*This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

# 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)**

## ANNUAL RESULTS ANNOUNCEMENT
## FOR THE YEAR ENDED DECEMBER 31, 2023

The Board of Directors of Mabpharm Limited is pleased to announce the consolidated financial results of the Company and its subsidiaries for the year ended December 31, 2023, together with the comparative figures for the year ended December 31, 2022.

## FINANCIAL HIGHLIGHTS

| | For the year ended December 31, | | |
|---|---|---|---|
| | **2023** | 2022 | Change |
| | ***RMB'000*** | *RMB'000* | *(%)* |
| Revenue | **87,161** | 55,918 | 55.9 |
| Cost of sales | **(11,923)** | (15,375) | (22.5) |
| Gross profit | **75,238** | 40,543 | 85.6 |
| Other income | **3,572** | 27,302 | (86.9) |
| Other gains and losses | **(1,366)** | (4,682) | (70.8) |
| Selling and distribution expenses | **(48,925)** | (28,213) | 73.4 |
| Research and development expenses | **(123,211)** | (147,906) | (16.7) |
| Administrative expenses | **(104,659)** | (90,557) | 15.6 |
| Impairment losses on financial assets | **(427)** | (118) | 261.9 |
| Finance costs | **(9,578)** | (7,188) | 33.2 |
| Loss before tax | **(209,356)** | (210,819) | (0.7) |
| Income tax expense | **–** | – | – |
| Loss and total comprehensive expense for the year | **(209,356)** | (210,819) | (0.7) |
| Attributable to: | | | |
| Owners of the Company | **(209,356)** | (210,819) | (0.7) |
| | ***RMB*** | *RMB* | |
| Loss per share attributable to ordinary equity holders of the Company | | | |
| – Basic and diluted | **(0.05)** | (0.05) | – |

| | **At December 31,** | At December 31, | |
|---|---|---|---|
| | **2023** | 2022 | Change |
| | ***RMB'000*** | *RMB'000* | *(%)* |
| Non-current assets | **692,767** | 716,401 | (3.3) |
| Current assets | **342,206** | 201,120 | 70.2 |
| Current liabilities | **316,191** | 188,401 | 67.8 |
| Net current assets | **26,015** | 12,719 | 104.5 |
| Non-current liabilities | **513,725** | 328,176 | 56.5 |
| Net assets | **205,057** | 400,944 | (48.9) |

## 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 market high quality and affordable innovative biologics through our efficient research and development ("**R&D**") system and low-cost pharmaceutical production capability, and develop differentiated therapeutic products by fully utilizing our extensive R&D experience. Our pipeline of drug candidates currently consists of 9 monoclonal antibody drugs and 1 strong antibody drug, 3 of which are our core products:

✓ **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 Company's antibody drug production base of Taizhou Pharmaceutical 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 China's basic medical insurance program (the "**Medical Insurance**"), CMAB008類停® has also been automatically included in the Medical Insurance.

CMAB008類停® is approved for the treatment of six indications which have huge long-term unmet market demand (with more than 10 million patients in the PRC which is still growing). As of the end of 2023, CMAB008類停® has been marketed on the procurement platform across all the provinces within China, with its sales amount increasing significantly in 2023 as compared to 2022, and extended presence to over 1,000 hospitals (of all levels), primary medical institutions and pharmacies. Meanwhile, 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**"), suggesting further improvement in its role as a guideline. In 2023, we launched 3,142 special academic forums on CMAB008類停®. Besides, we continued to conduct the relief donation of CMAB008類停® to give back to the society and benefit the low-income patients. 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. With high quality innovative drugs as the foundation, the Company will provide innovative antibody drugs to patients in the PRC by offering more economical and affordable drug supply solutions and fully participating in China's national healthcare system reform initiatives. 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 PIC/S member country.

