邁博藥業
MABPHARM LIMITED
迈博药业有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2181

2024 INTERIM REPORT

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Wang Hao *(Chief Executive Officer)*
Mr. Li Yunfeng
Mr. Tao Jing
Dr. Hou Sheng
Dr. Qian Weizhu *(re-designated from a non-executive director on July 10, 2024)*

Non-executive Directors

Mr. Jiao Shuge *(Chairman)*
Mr. Cen Jialin (appointed on July 10, 2024)

Independent Non-executive Directors

Mr. Guo Liangzhong
Dr. Zhang Yanyun
Mr. Leung, Louis Ho Ming
Dr. Tao Qian (appointed on July 10, 2024)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

JOINT COMPANY SECRETARIES

Mr. Li Yunfeng
Mr. Tsang Ho Yin

AUTHORIZED REPRESENTATIVES

Mr. Li Yunfeng
Mr. Tsang Ho Yin

REGISTERED OFFICE IN CAYMAN ISLANDS

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

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

AUDITOR AND REPORTING ACCOUNTANT

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

LEGAL ADVISORS

As to Hong Kong law

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

As to PRC law

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

HONG KONG SHARE REGISTRAR

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

PRINCIPAL BANK

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

STOCK CODE

2181

COMPANY WEBSITE

www.mabpharm.cn

Financial Highlights

	For the six months ended June 30,		
	2024	2023	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(unaudited)	
Revenue	**108,483**	44,020	146.4
Cost of sales	**(14,127)**	(6,198)	127.9
Gross profit	**94,356**	37,822	149.5
Other income	**1,315**	3,730	(64.7)
Other gains and losses	**(522)**	(2,688)	(80.6)
Selling and distribution expenses	**(69,600)**	(27,045)	157.3
Research and development expenses	**(56,293)**	(59,527)	(5.4)
Administrative expenses	**(60,651)**	(47,154)	28.6
Impairment losses on financial assets	**(756)**	(639)	18.3
Finance costs	**(5,418)**	(4,498)	20.5
Loss before tax	**(97,569)**	(99,999)	(2.4)
Income tax expense	**–**	–	–
Loss and total comprehensive expense for the period	**(97,569)**	(99,999)	(2.4)
Attributable to:			
Owners of the Company	**(97,569)**	(99,999)	(2.4)
Loss per share attributable to ordinary equity holders of the Company			
– Basic	**RMB(0.02)**	RMB(0.02)	
– Diluted	**RMB(0.02)**	RMB(0.02)	

	At June 30, 2024	At December 31, 2023	Change
	RMB'000	*RMB'000*	*(%)*
	(unaudited)	(audited)	
Non-current assets	**663,324**	692,767	(4.3)
Current assets	**283,070**	342,206	(17.3)
Current liabilities	**265,312**	316,191	(16.1)
Net current (liabilities)/assets	**17,758**	26,015	(31.7)
Non-current liabilities	**565,891**	513,725	10.2
Net assets	**115,191**	205,057	(43.8)

Corporate Profile

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

- **CMAB009恩立妥® (cetuximab β injection):** CMAB009恩立妥® is a recombinant anti-epidermal growth factor receptor ("**EGFR**") chimeric monoclonal antibody which has been approved by the NMPA for marketing in June 2024 (Guo Yao Zhun Zi S20240025) for first-line therapy for RAS/BRAF wild-type metastatic colorectal cancer ("**mCRC**") in combination with the FOLFIRI regimen. CMAB009 was developed and prepared using a specific Chinese Hamster Ovary (CHO) expression process of the Company with an international PCT patent (PCT patent number: PCT/CN2016/070024), which has achieved significant therapeutic efficacy and clear safety advantage, and has been fully substantiated by the results of two completed clinical trials.

  In August 2023, Taizhou Pharmaceutical has entered into a business cooperation agreement with Jiangsu Simcere Zaiming Pharmaceutical Co., Ltd.* (江蘇先聲再明醫藥有限公司) ("**Jiangsu Simcere Zaiming**"), pursuant to which Taizhou Pharmaceutical granted exclusive commercial rights in respect of CMAB009恩立妥® (including but not limited to sales management, marketing and promotion, formulation and adjustment of related strategies and the rights to obtain relevant benefits) in the Chinese Mainland. CMAB009恩立妥® is the third product of the Company approved for marketing, and is the first domestically produced anti-EGFR monoclonal antibody innovative drug with independent intellectual property for the first-line treatment of mCRC approved by the NMPA. CMAB009恩立妥® is also expected to expand its indications to pancreatic cancer, head and neck squamous cell carcinomas, cervical squamous cell carcinoma and other cancers, as its administration together with a variety of small molecule drugs has tremendous potential for research and development and application in various other indications such as non-small cell lung cancer. The Group will expedite the clinical and registration work of CMAB009恩立妥® targeting the aforesaid indications. For more details of the NMPA approval, please refer to the announcement of the Company dated June 25, 2024.

According to "2022 Cancer Incidence and Mortality in China" published by the National Cancer Center, colorectal cancer, also known as colon cancer, has significant incidence in China with approximately 500,000 new diagnosed cases per annum, ranking 2nd in terms of prevalence among malignant tumors. In relatively developed regions, the morbidity of colorectal cancer even exceeds that of hepatitis B. So far, patients with colorectal cancer in China are overly dependent on imported anti-EGFR antibodies, of which major products are often highly priced and may lead to severe allergic reactions among over 2% patient population as evidenced in clinical studies. Accordingly, the first page of drug instructions approved by China and the U.S. always bears a black box warning against severe adverse reactions. As the first independently developed anti-EGFR new antibody marketed in China in nearly two decades, CMAB009恩立妥® has remarkable clinical efficacy and has a better safety profile without black box warnings as compared with major imported drugs carrying black box warnings indicating severe adverse reactions, and it is therefore expected to receive wide acclaim among doctors and patients. We have completed the delivery for the first order of CMAB009恩立妥®, which has been administered to its first batch of patients. Besides, we have also kicked off establishment of marketing network and an array of academic promotions. Currently, we are proactively applying to join the exclusive drug negotiations launched by China's medical insurance (the "**Medical Insurance**") authorities, so as to promote CMAB009 恩立妥® to rapidly benefit the vast number of colorectal cancer patients in China. .

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

CMAB008類停® was approved for the treatment of six indications which have huge long-term unmet market demand (with more than 10 million patients in the PRC which is still growing). In March 2022, Taizhou Pharmaceutical entered into an exclusive promotion service agreement with Kexing Biopharm Co., Ltd.* (科興生物製藥股份有限公司) ("Kexing Biopharm"), a company listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688136), pursuant to which Taizhou Pharmaceutical granted an exclusive licence to promote CMAB008類停® in the Chinese Mainland (excluding Hong Kong, Macau and Taiwan regions) to Kexing Biopharm. CMAB008類停® has been marketed on the procurement platform across all the provinces within China and extended its footprints to thousands of hospitals of different levels, primary medical institutions and pharmacies, with its sales volume increasing significantly by 47% in the first half of 2024 as compared to the corresponding period of 2023. We also launched thousands of special academic discussions on CMAB008類停®, including the "Care for Rheumatoid Arthritis", "Unremitting Efforts against Ankylosing Spondylitis" and "Love with 類停®" activities. In addition to general indications, infliximab has been included in the tenth diagnosis and treatment plan of COVID-19 as a remedy, as well as the Expert Consensus on Diagnosis, Treatment and Prevention of COVID-19 among Children (Fifth Edition) for the treatment of multisystem inflammatory syndrome in children ("**MIS-C**"). We are also working with medical experts to explore the application of CMAB008類停® in systemic inflammatory response and cardiac injury after cardiac arrest.

Besides, for the benefit of low-income patients, we continued to conduct relief donation of CMAB008類停® to give back to society. With the progress in both academic fields and contributions to society, CMAB008類停® has secured remarkable market recognition, which set the solid foundation for its continued rapid growth in sales volume. The Company has also initiated cooperation with partners who have accumulated abundant overseas market resources over a long period of time to rapidly expand to overseas markets. At present, the Company has launched registration and market exploration in more than 30 countries and/or regions, completed GMP inspections in three countries, and has passed the GMP inspection certification in Brazil, a Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme ("**PIC/S**") member country. The new drug application of CMAB008類停® was also approved by the Ministry of Health of Peru (Ministerio de Salud). For further details, please refer to the announcement of the Company dated July 2, 2024.

- **CMAB007奧邁舒® (Omalizumab α for Injection):** approved for marketing by the NMPA in May 2023 (Guo Yao Zhun Zi S20230030 for specification of 75mg/vial and Guo Yao Zhun Zi S20230031 for specification of 150mg/vial) for the treatment of patients diagnosed with immunoglobulin E ("**IgE**") mediated asthma, which is the first domestic allergic asthma therapeutic antibody new drug in China approved by the NMPA. In August 2023, CMAB007奧邁舒® was also approved by the NMPA to launch clinical trials targeting chronic spontaneous urticaria in adults and adolescents (aged 12 and above) who still show symptoms after treatment with H1 antihistamines. We have successfully initiated the phase III clinical trial of CMAB007奧邁舒® for treatment of urticaria. As an anti-IgE monoclonal antibody, CMAB007奧邁舒® is also expected to expand its indications to allergic diseases such as allergic rhinitis and food allergies. In the future, we will actively carry out various studies to rapidly expand the R&D and therapeutic applications of CMAB007奧邁舒® in multiple allergic disease areas.

