75% per annum at 30 June 2020 (31 December 2019: the time deposit was placed with bank in Hong Kong with a term of six months upon placement, which was interest-bearing at a fixed rate of 2.50% per annum).

16. PLEDGED BANK DEPOSITS/TIME DEPOSIT/CASH AND BANK (continued)

Cash and bank

Cash and bank comprise of cash at banks and short-term bank deposits with an original maturity of three months or less. Cash and bank earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank approximate to their fair values.

17. TRADE AND OTHER PAYABLES

	30 June 2020 *RMB'000* (Unaudited)	31 December 2019 *RMB'000* (Audited)
Trade payables	**2,936**	4,401
Accrued expenses for research and development services	**28,173**	23,902
Other payables	**101,509**	66,369
Salary and bonus payables	**7,165**	9,645
Other taxes payable	**375**	514
Accrued listing expenses and issue costs	**11,545**	23,288
	151,703	128,119

17. TRADE AND OTHER PAYABLES (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 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 2020 *RMB'000* (Unaudited)	31 December 2019 *RMB'000* (Audited)
Within 60 days	1,853	2,459
Over 60 days but within 1 year	911	1,942
Over 1 year	172	–
	2,936	4,401

18. BANK BORROWINGS

During the six months ended 30 June 2020, the Group has repaid the bank borrowings and the mortgage of the land use rights was released on 5 August 2020.

19. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's Pre-IPO Share Option Scheme (the "**Scheme**") were adopted pursuant to a resolution passed on 10 August 2018 for the primary purpose of providing incentives to directors of the Company and eligible employees of the Group. Under the Scheme, 1,875,000 options were granted on 18 August 2018 to directors of the Company and eligible employees of the Group to subscribe for shares in the Company, which will expire on 17 August 2028.

The Scheme has a service condition that shall vest over an 8-year period, with 20%, 20%, 20%, 20% and 20% of the total number of the options granted to be vested on the fourth, fifth, sixth, seventh and eighth anniversary of the listing date, respectively.

19. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Equity-settled share option scheme of the Company (continued)

The exercise price in relation to each option granted shall be the final offer price per share at which the shares are to be acquired by the investors pursuant to the Hong Kong Public Offering and the International Offering, which shall not be less than the par value of the shares, provided that the exercise price shall be adjusted in the event of any capitalization issue, rights issue, open offer, sub-division, consolidation of shares, or reduction of capital of the Company.

On 8 April 2019, a shareholders' resolution about capitalization issue was passed and after taking into account of the capitalization issue the number of share options were increased to 83,512,500.

Particulars and movements in the Scheme are as follows:

Date of grant	Outstanding at 1 January 2020	Granted	Exercised	Forfeited	Outstanding at 30 June 2020 (Unaudited)
18 August 2018	81,416,506	–	–	(344,297)	81,072,209

The Group recognized the total expense of RMB6,872,000 (unaudited) for the six months ended 30 June 2020 in relation to share options granted by the Company (for the six months ended 30 June 2019: RMB7,032,000 (unaudited)).

The fair value of the options granted was determined using the Binomial pricing model at the grant date.

20. CAPITAL COMMITMENTS

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

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Contracted but not provided for	**76,333**	182,332

21. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

i. Purchase of raw materials, research and development services from related parties

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Shanghai Sinomab Biotechnology Co., Ltd. ("**MTJA**") *(note a)*	**–**	414
Shanghai Biomabs Pharmaceuticals Co., Ltd ("**Biomabs**") *(note b)*	**333**	375
	333	789

21. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties: (continued)

ii. Expenses incurred in clinical business paid by a related party on behalf of the Group

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Biomabs	**1,228**	5,370

iii. Interest expense on related party loans

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Ms. Guo Xiaoxin *(note c)*	**–**	1,066
Biomabs	**–**	573
	–	1,639

21. RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties: (continued)

iv. Interest on lease liabilities to a related party

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Biomabs	**251**	250

Notes:

a. MTJA was previously ultimately controlled by Mr. Guo Jianjun and was disposed to a third party on 1 July 2019. As such, it is no longer a related party of the Group since July 2019.

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

c. Ms. Guo Xiaoxin is a close family member of the controlling shareholder.