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

During the Reporting Period, Taizhou Pharmaceutical entered into an exclusive commercialization cooperation agreement in relation to CMAB007奧邁舒® in China with Jiangxi Jemincare Pharmaceutical Co., Ltd.* (江西濟民可信醫藥有限公司) ("**Jemincare**"), a pharmaceutical company with remarkable market promotion capability and proven track record. 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. As of the date of this announcement, we have quoted our CMAB007奧邁舒® on 34 provincial pharmaceutical product procurement and GPO platforms, and completed the first order in the second month after being approved for marketing, covering various hospitals, primary medical institutions and pharmacies. We anticipate that CMAB007奧邁舒®, as an exclusive product included in the Medical Insurance, will experience rapid market penetration and substantial sales growth in 2024.

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

The drug marketing application for CMAB009 was accepted by the NMPA in March 2023, and we have submitted the supplemental information as required by the NMPA, and expect that CMAB009 will be approved for marketing in the second quarter of 2024. For further details, please refer to the announcement of the Company dated March 14, 2023. We expect that upon commercialization, CMAB009 will be the first home-made anti-EGFR monoclonal antibody drug with independent intellectual property for treatment of mCRC launched in the PRC market, and is expected to provide affordable biological targeted remedy with better efficacy for hundreds of thousands of Chinese patients with tumors. At the same time, CMAB009 is also expected to expand its indications to pancreatic cancer, head and neck squamous cell carcinomas, cervical squamous cell carcinoma and other cancers, as its administration together with a variety of small molecule drugs has tremendous potential for application in various other cancer types. The Group will expedite the clinical and registration work of CMAB009 targeting the aforesaid indications.

Taizhou Pharmaceutical has entered into a business cooperation agreement with Jiangsu Simcere Zaiming Pharmaceutical Co., Ltd*. (江蘇先聲再明醫藥有限公司) ("**Jiangsu Simcere Zaiming**"), pursuant to which Taizhou Pharmaceutical granted exclusive commercial rights in respect of CMAB009 (including but not limited to sales management, marketing and promotion, formulation and adjustment of related strategies and the rights to obtain relevant benefits) in the Chinese Mainland. For further details, please refer to the announcement of the Company dated August 18, 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 are initiating the phase III clinical trials. CMAB807 (denosumab) has completed phase III clinical trials for osteoporosis, commenced data compilation for NDA application, and received the approval from the NMPA for clinical trials targeting tumor bone metastasis (CMAB807 X) in January 2022 (Clinical trial approval notice number: 2022 LP00032). The "strong antibody" new drug CMAB017 has obtained approval from the NMPA for clinical trial for the treatment of advanced solid tumors, including but not limited to colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma. Compared with marketed EGFR anti-body drugs, CMAB017 has better efficacy and safety. We have also developed CMAB022 (ustekinumab), a biosimilar, which promises sound market prospect for the treatment of psoriasis, psoriatic arthritis, 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 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 newly constructed 5,000 L GMP production line has started 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 engaged in CDMO business without compromising our independent product R&D.

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

Further, during the rapid growth of the pharmaceutical market in China, the central procurement under the Medical Insurance that may be extended to cover biological drugs in the future and the increased effort in national negotiations on Medical Insurance will restructure the pharmaceutical market in China to a large extent. We will actively participate in the national medical reform with our advantages in 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, and accelerated 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 status as of December 31, 2023:

| Field | Target | Indication | Drug candidate code | Classification | Pre-clinical | Phase I | Phase II or Phase II/III | Phase III | Expected time to reach the next regulatory milestone | Anticipated completion of regulatory review | Commercial rights | Competitive marketed drugs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Autoimmune Disease | TNF α | Rheumatoid Arthritis<br>Ulcerative colitis in adults<br>Ankylosing spondylitis<br>Crohn's disease in adults and pediatric patients aged above 6 years old<br>Fistula Crohn's disease<br>Psoriasis | CMAB008 (INN name: Infliximab) | New Drug/ Core Product | | | | | | Approved for marketing in July 2021 | PRC and overseas (excluding Japan, North America and Europe) | Remicade®, Humira®, Enbrel®, Simponi®, Yisaipu®, Anbainuo® |
| Respiratory Disease | IgE | Asthma | CMAB007 (INN name: Omalizumab) | New Drug/ Core Product | | | | | | Approved for marketing in May 2023 | PRC and overseas (excluding Japan, North America and Europe) | Xolair® |
| | | Urticaria | CMAB007 (INN name: Omalizumab) | New Drug/ Core Product | | | | | Pending new drug marketing application submission (Quarter 1, 2026) | Quarter 1, 2027 | PRC and overseas (excluding Japan, North America and Europe) | Xolair® |