  In 2023, Taizhou Pharmaceutical entered into an exclusive commercialization cooperation agreement in relation to CMAB007奧邁舒® in China with Jiangxi Jemincare Pharmaceutical Co., Ltd.* (江西濟民可信醫藥有限公司) ("**Jemincare**"), a pharmaceutical company with remarkable market promotion capability and proven track record. CMAB007奧邁舒® was included as an exclusive product in the negotiation list under the Medical Insurance, and in the fourth quarter of 2023, it was successfully included in the Medical Insurance after negotiation. As of the date of this interim report, we have quoted our CMAB007奧邁舒® on all provincial pharmaceutical product procurement and Group Purchasing Organization ("**GPO**") platforms across the Chinese Mainland, covering thousands of hospitals, primary medical institutions and pharmacies. We have implemented various academic activities involving nearly 1,000 leading medical experts for CMAB007奧邁舒®, an exclusive product included in the Medical Insurance, since its marketing, and launched data analysis and study on the efficacy and safety of CMAB007奧邁舒® in real world in the beginning of 2024. A total of 18 scientific research fund projects have been successively established for CMAB007奧邁舒® indicated for asthma to study and broaden its evidence-based medicine information. CMAB007奧邁舒® posted an exponential growth in sales volume by over 778% in the first half of 2024 from the second half of 2023.

  (All the above products are collectively referred to as "**Core Products**")

Among our other drug candidates, CMAB015 (secukinumab) possesses remarkable efficacy advantages in the treatment of autoimmune diseases such as psoriasis, and has become one of the most rapidly growing biological agents in the treatment of psoriasis in China. We have completed the phase I clinical trials for CMAB015 and launched the phase III clinical trials. CMAB807/CMAB807X (denosumab) has completed phase III clinical trials for osteoporosis, commenced data compilation for NDA application, and is contemplating application and registration for full indication with reference to international precedents. The "strong antibody" new drug CMAB017 has obtained approval from the NMPA for clinical trial for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. Compared with marketed EGFR anti-body drugs, CMAB017 has better efficacy and is safer. We have also developed CMAB022 (ustekinumab), a biosimilar, which promises sound market prospect for the treatment of psoriasis, psoriatic arthritis and Crohn's disease, ulcerative colitis, etc.

We have strong in-house capabilities in pharmaceutical research, manufacturing, pre-clinical and clinical development. We promote the commercialization of drugs developed by us through business cooperation with leading domestic enterprises engaged in sales of pharmaceutical products. This approach enables us to capitalize on the economies of scale arising from the substantial sales channels and expert resources and experience of our business partners accumulated throughout the years in disease-specific fields, and to build up and enhance our own distinctive and efficient sales system with a focus on specific indications. We focus on the R&D of monoclonal antibodies. Our core R&D team members have more than 20 years of experience in this area, and have led three major projects under the "863" Program, also called the State High-Tech Development Plan, among other national-level scientific research projects.

We have four antibody drug production lines in operation in Taizhou. The construction of plants in our new R&D and industrial base in Taizhou has also been completed, and the Company's 7,500L new GMP production line has been under commissioning and trial production, process validation and GMP registration, bringing the aggregate scale of our cell reactor to over 40,000 liters. The solid equipment, technology and quality foundation we have in the field of antibody drug preparation will enable us to possess an excellent competitive advantage in future Medical Insurance and centralized procurement negotiations. Leveraging the competitive advantages in the R&D and mass production capacity in anti-body drugs in the PRC, we also proactively engage in CDMO business without compromising our independent product R&D.

Corporate Profile

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

Further, during the rapid growth of the pharmaceutical market in China, the central procurement under the Medical Insurance that may be extended to cover biological drugs in the future and the increased effort in national negotiations of exclusive products on Medical Insurance will restructure the pharmaceutical market in China to a large extent. We will actively participate in the national medical reform with our advantages in terms of advanced technology, quality and cost, as well as aggressive and flexible product cooperation model, and capture the opportunities presented during the policy reform so as to capture the huge unmet market demand in China. We have also initiated our global market expansion, successfully passed the GMP inspection certification in PIC/S member countries, achieved marketing of the first product overseas, and will further accelerate the registration and launching of our drugs in the international market.

BUSINESS REVIEW

Research and development of our drug candidates

Set out below is an overview of our drug candidates and their R&D statuses as of June 30, 2024:

Field	Target	Indication	Drug candidate code	Classification	Pre-clinical	Phase I	Phase II or Phase II/III	Phase III	Expected time to reach the next regulatory milestone	Anticipated completion of regulatory review	Commercial rights	Competitive marketed drugs
Cancer	EGFR	Colorectal Cancer	CMAB009 (INN name: Cetuximab β)	New Drug/Core Product						Approved for marketing in June 2024	PRC and overseas (excluding Japan, North America and Europe)	Erbitux®
Autoimmune Disease	TNF α	Rheumatoid Arthritis Ulcerative colitis in adults Ankylosing spondylitis Crohn's disease in adults and pediatric patients aged above 6 years old Fistula Crohn's disease Psoriasis	CMAB008 (INN name: Infliximab)	Biosimilar/Core Product						Approved for marketing in July 2021	PRC and overseas (excluding Japan, North America and Europe)	Remicade®, Humira®, Enbrel®, Simponi®, Yisaipu®, Anbainuo®
Respiratory Disease	IgE	Asthma	CMAB007 (INN name: Omalizumab α)	New Drug/Core Product						Approved for marketing in May 2023	PRC and overseas (excluding Japan, North America and Europe)	Xolair®
		Urticaria	CMAB007 (INN name: Omalizumab α)	New Drug/Core Product					Pending new drug marketing application submission (Quarter 1, 2026)	Quarter 2, 2027	PRC and overseas (excluding Japan, North America and Europe)	Xolair®
Bone-related diseases	RANKL	Osteoporosis, tumor bone metastasis and giant-cell tumor of bone	CMAB807/CMAB807X (INN name: Denosumab)	Biosimilar					Pending new drug marketing application submission (Quarter 4, 2024)	Quarter 1, 2026	Global	Prolia®, Boyoubei® (博優倍®), Lukexin* (魯可欣®), Mailishu (邁利舒®) XGEVA®
Cancer	PD1	Non-small cell lung cancer, hepatocellular carcinoma and squamous cell carcinoma of the head and neck	CMAB819 (INN name: Nivolumab)	Biosimilar					Phase III (Quarter 4, 2024)	Quarter 4, 2028	Global	Opdivo®, Keytruda®, Tyvyt®, JS001

Field	Target	Indication	Drug candidate code	Classification	Pre-clinical	Phase I	Phase II or Phase II/III	Phase III	Expected time to reach the next regulatory milestone	Anticipated completion of regulatory review	Commercial rights	Competitive marketed drugs
Cancer	EGFR	Colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma	CMAB017	Innovative drug					Phase I (Quarter 1, 2025)	Quarter 2, 2030	Global	Vectibix®
Autoimmune Disease	IL-17A	Plaque psoriasis, psoriatic arthritis and ankylosing spondylitis	CMAB015 (INN name: Secukinumab)	Biosimilar					Pending new drug marketing application submission (Quarter 4, 2026)	Quarter 1, 2028	Global	Cosentyx®
Inflammatory Diseases	IL-12 & IL-23	Psoriasis, psoriatic arthritis, Crohn's disease, ulcerative colitis	CMAB022 (INN name: Ustekinumab)	Biosimilar					Pending submission of clinical trial application (Quarter 3, 2025)	Quarter 4, 2029	Global	Stelara®
Allergic diseases such as asthma	TSLP	Severe asthma in adults and children aged above 12	CMAB023 (INN name: Tezepelumab)	Biosimilar					Pending submission of clinical trial application (Quarter 4, 2025)	Quarter 4, 2028	Global	TEZSPIRE®
Autoimmune Disease	IL-4Rα	Atopic dermatitis, asthma, chronic rhinosinusitis with nasal polyps, eosinophilic esophagitis and prurigo nodularis	CMAB016 (INN name: Dupilumab)	Biosimilar					Pending submission of clinical trial application (Quarter 3, 2025)	Quarter 3, 2029	Global	Dupixent®

Notes:

1. We commenced the R&D of CMAB016 (Dupilumab) in August 2023.

2. We stopped the R&D of CMAB018 (Mepolizumab) in September 2023.

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

Core Products

恩立妥® – CMAB009 (cetuximab β injection)

CMAB009恩立妥® is a recombinant anti-EGFR chimeric monoclonal antibody for first-line therapy for mCRC in combination with the FOLFIRI regimen. CMAB009 was developed and prepared using a specific CHO expression process of the Company with an international PCT patent (PCT patent number: PCT/CN2016/070024), which has achieved significant therapeutic efficacy and clear safety advantage, and has been fully substantiated by the results of two completed clinical trials.

In August 2023, Taizhou Pharmaceutical has entered into a business cooperation agreement with Jiangsu Simcere Zaiming, pursuant to which Taizhou Pharmaceutical granted exclusive commercial rights in respect of CMAB009恩立妥® (including but not limited to sales management, marketing and promotion, formulation and adjustment of related strategies and the rights to obtain relevant benefits) in the Chinese Mainland.