(b) Outstanding balances with related parties:

At 30 June 2020, the Group had balances with related parties as follows:

i. Rental deposit to a related party

	30 June	31 December
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Biomabs	**411**	411

21. RELATED PARTY TRANSACTIONS (continued)

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

ii. Amount due to a related party

	30 June 2020 *RMB'000* (Unaudited)	31 December 2019 *RMB'000* (Audited)
Trade Payables		
Biomabs	**110**	107
Non-trade payables		
Biomabs	**530**	2,431
	640	2,538

The trading terms with a related party is similar to other suppliers of the Group. The aging analysis of the trade payables to a related party presented based on the receipt of goods/services by the Group at the end of the reporting period is as follows:

	30 June 2020 *RMB'000* (Unaudited)	31 December 2019 *RMB'000* (Audited)
Within 60 days	**110**	106
Over 60 days but within 1 year	**–**	1
	110	107

21. RELATED PARTY TRANSACTIONS (continued)

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

iii. Lease liabilities to a related party

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Lease liabilities payable to Biomabs:		
Within one year	**4,238**	4,472
Within a period of more than one year but not more than two years	**2,231**	4,386
	6,469	8,858
Less: Amount due for settlement with 12 months presented in current liabilities	**(4,238)**	(4,472)
Amount due for settlement after 12 months presented in non-current liabilities	**2,231**	4,386

The amounts represent capitalization of a forty-month secured building lease entered with Biomabs, which commenced from 1 September 2018. For the six months ended 30 June 2020, the Group paid Biomabs in an amount of RMB 2,640,000 in connection with this lease arrangement (for the six months ended 30 June 2019: RMB 747,000).

21. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries and other benefits	**2,558**	2,290
Retirement benefit scheme contributions	**24**	172
Directors' fee	**163**	–
Share-based compensation	**5,621**	5,628
Consultation fee	**335**	244
	8,701	8,334

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"	CDH PE and CDH VC
"CDH PE"	CDH Mabtech Limited, a limited liability company incorporated in the Cayman Islands
"CDH VC"	Genemab Holding Limited, a limited liability company incorporated in the BVI
"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
"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
"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
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"independent third party(ies)"	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
"IPO"	initial public offering

"Listing"	the listing of our 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
"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
"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"	the People's Republic of China, excluding, for the purposes of this interim report, Hong Kong, the Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus issued by the Company on May 20, 2019 in connection with the Hong Kong public offering of the Shares
"Reporting Period"	the six months from January 1, 2020 to June 30, 2020
"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 an associate of the controlling shareholder of the Company indirectly controls 66.67% voting rights as of the date of this interim report

"Taizhou Biotech"	Taizhou Mabtech Biotechnology Limited* (泰州邁博太科生物技術有限公司), a limited liability company incorporated in the PRC on November 24, 2016 and an indirect wholly-owned subsidiary of the Company
"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

* *For Identification Only*

Glossary of Technical Terms

"adalimumab"	a first-line recombinant human IgG1 monoclonal antibody specific for human tumor necrosis factor (TNF) (which binds specifically to TNF-alpha and blocks its interaction with the p55 and p75 cell surface TNF receptors) used for rheumatoid arthritis
"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
"bronchiospasm"	a sudden constriction of the muscles in the walls of the bronchioles due to the release (degranulation) of substances from mast cells or basophils under the influence of anaphylatoxins, which causes breathing difficulties

"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 IL1β 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
"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
"chemotherapy"	a category of cancer treatment that uses one or more anti-cancer chemotherapeutic agents as part of its standardized regimen
"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-TNF-alpha chimeric monoclonal antibody and our new drug candidate based on infliximab

Glossary of Technical Terms

"CMAB009"	one of our Core Products, a recombinant anti-EGFR chimeric monoclonal antibody and our new drug candidate based on cetuximab
"CMAB809"	a phase I clinical trial biosimilar drug candidate based on Herceptin for the treatment of metastatic breast cancer and metastatic gastric cancer
"CMAB810"	a pre-clinical stage biosimilar drug candidate based on Perjeta, a recombinant humanized monoclonal antibody for the treatment of breast cancer
"CMAB813"	a pre-clinical stage biosimilar drug candidate based on Synagis for the prevention of severe lower respiratory disease caused by RSV
"CMAB815"	an IND-filing-stage biosimilar drug candidate based on Humira for the treatment of rheumatoid arthritis
"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
"CRC"	clinical research coordinator
"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

"head-to-head clinical trials"	clinical trials conducted to prove the similarities between drug candidates and the reference drugs, in order to support the safety and efficacy of such drugs
"HER2"	human epidermal growth factor receptor 2
"ICS"	inhaled corticosteroids
"ICS/LABA"	inhaled corticosteroid/long acting beta adrenoceptor agonists treatment
"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 $\gamma 1$ 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

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
"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
"LABA"	long-acting beta2-agonists
"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
"R&D"	research and development

Glossary of Technical Terms

"RA" or "rheumatoid arthritis"	a chronic, systemic inflammatory disorder that may affect many tissues and organs, but principally attacks synovial joints
"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
"RSV"	respiratory syncytial virus
"TNF"	tumor necrosis factor
"TNF-α" or "TNF-alpha"	tumor necrosis factor (TNF, tumor necrosis factor alpha, 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
"trastuzumab"	a humanized IgG1 kappa monoclonal antibody, which targets the human epidermal growth factor receptor 2 (HER2)
"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