In June 2024, CMAB009恩立妥® was approved by the NMPA for NDA as first-line therapy for mCRC in combination with the FOLFIRI regimen. CMAB009恩立妥® is the first domestically produced anti-EGFR monoclonal antibody innovative drug with independent intellectual property for the first-line treatment of mCRC approved by the NMPA. CMAB009恩立妥® is also expected to expand its indications to pancreatic cancer, head and neck squamous cell carcinomas, cervical squamous cell carcinoma and other cancers, as its administration together with a variety of small molecule drugs has tremendous potential for research and development and application in various other indications such as non-small cell lung cancer. The Group will expedite the clinical and registration work of CMAB009恩立妥® targeting the aforesaid indications. For more details of the NMPA approval, please refer to the announcement of the Company dated June 25, 2024.

According to "2022 Cancer Incidence and Mortality in China" published by the National Cancer Center, colorectal cancer, also known as colon cancer, has significant incidence in China with approximately 500,000 new diagnosed cases per annum, ranking 2nd in terms of prevalence among malignant tumors. In relatively developed regions, the morbidity of colorectal cancer even exceeds that of hepatitis B. So far, patients with colorectal cancer in China are overly dependent on imported anti-EGFR antibodies, of which major products are often highly priced and may lead to severe allergic reactions among over 2% patient population as evidenced in clinical studies. Accordingly, the first page of drug instructions approved by China and the U.S. always bears a black box warning against severe adverse reactions. As the first independently developed anti-EGFR new antibody marketed in China in nearly two decades, CMAB009恩立妥® has remarkable clinical efficacy and has a better safety profile without black box warnings as compared with major imported drugs carrying black box warnings indicating severe adverse reactions, and it is therefore expected to receive wide acclaim among doctors and patients. We have completed the delivery for the first order of CMAB009恩立妥®, which has been administered to its first batch of patients. Besides, we have also kicked off establishment of marketing network and an array of academic promotions. Currently, we are proactively applying to join the exclusive drug negotiations launched by the Medical Insurance authorities, so as to promote CMAB009恩立妥® to rapidly benefit the vast number of colorectal cancer patients in China.

類停® – CMAB008 (infliximab for injection)

CMAB008類停®, is a recombinant anti-tumor necrosis factor α ("**TNFα**") chimeric monoclonal antibody that was approved by the NMPA (Guo Yao Zhun Zi S20210025) on July 12, 2021 for the treatment of:

(i) ulcerative colitis in adults;

(ii) ankylosing spondylitis;

(iii) rheumatoid arthritis;

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

(v) fistula Crohn's disease; and

(vi) psoriasis.

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

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

In March 2022, Taizhou Pharmaceutical entered into an exclusive promotion service agreement with Kexing Biopharm, pursuant to which Taizhou Pharmaceutical granted an exclusive licence to promote CMAB008類停® in the Chinese Mainland (excluding Hong Kong, Macau and Taiwan regions) to Kexing Biopharm.

The sales volume of CMAB008類停® increased significantly by 47% in the first half of 2024 as compared to the corresponding period of 2023. We also launched thousands of special academic discussions on CMAB008類停®, including the "Care for Rheumatoid Arthritis", "Unremitting Efforts against Ankylosing Spondylitis" and "Love with 類停®" activities. In addition to general indications, infliximab has been included in the tenth diagnosis and treatment plan of COVID-19 as a remedy, as well as the Expert Consensus on Diagnosis, Treatment and Prevention of COVID-19 among Children (Fifth Edition) for the treatment of MIS-C. We are also working with medical experts to explore the application of CMAB008類停® in systemic inflammatory response and cardiac injury after cardiac arrest. The Company has launched registration and market exploration in more than 30 countries and/or regions, completed GMP inspections in three countries, and has passed the GMP inspection certification in Brazil, a PIC/S member country. The new drug application of CMAB008類停® was also approved by the Ministry of Health of Peru (Ministerio de Salud).

奧邁舒® – CMAB007 (Omalizumab α for Injection)

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

CMAB007奧邁舒® has been approved for marketing by the NMPA in May 2023 (Guo Yao Zhun Zi S20230030 for specification of 75mg/vial and Guo Yao Zhun Zi S20230031 for specification of 150mg/vial) for the treatment of patients diagnosed with IgE mediated asthma, which is the first domestic allergic asthma therapeutic antibody new drug in China approved by the NMPA. For details regarding the approval of the NDA, please refer to the announcement of the Company dated May 23, 2023. CMAB007奧邁舒® was also approved by the NMPA in August 2023 to launch clinical trials targeting chronic spontaneous urticaria in adults and adolescents (aged 12 and above) who still show symptoms after treatment with H1 antihistamines (acceptance number: CXSL2300377 for specification of 75mg/vial and acceptance number: CXSL2300378 for specification of 150mg/vial). We expect to file the NDA of CMAB007奧邁舒® for the treatment of chronic spontaneous urticaria with the NMPA in the first quarter of 2026, and expect to obtain NMPA approval for marketing in the second quarter of 2027.

In 2023, Taizhou Pharmaceutical entered into an exclusive commercialization cooperation agreement in relation to CMAB007奧邁舒® in China with Jemincare, pursuant to which Taizhou Pharmaceutical granted an exclusive promotion right in respect of CMAB007奧邁舒® in China (including the Chinese Mainland, Hong Kong, Macau and Taiwan) to Jemincare. Taizhou Pharmaceutical will continue to possess all the rights and interests in respect of CMAB007奧邁舒® in China (including the Chinese Mainland, Hong Kong, Macau and Taiwan) other than promotion right. For details regarding the aforesaid transaction, please refer to the announcement of the Company dated April 13, 2023. In 2023, CMAB007奧邁舒® was included as an exclusive product in the negotiation list under the Medical Insurance, and in the fourth quarter of 2023, it was successfully included in the Medical Insurance after negotiation. We have quoted our CMAB007奧邁舒® on all provincial pharmaceutical product procurement and GPO platforms across the Chinese Mainland, covering thousands of hospitals, primary medical institutions and pharmacies. We have implemented various academic activities for CMAB007奧邁舒®, an exclusive product included in the Medical Insurance, since its marketing, including the high-end expert AB meetings and city tours involving nearly 1,000 leading medical experts, and rolled out the 100-day action plan to establish 50 benchmark outlets, aspiring to expedite market development through rippling effect. In addition, we launched data analysis and study on the efficacy and safety of CMAB007奧邁舒® in real world in the beginning of 2024. Our dedicated scientific research fund set for the indication of asthma has undergone two phases, and a total of 18 projects won the bids for the study of indications including allergic asthma and treatment in combination with allergen specificity to supplement the evidence-based medicine information of CMAB007奧邁舒®. CMAB007奧邁舒® posted an exponential growth in sales volume by over 778% in the first half of 2024 from the second half of 2023.

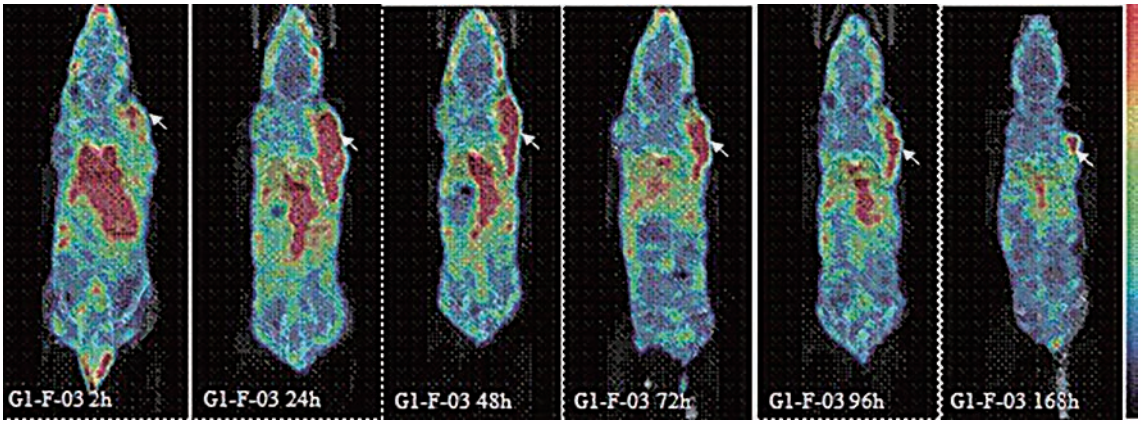
Other Product Candidates

CMAB807/CMAB807X (denosumab) is a human immunoglobulin G2 (IgG2) monoclonal antibody with affinity and specificity for human RANKL (receptor activator of nuclear factor kappa-B ligand), which is a transmembrane or soluble protein essential for the formation, function, and survival of osteoclasts, the cells responsible for bone resorption. CMAB807/CMAB807X prevents RANKL from activating its receptor, RANK, on the surface of osteoclasts and their precursors. Prevention of the RANKL/RANK interaction inhibits osteoclast formation, function, and survival, thereby decreasing bone resorption and increasing bone mass and strength in both cortical and trabecular bones.

The increased osteoclast activity stimulated by RANKL is the medium of bone pathology in solid tumor with bone metastasis. Similarly, giant cell tumor of bone is composed of stromal cells expressing RANKL and osteoclast-like giant cells expressing RANK receptor. RANK receptor signaling promotes osteolysis and tumor growth. CMAB807/CMAB807X prevents RANKL from activating osteoclasts, their precursors and receptor RANK on the surface of osteoclast-like giant cells.

CMAB807/CMAB807X has completed phase III clinical trials for osteoporosis, commenced data compilation for NDA application, and is contemplating application and registration for full indication with reference to international precedents. We expect that CMAB807/CMAB807X will be approved by NMPA for marketing in the first quarter of 2026 for the indications of osteoporosis, tumor bone metastasis and giant cell tumor of bone.

CMAB017 (anti-EGFR probody) is an innovative probody drug. Regarding CMAB017, the design of blocking peptide is expected to significantly reduce adverse skin reactions, gastrointestinal mucosa, etc. The selection of human immunoglobulin G1 (IgG1) constant region can enhance the effect mediated by Fc fragment of antibody and thus improve the curative effect. CMAB017 is a biological class I new drug with better efficacy and safety than similar products available on the market, and it is expected that more new probody drugs will be developed by leveraging the research and development platform of CMAB017. CMAB017 is indicated for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. CMAB017 has been approved by the NMPA for clinical trials for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. Results of the completed experimental study on tissue distribution of tumor-bearing mice show that CMAB017 concentrates locally in tumor 24-72 hours after administration. We expect that CMAB017 may launch phase I clinical trials in the first quarter of 2025 and is expected to be approved by the NMPA for marketing in the second quarter of 2030.



CMAB015 (secukinumab) is a biosimilar candidate for secukinumab. Secukinumab is a fully humanized monoclonal IgG1 antibody. It mainly functions by selectively binding interleukin 17A (IL-17A) , a key factor in the inflammatory pathway, and inhibiting it from binding with interleukin 17 (IL-17) receptor, so as to alleviate the inflammatory reaction. Its indications include moderate and severe plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. Secukinumab demonstrated significant therapeutic effect. Overall, as an IL-17A inhibitor, secukinumab demonstrated efficacy and safety in moderate and severe psoriasis and other related indications, providing patients with new treatment options. CMAB015 targets IL-17A for treating plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. Secukinumab is the most effective curer for psoriasis at present, which offers significant efficacy and guarantees much more stable condition after drug withdrawal compared with peers. CMAB015 has been approved by the NMPA for clinical trials of the treatment of plaque psoriasis, psoriatic arthritis and ankylosing spondylitis. We have completed the phase I clinical trial for CMAB015 and have initiated the phase III clinical trial. We expect to file NDA for CMAB015 in the fourth quarter of 2026 and expect that CMAB015 may be approved by the NMPA for marketing in the first quarter of 2028.

CMAB819 (nivolumab) is our biosimilar drug candidate. CMAB819 has been approved by the NMPA for clinical trial. The phase I clinical trials have been completed. We expect that CMAB819 may be approved by the NMPA for marketing in the fourth quarter of 2028. CMAB819 is indicated for the treatment of metastatic non-small cell lung cancer, hepatocellular carcinoma and head and neck squamous cell carcinomas.

CMAB022 is a candidate biosimilar product of stelara® (ustekinumab), targeting and binding interleukin-12 (IL-12) and interleukin-23 (IL-23). It inhibits these two proinflammatory cytokines by binding to the P40 subunit shared by IL-12 and IL-23 and preventing them from binding to the cell surface IL-12 receptor β1. IL-12 and IL-23 play a key role in immune-mediated inflammatory diseases. FDA approved its use for treatment of psoriasis, psoriatic arthritis, Crohn's disease and ulcerative colitis. According to the results of several large-scale randomized controlled trials conducted abroad (UNITI-1, UNITI-2 and IM-UNITI), ustekinumab has significant clinical remission and clinical response rate for patients with moderately to severely active Crohn's disease, as well as a high healing rate of intestinal mucosa. Not only can ustekinumab be used as an induction therapy, it can also be continued as a subcutaneous injection for maintenance therapy after a single intravenous injection, with good efficacy and safety during maintenance therapy. In addition, ustekinumab can also be used as a salvage therapy, and in the case of failure or intolerance of other biologics (e.g., anti-TNFα drugs), the use of ustekinumab can still achieve favourable results. CMAB022 has completed engineering cell construction, screening and laboratory scale process studies, and is undergoing pilot process scale-up. We expect to complete all preclinical studies and submit a clinical trial application in the third quarter of 2025; initiate the Phase I clinical trial in the first quarter of 2026, and select psoriasis as the indication for the Phase III clinical trial; and obtain NMPA approval for marketing (for the psoriasis indication, and to apply for expansion to other approved indications) in the fourth quarter of 2029.

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

CMAB016 is a candidate biosimilar product of Dupixent® (dupilumab) and a monoclonal antibody of the human immunoglobulin G4 (IgG4) subtype. CMAB016 targets and binds to the alpha subunit of the interleukin 4 (IL-4) receptor, blocking the signaling pathway of IL-4 and interleukin 13 (IL-13), and is approved by FDA for the treatment of atopic dermatitis, asthma, chronic rhinosinusitis with nasal polyps, eosinophilic esophagitis and prurigo nodularis. In the BOREAS and NOTUS trials: the incidence of acute exacerbations of moderate-to-severe chronic obstructive pulmonary disease (COPD) at week 52 was significantly reduced by 30% and 34%, respectively, in the dupilumab-treated group compared to the placebo group. Both trials demonstrated rapid and significant improvement in lung function with dupilumab compared to placebo, and the benefit was sustained through week 52. FDA has granted priority review of a supplemental Biologics License Application (sBLA) for a sixth potential indication for dupilumab as an add-on maintenance treatment in adult patients with uncontrolled COPD. CMAB016 has completed engineering cell construction, screening and laboratory scale process studies, and we expect to complete all preclinical studies and file a clinical trial application in the third quarter of 2025; and obtain NMPA approval for marketing in the third quarter of 2029.

Research and development of new drug candidates

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

Research and development system

We have developed efficient R&D capabilities, broad and advanced preparation technologies, and low-cost drug production capabilities that will allow us to offer high quality and affordable innovative biopharmaceutical products to patients in China and other emerging markets. Within our product pipeline, CMAB008, CMAB007, and CMAB009 have been marketed and commercialized, while NDA will be filed for CMAB807/CMAB807X soon. We also own a number of patents for our core technologies, including antibody engineering and humanization technologies, efficient expression vector construction technologies, efficient clone screening technologies, as well as a proprietary R&D animal model. Our R&D activities are carried out by three core teams: basic R&D, clinical trials, and product preparation in compliance with GMP. The operations, design, and construction needs of these three core teams are supported by an assisting engineering team. Our R&D teams consist of professionals who have extensive industry experience in biologics R&D and have gained valuable work experience at global pharmaceutical companies. Employees in our R&D teams possess strong academic backgrounds from leading institutions in immunology, molecular biology, oncology or monoclonal antibody development.

DRUG CANDIDATES COMMERCIALIZATION AND PRODUCTION FACILITIES CONSTRUCTION

Existing production facilities

Our production site in Taizhou consists of two premises, one of which accommodates two buildings of 30,000 square meters in total, houses our mAb production facilities and is equipped with production facilities currently in operation, including (i) four 3×1,500L antibody bioreactor systems and related purification lines, (ii) an injection vial filling line capable of manufacturing four million units per annum and (iii) a pre-filled syringes production line capable of manufacturing one million units per annum. Our production facilities have successfully passed the GMP compliance inspection for CMAB008, CMAB007 and CMAB009 by the Jiangsu Provincial Drug Administration and have commenced commercial production, and one of our production lines has passed the GMP compliance inspection by Brazil, a PIC/S member and other overseas countries.

The other production premise accommodates a parcel of industrial land of approximately 100,746 square meters in the Taizhou Hi-tech Zone, including (i) large-scale monoclonal antibody drug substance production lines with scale of each cell reactor reaching 7,500L and 18,000L, respectively, and (ii) two drug product filling lines which have already completed the construction of the plant, and installation of a drug substance production line and preparation line which were in the process of trial production, process validation and GMP registration, bringing the aggregate scale of our cell reactor to over 40,000 liters.

Marketing and distribution

Further, during the rapid growth of the pharmaceutical market in China, the central procurement under the Medical Insurance that may be extended to cover biological drugs in the future and the increased effort in national negotiations of exclusive products on Medical Insurance will restructure the pharmaceutical market in China to a large extent. We will actively participate in the national medical reform with our advantages in advanced technology, quality and cost, as well as the strong sales teams of our partners who possess profound experience in fields of specific diseases, and capture the opportunities presented during the policy reform so as to capture the huge unmet market demand in China. Besides, we have also started cooperating with partners with long-standing and profound resources in the overseas market to initiate the marketing registration process of CMAB008類停® in more than 30 countries and/or regions, completed GMP inspections in three countries, passed the GMP inspection certification of CMAB008 in Brazil, a PIC/S member country and obtained the marketing approval for CMAB008 in Peru.

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

Quality assurance

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

FUTURE AND OUTLOOK

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

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

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

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

Over the short-term, we intend to focus on market exploration and sales of CMAB008, CMAB007 and CMAB009, and completing clinical trials and the eventual commercialization of our current pipeline of other drug candidates, including, in particular, CMAB807/CMAB807X and CMAB015. To bring our products to market, we aim to reinforce our R&D teams, particularly the clinical medicine team, through the provision of regular professional training and pushing ahead with the clinical trials for product candidates. We are working with partners to build a sales team composed of professionals with extensive academic promotion experience and strong competence. Our goal is to generate stable revenue stream and profitability through cooperation with leading enterprises in China and cultivating our in-house sales team to enhance our commercialization capacity.

Continue to maintain investments in advanced technologies and product development

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

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

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

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

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

FINANCIAL INFORMATION

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

FINANCIAL REVIEW

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2023:

	For the six months ended June 30,			
	2024	2023	Change	Change
	RMB'000	*RMB'000*	*RMB'000*	*(%)*
	(unaudited)	(unaudited)		
Revenue	**108,483**	44,020	64,463	146.4
Cost of sales	**(14,127)**	(6,198)	(7,929)	127.9
Gross profit	**94,356**	37,822	56,534	149.5
Other income	**1,315**	3,730	(2,415)	(64.7)
Other gains and losses	**(522)**	(2,688)	2,166	(80.6)
Selling and distribution expenses	**(69,600)**	(27,045)	(42,555)	157.3
Research and development expenses	**(56,293)**	(59,527)	3,234	(5.4)
Administrative expenses	**(60,651)**	(47,154)	(13,497)	28.6
Impairment losses on financial assets	**(756)**	(639)	(117)	18.3
Finance costs	**(5,418)**	(4,498)	(920)	20.5
Loss before tax	**(97,569)**	(99,999)	2,430	(2.4)
Income tax expense	**–**	–	–	–
Loss and total comprehensive expense for the period	**(97,569)**	(99,999)	2,430	(2.4)
Attributable to:				
Owners of the Company	**(97,569)**	(99,999)	2,430	(2.4)
Loss per share attributable to ordinary equity holders of the Company				
– Basic	**RMB(0.02)**	RMB(0.02)	–	–
– Diluted	**RMB(0.02)**	RMB(0.02)	–	–

REVENUE

The Group's revenue increased by 146.4% from RMB44.0 million for the six months ended June 30, 2023 to RMB108.5 million for the six months ended June 30, 2024, primarily attributable to a significant increase in revenue from the sale of pharmaceutical products. Set out below are the components of revenue for the periods indicated:

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from the sale of pharmaceutical products	**98,532**	36,071
Revenue from the exclusive right for the commercialisation in the Chinese Mainland	**9,951**	7,312
Others	**–**	637
Total	**108,483**	44,020

COST OF SALES

The Group's cost of sales increased by 127.9% from RMB6.2 million for the six months ended June 30, 2023 to RMB14.1 million for the six months ended June 30, 2024, primarily due to a corresponding increase in cost of pharmaceutical products as a result of increase in sales volume of pharmaceutical products.

OTHER INCOME

Other income of the Group decreased by 64.7% from RMB3.7 million for the six months ended June 30, 2023 to RMB1.3 million for the six months ended June 30, 2024, which was primarily due to a decrease in government grants and subsidies related to income during the Reporting Period.

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

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**215**	20
Government grants and subsidies related to income	**1,095**	3,626
Others	**5**	84
Total	**1,315**	3,730

OTHER GAINS AND LOSSES

Other gains and losses of the Group decreased by 80.6% from losses of RMB2.7 million for the six months ended June 30, 2023 to losses of RMB0.5 million for the six months ended June 30, 2024, which was primarily due to relatively small fluctuations in the exchange rate of loans denominated in US dollars during the Reporting Period.

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

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net foreign exchange losses	**(454)**	(2,747)
Fair value gains on financial assets at fair value through profit or loss	**115**	59
Others	**(183)**	–
Total	**(522)**	(2,688)

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of pipelines of the Group decreased by 5.4% from RMB59.5 million for the six months ended June 30, 2023 to RMB56.3 million for the six months ended June 30, 2024, the decrease in R&D activities during the Reporting Period since our Core Products have been approved for marketing by NMPA.

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

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

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Contracting costs	**20,887**	22,349
Raw materials and consumables	**8,464**	7,640
Staff costs	**17,385**	18,864
Depreciation	**6,584**	6,333
Others	**2,973**	4,341
Total	**56,293**	59,527

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group increased by 28.6% from RMB47.2 million for the six months ended June 30, 2023 to RMB60.7 million for the six months ended June 30, 2024, experiencing a significant increase compared to the corresponding period of last year, primarily due to optimization of the administrative team and the increase in depreciation as a result of the additions of property, plant and equipment which have not been put into operation for production or R&D purposes during the Reporting Period.

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

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

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Staff cost	**27,417**	20,608
Depreciation	**20,371**	16,909
Others	**12,863**	9,637
Total	**60,651**	47,154

FINANCE COSTS

Finance costs of the Group increased by 20.5% from RMB4.5 million for the six months ended June 30, 2023 to RMB5.4 million for the six months ended June 30, 2024, which was primarily due to increase in interests incurred as a result of an increase in borrowings during the Reporting Period.

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

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

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on loans from a related party	**421**	833
Interest on bank and other borrowings	**3,651**	2,512
Interest on lease liabilities	**1,346**	1,153
Total	**5,418**	4,498

LIQUIDITY AND CAPITAL RESOURCES

Our trade receivables increased by 230.3% from RMB19.4 million as at December 31, 2023 to RMB64.2 million as at June 30, 2024, which was primarily due to a significant increase in revenue from sale of pharmaceutical products.

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

	At June 30, 2024 ***RMB'000*** **(unaudited)**	At December 31, 2023 *RMB'000* (audited)	Change *(%)*
Trade receivables	**64,151**	19,423	230.3
Prepayments and other receivables	**34,638**	39,084	(11.4)
Amounts due from a related party	**398**	398	–
Inventories	**101,703**	102,037	(0.3)
Contract costs	**7,703**	7,508	2.6
Rental deposit to a related party	**411**	411	–
Cash and bank balances	**74,066**	173,345	(57.3)
Total	**283,070**	342,206	(17.3)

INDEBTEDNESS

As of June 30, 2024, we had lease liabilities of RMB49.8 million, interest-bearing bank and other borrowings of RMB193.8 million, and loans from a related party of RMB22.5 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 lease liabilities, interest-bearing bank and other borrowings and loans from a related party at the dates indicated:

	At June 30, 2024 *RMB'000* **(unaudited)**	At December 31, 2023 *RMB'000* (audited)
Lease liabilities	**49,804**	50,344
Interest-bearing bank and other borrowings	**193,828**	209,729
Loans from Biomabs	**22,500**	22,500

As at June 30, 2024, we, as a lessee, had outstanding lease liabilities for the remaining terms of relevant lease agreements (excluding our contingent rental agreements) in an aggregate amount of approximately RMB49.8 million.

CONTINGENT LIABILITIES, CHARGE OF ASSETS AND GUARANTEES

As at June 30, 2024, the 100,746-square-meter land located at No. 288 Xiangtai Road of the Taizhou Hi-tech Zone with a carrying amount of approximately RMB33.9 million and several production and office buildings with a total floor area of 50,835 square meters located in the same address above and with a carrying amount of approximately RMB110.8 million were pledged to Bank of Communications Co., Ltd. Taizhou Branch as security for the bank loans of the Group amounting to RMB30.0 million as of June 30, 2024. For details, please refer to note 18 to the interim condensed consolidated financial information. In addition, our equipment with a carrying amount of RMB197.5 million were pledged to an independent third-party customer to secure the Group's entrusted loan of RMB100.0 million as at June 30, 2024.

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

CAPITAL STRUCTURE

There were no changes in the capital structure of the Group during the Reporting Period. The share capital of the Group only comprises ordinary Shares. As at June 30, 2024, 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 87.8% debt and 12.2% equity as at June 30, 2024, compared with 80.2% debt and 19.8% equity as at December 31, 2023.

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, 2024, the gearing ratio of the Group was 87.8% (unaudited) (as at December 31, 2023: 80.2% (audited)).

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

	At June 30, 2024 *RMB'000* (unaudited)	At December 31, 2023 *RMB'000* (audited)
Current ratio [(1)]	**1.1**	1.1
Quick ratio [(2)]	**0.7**	0.8

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 maintained stable at 1.1 as at December 31, 2023 and 1.1 as at June 30, 2024, and our quick ratio decreased from 0.8 as at December 31, 2023 to 0.7 as at June 30, 2024, primarily due to an increase in loans and utilisation of funds for research and development as well as production as planned.

Other Information

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2024.

USE OF NET PROCEEDS FROM LISTING

With the Shares of the Company listed on the Stock Exchange on the Listing Date, the net proceeds from the Global Offering were approximately HK$1,144.5 million. As at June 30, 2024, the Company has used all the net proceeds in accordance with the purposes as set out in the prospectus of the Company dated May 20, 2019.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

As at June 30, 2024, there were no significant investments held by the Group or future plans regarding significant investment or capital assets, and we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2024, we had a total of 297 employees, of which 56 are located in Shanghai and 241 are located in Taizhou. The table below sets forth a breakdown of our employees by function:

Function	Number of Employees
Business units	50
R&D personnel[(1)]	191
Administration	24
Management	32
Total	297

Notes:

(1) The number of R&D personnel here excludes 21 R&D team members who have been included in our management.

Other Information

Our success depends on our ability to attract, recruit and retain qualified employees. We provide our employees with opportunities to work on cutting-edge biologics projects with world-class scientists. We aim to attract qualified employees with overseas educational backgrounds and relevant experience gained from global pharmaceutical or biotechnology companies. As of June 30, 2024, Dr. Wang Hao, Dr. Hou Sheng and Dr. Qian Weizhu of our scientists held a Ph.D. degree or equivalent in fields that are highly relevant to our business. In addition, as of the same date, 151 out of our 212 R&D personnel (including those who are our management) held a bachelor's degree or above.

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

We have established a labor union at Taizhou that represents employees with respect to the promulgation of bylaws and internal protocols. As of June 30, 2024, all of our employees at Taizhou were members of the labor union. We believe that we maintain a good working relationship with our employees. We had not experienced any material difficulty in recruiting employees for our operations during the Reporting Period and up to the date of this interim report.

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

As at June 30, 2024, the interests or short positions of our Directors and chief executives in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 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]
Dr. Hou Sheng (侯盛)	Interest of Spouse (L)[2]	29,642,137	0.72%
Dr. Qian Weizhu (錢衛珠)	Beneficial owner (L)[2]	29,642,137	0.72%
Dr. Wang Hao (王皓)	Beneficial owner (L)[2]	24,827,006	0.60%
Mr. Li Yunfeng (李雲峰)	Beneficial owner (L)[2]	3,236,234	0.08%
Mr. Tao Jing (陶靜)	Beneficial owner (L)[2]	3,236,234	0.08%

Notes:

(1) As at June 30, 2024, the total number of issued shares of the Company was 4,124,080,000 Shares.

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

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

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

As at June 30, 2024, 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[1]	Interest in controlled corporation (L)	2,227,000,000	54.00%
Mr. Guo Jianjun[1]	Interest in controlled corporation (L)	2,227,000,000	54.00%
CDH PE[2]	Beneficial owner (L)	742,348,180	18.00%
CDH Fund V, L.P. ("**CDH Fund**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
CDH V Holdings Company Limited ("**CDH V**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
China Diamond Holdings V Limited ("**China Diamond V**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
China Diamond Holdings Company Limited ("**China Diamond**")[2]	Interest in controlled corporation (L)	742,348,180	18.00%
FH Investment[3]	Beneficial owner (L)	213,435,680	5.18%
Link Best Capital Limited[3]	Interest in controlled corporation (L)	213,435,680	5.18%

Notes:

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

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

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

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

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on August 10, 2018. On August 18, 2018, the Company granted an aggregate of 83,512,500 share options to 62 grantees, representing the rights to subscribe for 83,512,500 Shares (taking into account the Capitalization Issue). Subsequent to the granting of the share options, a total of 28 of the grantees resigned from their respective positions within our Group. As such, the share options held by these 28 grantees were lapsed and no longer exercisable. As of June 30, 2024, the number of Shares underlying the outstanding and unexercised share options granted under the Pre-IPO Share Option Scheme amounted to 74,383,258 Shares and 1.80% of the issued share capital of the Company as at the date of this interim report. None of the share options granted under the scheme has been exercised by any grantee.

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

Category	Grant Date	Outstanding at January 1, 2024	Number of Share Options During the Reporting Period			Outstanding at June 30, 2024
			Granted	Exercised	Forfeited	
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
Dr. Li Yunfeng	August 18, 2018	3,236,234	–	–	–	3,236,234
Mr. Tao Jing	August 18, 2018	3,236,234	–	–	–	3,236,234
	Sub-total	60,941,611	–	–	–	60,941,611
Category 2: Employees	August 18, 2018	15,179,891	–	–	(1,738,244)	13,441,647
	Total	76,121,502	–	–	(1,738,244)	74,383,258

Exercise period and exercise price

The date of expiry of the share option is determined by the Board which shall not be later than the last day of the option period, which must expire not more than 10 years from the date of grant. 20% of the share options granted will be exercisable commencing from the fourth, fifth, sixth, seventh and eighth anniversary of the Listing Date, respectively.

The exercise price of the share options is HK$1.50 per Share.

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

The Pre-IPO Share Option Scheme ended on the day immediately before the Listing date. No share options can be granted from the Listing Date.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange during the Reporting Period.

The Company did not have any treasury shares as at June 30, 2024.

MATERIAL LITIGATION

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

CHANGES IN DIRECTORS' INFORMATION

As of June 30, 2024, there was no change in information of Directors subject to disclosure under Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL REPORT

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

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

The Audit Committee has reviewed the interim consolidated financial statements of the Group for the six months ended June 30, 2024. The Audit Committee has also discussed matters with respect to the accounting principles and policies adopted by the Company and internal control with members of senior management and the external auditors of the Company, Ernst & Young.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Our Directors have confirmed that as at June 30, 2024, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The new drug application of CMAB008類停® (infliximab for injection), a core product of the Company and a recombinant anti-TNFα human-mouse chimeric monoclonal antibody independently developed by the Company, was approved by the Ministry of Health of Peru (Ministerio de Salud) for the treatment of: (i) ulcerative colitis in adults; (ii) ankylosing spondylitis; (iii) rheumatoid arthritis; (iv) Crohn's disease in adults and pediatric patients aged above 6 years old; (v) fistula Crohn's disease; and (vi) psoriasis. This is the first product of the Company approved for marketing in Peru and the first infliximab approved for marketing in Peru which is manufactured in the PRC. For details, please refer to the announcement of the Company dated July 2, 2024.

Save as disclosed above, there was no significant event subject to disclosure from June 30, 2024 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 28, 2024

Independent Review Report

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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 48 to 74, which comprises the condensed consolidated statement of financial position of Mabpharm Limited (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2024 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
28 August 2024

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

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue	5	108,483	44,020
Cost of sales		(14,127)	(6,198)
Gross profit		94,356	37,822
Other income	6	1,315	3,730
Other gains and losses	7	(522)	(2,688)
Selling and distribution expenses		(69,600)	(27,045)
Research and development expenses		(56,293)	(59,527)
Administrative expenses		(60,651)	(47,154)
Impairment losses on financial assets		(756)	(639)
Finance costs	8	(5,418)	(4,498)
Loss before tax	9	(97,569)	(99,999)
Income tax expense	10	–	–
Loss and total comprehensive expense for the period		(97,569)	(99,999)
Attributable to:			
Owners of the Company		(97,569)	(99,999)
Loss per share attributable to ordinary equity holders of the Company	12		
– Basic		RMB(0.02)	RMB(0.02)
– Diluted		RMB(0.02)	RMB(0.02)

Interim Condensed Consolidated Statement of Financial Position

30 June 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	13	**590,824**	615,232
Right-of-use assets		**66,684**	71,304
Other non-current assets	14	**5,816**	6,231
Total non-current assets		**663,324**	692,767
Current assets			
Trade receivables	15	**64,151**	19,423
Prepayments and other receivables	16	**34,638**	39,084
Amounts due from a related party	21	**398**	398
Inventories		**101,703**	102,037
Contract costs		**7,703**	7,508
Rental deposit to a related party	21	**411**	411
Cash and bank balances		**74,066**	173,345
Total current assets		**283,070**	342,206

Interim Condensed Consolidated Statement of Financial Position

30 June 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Current liabilities			
Trade and other payables	17	**169,967**	150,640
Amounts due to a related party	21	**50**	14
Interest-bearing bank and other borrowings	18	**30,014**	108,260
Lease liabilities to third parties		**15,450**	12,612
Lease liability to a related party	21	**2,608**	4,386
Contract liabilities		**40,651**	32,724
Deferred income		**6,572**	7,555
Total current liabilities		**265,312**	316,191
Net Current Assets		**17,758**	26,015
Total Assets Less Current Liabilities		**681,082**	718,782
Non-current liabilities			
Deferred income		**11,400**	11,696
Amounts due to a related party	21	**71,187**	70,876
Contract liabilities		**287,744**	296,338
Interest-bearing bank and other borrowings	18	**163,814**	101,469
Lease liabilities to third parties		**31,746**	33,346
Total non-current liabilities		**565,891**	513,725
Net Assets		**115,191**	205,057
Capital and reserves			
Share capital	19	**2,804**	2,804
Reserves		**112,387**	202,253
Total Equity		**115,191**	205,057

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital *RMB'000*	Share premium *RMB'000*	Other reserve *RMB'000*	Share-option reserve *RMB'000*	Accumulated losses *RMB'000*	Total equity *RMB'000*
At 1 January 2024 (Audited)	**2,804**	**1,400,504**	**(32,763)**	**67,186**	**(1,232,674)**	**205,057**
Loss and total comprehensive expense for the period (Unaudited)	**–**	**–**	**–**	**–**	**(97,569)**	**(97,569)**
Recognition of equity-settled share-based compensation (Unaudited)	**–**	**–**	**–**	**7,703**	**–**	**7,703**
At 30 June 2024 (Unaudited)	**2,804**	**1,400,504**	**(32,763)**	**74,889**	**(1,330,243)**	**115,191**
At 1 January 2023 (Audited)	2,804	1,400,504	(32,763)	53,717	(1,023,318)	400,944
Loss and total comprehensive expense for the period (Unaudited)	–	–	–	–	(99,999)	(99,999)
Recognition of equity-settled share-based compensation (Unaudited)	–	–	–	5,678	–	5,678
At 30 June 2023 (Unaudited)	2,804	1,400,504	(32,763)	59,395	(1,123,317)	306,623

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(97,569)	(99,999)
Adjustments for:			
Bank interest income	6	(215)	(20)
Finance costs	8	5,418	4,498
Depreciation of property, plant and equipment	9	26,550	23,514
Depreciation of right-of-use assets	9	4,622	4,174
Net foreign exchange losses	7	454	2,747
Impairment losses on financial assets	9	756	639
Fair value gains on financial assets at fair value through profit or loss ("**FVTPL**")	9	(115)	(59)
Share-based payment expenses	9	7,703	5,678
		(52,396)	(58,828)
Decrease/(increase) in inventories		334	(2,440)
Increase in contract costs		(195)	(5,962)
Increase in trade receivables		(45,484)	(20,117)
Decrease/(increase) in prepayments and other receivables		4,446	(6,732)
Decrease/(increase) in other non-current assets		701	(155)
Decrease in amounts due from a related party		–	70
Increase in amounts due to a related party		909	199
Increase in trade and other payables		29,158	13,553
(Decrease)/increase in contract liabilities		(667)	46,278
(Decrease)/increase in deferred income		(983)	600
Net cash flows used in operating activities		(64,177)	(33,534)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from bank		215	20
Purchase of property, plant and equipment		(12,628)	(7,107)
Purchase of financial assets at FVTPL		(30,000)	(55,000)
Withdraw of financial assets at FVTPL		30,115	70,103
Net cash flows (used in)/from investing activities		(12,298)	8,016

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	2024 (Unaudited) *RMB'000*	2023 (Unaudited) *RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank and other borrowings	**31,095**	21,622
Repayment of bank loans	**(49,022)**	(2,250)
Interest paid	**(2,111)**	(1,542)
Repayments to a related party	**(983)**	–
Repayments of principal portion of lease liabilities	**(1,791)**	(2,462)
Net cash flows (used in)/from financing activities	**(22,812)**	15,368
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(99,287)**	(10,150)
Cash and cash equivalents at beginning of period	**173,345**	33,568
Effects of foreign exchange rate changes, net	**8**	(276)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**74,066**	23,142

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 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 2023.

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 2023, 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 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

Segment information

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

Geographical information

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

Information about a major customer

There is no revenue from a single customer accounted for more than 10% of the total revenue of the Group during the reporting period (during the six months ended 30 June 2023: RMB7,075,000 (unaudited) was derived from the exclusive right for the commercialisation in Chinese Mainland with a single customer).

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**108,483**	44,020

5. REVENUE (continued)

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Revenue from the sale of pharmaceutical products	**98,532**	36,071
Revenue from the exclusive right for the commercialisation in Chinese Mainland	**9,951**	7,312
Revenue from the rendering of contract services	**–**	637
Total	**108,483**	44,020
Geographical market		
Chinese Mainland	**108,483**	44,020
Timing of revenue recognition		
Over time	**9,951**	7,312
At a point in time	**98,532**	36,708
Total	**108,483**	44,020

6. OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**215**	20
Government grants and subsidies related to income	**1,095**	3,626
Others	**5**	84
Total	**1,315**	3,730

7. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange losses	**(454)**	(2,747)
Fair value gains on financial assets at FVTPL	**115**	59
Others	**(183)**	–
Total	**(522)**	(2,688)

8. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on loans from a related party *(note 21)*	**421**	833
Interest on bank and other borrowings	**3,651**	2,512
Interest on lease liabilities	**1,346**	1,153
Total	**5,418**	4,498

9. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation for property, plant and equipment	**26,550**	23,514
Depreciation for right-of-use assets	**4,622**	4,174
Government grants and subsidies related to income	**(1,095)**	(3,626)
Impairment losses on financial assets		
– Impairment of trade receivables	**756**	639
Fair value gains on financial assets at FVTPL	**(115)**	(59)
Foreign exchange differences, net	**454**	2,747
Staff cost (including directors' emoluments):		
– Independent non-executive directors' fee	**164**	157
– Salaries and other benefits	**33,526**	31,103
– Pension scheme contributions	**3,971**	4,466
– Share-based payment expenses	**7,703**	5,678
– Consultation fee	**–**	298
	45,364	41,702
Auditors' remuneration	**925**	969
Short-term lease payment	**48**	20
Cost of inventories sold	**14,098**	5,715
Cost of inventories recognised as expense (included in research and development expense)	**8,464**	7,640

10. INCOME TAX

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

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

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

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

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period (during the six months ended 30 June 2023: 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	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss attributable to ordinary equity holders of the Company for the purpose of calculating basic and diluted loss per share	**(97,569)**	(99,999)

	For the six months ended 30 June	
	2024	2023
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**4,124,080**	4,124,080

The calculation of diluted loss per share for the six months ended 30 June 2024 and 2023 did not assume the exercise of the pre-IPO share options since its inclusion would be anti-dilutive.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with a cost of RMB2,142,000, including RMB2,117,000 (unaudited) of construction in process (for the six months ended 30 June 2023: RMB8,897,000 (unaudited) including RMB7,319,000 (unaudited) of construction in process).

During the six months ended 30 June 2024, the asset-related government grants of RMB296,000 was deducted from the carry amount of the property, plant and equipment acquired (for the six months ended 30 June 2023: Nil).

14. OTHER NON-CURRENT ASSETS

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Prepayment for acquisition of property, plant and equipment *(note a)*	**1,707**	1,421
Deposit for construction of production facilities	**3,000**	3,000
VAT recoverable *(note b)*	**1,109**	1,810
Total	**5,816**	6,231

Notes:

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

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

15. TRADE RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	**65,452**	19,968
Impairment	**(1,301)**	(545)
Total	**64,151**	19,423

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 3 months	**42,795**	16,454
4 to 6 months	**20,655**	2,182
7 to 9 months	**528**	109
10 to 12 months	**173**	678
Total	**64,151**	19,423

16. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Other receivables	**5,126**	979
Prepayments for research and development services	**12,976**	11,280
Other deposits and prepayments	**4,091**	3,834
VAT recoverable	**12,445**	22,991
Total	**34,638**	39,084

17. TRADE AND OTHER PAYABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade payables	**12,246**	10,012
Accrued expenses for research and development services	**28,213**	32,091
Other payables for purchases of property, plant and equipment	**47,927**	57,831
Salary and bonus payables	**10,648**	15,160
Other taxes payable	**1,012**	658
Accrued listing expenses and issue costs	**11,262**	11,189
Other payables	**58,659**	23,699
Total	**169,967**	150,640

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 2024 *RMB'000* (Unaudited)	31 December 2023 *RMB'000* (Audited)
Within 60 days	**4,442**	4,467
Over 60 days but within 1 year	**7,804**	5,545
Total	**12,246**	10,012

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2024			31 December 2023		
	Effective interest rate *(%)*	Maturity	Amount *RMB'000* (Unaudited)	Effective interest rate *(%)*	Maturity	Amount *RMB'000* (Audited)
Current:						
Other loans						
– unsecured			–	6.0%	2024	59,183
Bank loans						
– secured *(note a)*	One-year loan prime rate ("LPR") +50 bps	2025	30,014	One-year loan prime rate ("**LPR**") +50 bps	2024	49,077
Total-current			30,014			108,260
Non-current:						
Other loans						
– unsecured	6.0%	2032	63,814	6.0%	2025	1,469
Bank loans						
– secured *(note b)*	One-year loan prime rate ("LPR")	2026	100,000	One-year loan prime rate ("**LPR**")	2026	100,000
Total-non current			163,814			101,469
Total			193,828			209,729

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year	30,014	49,077
In the second year	–	–
In the third year	100,000	100,000
	130,014	149,077
Other loans repayable		
Within one year	–	59,183
In the second year	–	1,469
In the ninth year	63,814	–
	63,814	60,652
Total	193,828	209,729

Notes:

a. At 30 June 2024, the 100,746-square-meter land in Taizhou Hi-tech Zone with a carrying amount of approximately RMB33,932,000 (unaudited) (2023: RMB34,318,000 (audited)) and the 50,835-square-meter building with a carrying amount of approximately RMB110,756,000 (unaudited) (2023: RMB113,786,000 (audited)) were pledged to secure the bank borrowings of the Group.

b. At 30 June 2024, the manufacturing facilities with a carrying amount of approximately RMB197,488,000 (unaudited) (2023: RMB200,245,000 (audited)) were pledged to an independent third-party customer to secure the entrusted bank borrowings of the Group.

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

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The differences between the carrying amounts and fair values of the non-current portion of interest-bearing bank and other borrowings were assessed to be insignificant. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2024 were assessed to be insignificant.

19. SHARE CAPITAL

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Issued and fully paid:		
4,124,080,000 (2023: 4,124,080,000) ordinary shares	**2,804**	2,804

20. CAPITAL COMMITMENTS

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

	30 June 2024 *RMB'000* (Unaudited)	31 December 2023 *RMB'000* (Audited)
Contracted but not provided (note)	**3,485**	3,978

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

21. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Expenses incurred in clinical business and CMAB807 paid by a related party on behalf of the Group		
Shanghai Biomabs Pharmaceuticals Co., Ltd. ("**Biomabs**") *(note a)*	**983**	70
Repayments to a related party regarding to the expenses incurred in clinical business and CMAB807 paid by a related party on behalf of the Group:		
Biomabs	**983**	–
Interest on lease liabilities to a related party:		
Biomabs	**108**	251
Interest on loans from a related party:		
Biomabs *(note b)*	**421**	833

Notes:

a. Shanghai Biomabs Pharmaceuticals Co., Ltd. ("**Biomabs**") is ultimately controlled by a close family member of the controlling shareholder.

b. In September 2022, the group borrowed unsecured loans from Biomabs amounting to RMB45,000,000 with an annual interest rate of 3.7%. The term of the loans is from the date on receiving the loan by the group to 31 December 2024. In October 2023, the group repaid RMB22,500,000 to Biomabs including corresponding accumulated interests. In December 2023, the group renewed the loan contract and extended the maturity date to 31 December 2027.

21. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with a related party

	30 June 2024 *RMB'000* (Unaudited)	31 December 2023 *RMB'000* (Audited)
Rental deposit to a related party:		
Biomabs	**411**	411
Amounts due from a related party:		
Prepayments – non-trade nature		
Biomabs	**398**	398
Amounts due to a related party:		
Trade payables		
Biomabs	**47,252**	47,326
Interest payables		
Biomabs	**1,485**	1,064
Loans payables		
Biomabs	**22,500**	22,500
	71,237	70,890
Analysed into:		
Current portion	**50**	14
Non-current portion	**71,187**	70,876
Lease liabilities to a related party:		
Within one year	**2,608**	4,386

21. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with a related party (continued)

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

	30 June 2024 *RMB'000* (Unaudited)	31 December 2023 *RMB'000* (Audited)
Within 60 days	50	14
Over 1 year *(note a)*	47,202	47,312
Total	47,252	47,326

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

Notes:

a. In March 2021, the Group entered into an agreement with Biomabs in relation to the acquisition of the intellectual property in connection with CMAB807 from Biomabs at a consideration of RMB66,038,000 (excluding value added tax). On 29 December 2023, the Group entered into a supplemental agreement with Biomabs, pursuant to which, the maturity date of the outstanding payable balance of RMB47,170,000 was extended to 31 December 2027.

21. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries and other benefits	**1,819**	2,094
Pension scheme contributions	**140**	115
Directors' fee	**165**	157
Share-based compensation	**1,772**	2,626
Consultation fee	**–**	298
Total	**3,896**	5,290

22. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the board of directors on 28 August 2024.

Definitions

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

"Asia Mabtech"	Asia Mabtech Limited, a limited liability company incorporated in the BVI on November 23, 2017 and one of the Controlling Shareholders
"Asia Pacific Immunotech Venture"	Asia Pacific Immunotech Venture Limited, a limited liability company incorporated in the BVI on July 23, 2018 and one of the Controlling Shareholders
"Audit Committee"	the audit committee of the Board
"Biomabs"	Shanghai Biomabs Pharmaceuticals Co., Ltd. (上海百邁博製藥有限公司), a limited liability company incorporated in the PRC on October 16, 2009 and a direct wholly-owned subsidiary of Sinomab as of the date of this interim report
"Board" or "Board of Directors"	the board of Directors of the Company
"CDH PE"	CDH Mabtech Limited, a limited liability company incorporated in the Cayman Islands
"CG Code"	the Corporate Governance Code as set out in Appendix C1 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

Definitions

"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
"GMP"	good manufacturing practice
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"Guo Family Trust"	Guo Family Trust, a trust created by Mr. Guo Jianjun on August 8, 2018 under the laws of BVI for the benefit of his family members, for which Guo Family Trustee serves as trustee
"Guo Family Trustee"	Guo Family (PTC) Limited, a limited liability company incorporated in the BVI on March 1, 2018 and the trustee of the Guo Family Trust
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollar" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IPO"	initial public offering

"Listing"	the listing of Shares on the Main Board of the Stock Exchange on May 31, 2019
"Listing Date"	May 31, 2019, being the date on which the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NMPA"	National Medical Products Administration (國家藥品監督管理局) of China, formerly known as China's Food and Drug Administration ("CFDA") (國家食品藥品監督管理局) or China's Drug Administration ("CDA") (國家藥品監督管理局); references to NMPA include CFDA and CDA
"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this interim report, Hong Kong Special Administrative Region, the Macau and Taiwan
"Prospectus"	the prospectus issued by the Company on May 20, 2019 in connection with the Hong Kong public offering of the Shares
"R&D"	research and development
"Reporting Period"	six months from January 1, 2024 to June 30, 2024
"RMB"	Renminbi, the lawful currency of the PRC

Definitions

"Shareholder(s)"	holder(s) of Share(s)
"Shares"	ordinary share(s) in the capital of the Company with nominal value of US$0.0001 each
"Sinomab"	Sinomab Limited (formerly known as Mabtech Limited), a limited liability company incorporated in the Cayman Islands on September 4, 2014, and a company which the controlling shareholder of the Company and its associate in aggregate indirectly controls 66.67% voting rights as of the date of this interim report
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Taizhou Pharmaceutical"	Taizhou Mabtech Pharmaceutical Limited* (泰州邁博太科藥業有限公司), a limited liability company incorporated in the PRC on February 4, 2015 and an indirect wholly-owned subsidiary of the Company
"United Circuit"	United Circuit Limited (域聯有限公司), a limited liability company incorporated in the BVI on August 25, 2015 and one of the Controlling Shareholders

Glossary of Technical Terms

"allergic asthma"	a common long-term inflammatory disease of the airways of the lungs. It is characterized by variable and recurring symptoms, reversible airflow obstruction, and bronchospasm. Symptoms include episodes of wheezing, coughing, chest tightness, and shortness of breath. These episodes may occur a few times a day or a few times per week. Depending on the person, they may become worse at night or with exercise
"autoimmune disease"	diseases such as rheumatoid arthritis and lupus which arise from an abnormal immune response of the body against substances and tissues normally present in the body
"biosimilar"	also known as follow-on biologic or subsequent entry biologic. It is a biologic medical product that is almost an identical copy of an original product that is manufactured by a different company. Biosimilars are officially approved versions of original "innovator" products and can be manufactured when the original product's patent expires. A biosimilar product is similar in terms of quality, safety and efficacy to a reference medicinal product, which has been granted a marketing authorisation on the basis of a complete dossier in the community
"carcinoma"	a type of cancer that develops from epithelial cells. Specifically, a carcinoma is a cancer that begins in a tissue that lines the inner or outer surfaces of the body, and that arises from cells originating in the endodermal, mesodermal or ectodermal germ layer during embryogenesis
"CDMO"	Contract Development and Manufacturing Organization

Glossary of Technical Terms

"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
"Chinese hamster ovary cell" or "CHO"	the ovary of the Chinese hamster, of which cell lines are derived from and often used in biological and medical research and commercial production of therapeutic proteins
"CMAB007"	one of our Core Products, a recombinant humanized anti-IgE monoclonal antibody and our new drug candidate based on omalizumab
"CMAB008"	one of our Core Products, a recombinant anti-TNFα chimeric monoclonal antibody and our new drug candidate based on infliximab
"CMAB009"	one of our Core Products, a recombinant anti-EGFR chimeric monoclonal antibody and our new drug candidate based on cetuximab
"CMAB018"	Mepolizumab biosimilar drug candidate in the preclinical stage, used to treat diseases such as asthma and eosinophilic granulomatous polyangitis
"CMAB807"	is a Denosumab, a human IgG2 monoclonal antibody with affinity and specificity for human RANKL (receptor activator of nuclear factor kappa-B ligand), which is a transmembrane or soluble protein essential for the formation, function, and survival of osteoclasts, the cells responsible for bone resorption
"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

Glossary of Technical Terms

"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
"IBD"	inflammatory bowel disease
"IgE"	immunoglobulin E
"IgG1 κ" or "IgG1 kappa"	immunoglobulin G (IgG), a type of antibody. Representing approximately 75% of serum antibodies in humans, IgG is the most common type of antibody found in blood circulation. IgG molecules are created and released by plasma B cells. Each IgG has two antigen binding sites. There are four IgG subclasses (IgG1, 2, 3, and 4) in humans, named in order of their abundance in serum (IgG1 being the most abundant). IgG antibodies are large molecules of about 150 kDa made of four peptide chains. It contains two identical classheavy chains of about 50 kDa and two identical light chains of about 25 kDa, thus a tetrameric quaternary structure. There are two types of light chain in humans kappa (κ) chain and lambda (λ) chain. Only one type of light chain is present in a typical antibody, thus the two light chains of an individual antibody are identical. IgG1 κ is an antibody molecule which contains two γ1 heavy chains and two κ light chains
"immunoglobulin" or "Ig"	an antibody (Ab), also known as an immunoglobulin (Ig). It is a large, Y-shaped protein produced mainly by plasma cells that is used by the immune system to neutralize pathogens such as pathogenic bacteria and viruses. The antibody recognizes a unique molecule of the pathogen, called an antigen, via the Fab's variable region
"in vitro"	Latin for "in glass", studies in vitro are conducted using components of an organism that have been isolated from their usual biological surroundings, such a microorganisms, cells or biological molecules

Glossary of Technical Terms

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

"pharmacokinetic"	the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug
"phase I clinical trial(s)"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"phase II clinical trial(s)"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"phase III clinical trial(s)"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"pre-clinical stage"	testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"RA" or "rheumatoid arthritis"	a chronic, systemic inflammatory disorder that may affect many tissues and organs, but principally attacks synovial joints
"recombinant"	the formation by the processes of crossing-over and independent assortment of new combination of genes in progeny that did not occur in the parents
"TNF"	tumor necrosis factor

Glossary of Technical Terms

"TNFα"	tumor necrosis factor (TNF, tumor necrosis factor α, TNFα, cachexin, or cachectin). It is a cell signaling protein (cytokine) involved in systemic inflammation and is one of the cytokines that make up the acute phase reaction. It is produced chiefly by activated macrophages, although it can be produced by many other cell types such as CD4+ lymphocytes, NK cells, neutrophils, mast cells, eosinophils, and neurons
"vector"	an agent (such as a plasmid or virus) that contains or carries modified genetic material (such as recombinant DNA) and can be used to introduce exogenous genes into the genome of an organism