| 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) | New Drug/ Core Product | | | | | New drug marketing application submitted in March 2023 | Quarter 2, 2024 | PRC and overseas (excluding Japan, North America and Europe) | Erbitux® |
| Bone-related diseases | RANKL | Osteoporosis | CMAB807 (INN name: Denosumab) | Biosimilar | | | | | Pending new drug marketing application submission (Quarter 4, 2024) | Quarter 4, 2025 | Global | Prolia®, Boyoubei® (博優倍®), Lukexin® (魯可欣®), Mailishu (邁利舒®) |
| | | Tumor bone metastasis | CMAB807X (INN name: Denosumab) | Biosimilar | | | | | Phase III (Quarter 4, 2024) | Quarter 4, 2028 | Global | XGEVA® |
| Cancer | PD1 | Non-small cell lung cancer, hepatocellular carcinoma and squamous cell carcinoma of the head and neck | CMAB819 (INN name: Nivolumab) | New Drug | | | | | Phase III (Quarter 4, 2024) | Quarter 4, 2028 | Global | Opdivo®, Keytruda®, Tyvyt®, JS001 |
| Cancer | EGFR | Colorectal cancer, head and neck squamous cell carcinomas and esophageal squamous cell carcinoma | CMAB017 | Innovative drug | | | | | Phase III (Quarter 4, 2026) | Quarter 4, 2030 | Global | Vectibix® |

| Field | Target | Indication | Drug candidate code | Classification | Pre-clinical | Phase I | Phase II or Phase II/III | Phase III | Expected time to reach the next regulatory milestone | Anticipated completion of regulatory review | Commercial rights | Competitive marketed drugs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Autoimmune Disease | IL-17A | Plaque psoriasis, psoriatic arthritis and ankylosing spondylitis | CMAB015 (INN name: Secukinumab) | Biosimilar | | | | | Pending new drug marketing application submission (Quarter 4, 2025) | Quarter 4, 2026 | 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 2, 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 | IgG4 | 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 1, 2030 | 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 Product Candidates**

***類停®-CMAB008 (infliximab for injection)***

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

(i) ulcerative colitis in adults;

(ii) ankylosing spondylitis;

(iii) rheumatoid arthritis;

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

(v) fistula Crohn's disease; and

(vi) psoriasis.

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

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

During the Reporting Period, CMAB008類停® posted significant increase in sales revenue. We have quoted our CMAB008類停® on all provincial pharmaceutical product procurement and GPO (group purchasing organizations) platforms in China, and included it in the Medical Insurance system. With its presence extending to over 1,000 hospitals and other terminals, CMAB008類停® has opened up sales channels across China. Besides, the Company has also started cooperating with partners with long-standing and profound resources in the overseas market to initiate the marketing registration process of CMAB008類停® in more than 30 countries and/or regions, completed GMP inspections in three countries, and has passed the GMP inspection certification in Brazil, a PIC/S member country.

***奧邁舒® – CMAB007 (Omalizumab alfa for Injection)***

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

CMAB007奧邁舒® has been approved for marketing by the NMPA in May 2023 (Guo Yao Zhun Zi S20230030 for specification of 75 mg/vial and Guo Yao Zhun Zi S20230031 for specification of 150 mg/vial) for the treatment of patients diagnosed with IgE mediated asthma, which is the first domestic allergic asthma therapeutic antibody new drug in China approved by the NMPA. For details regarding the approval of the NDA, please refer to the announcement of the Company dated May 23, 2023. CMAB007奧邁舒® was also approved by the NMPA in August 2023 to launch clinical trials targeting chronic spontaneous urticaria in adults and adolescents (aged 12 and above) who still show symptoms after treatment with H1 antihistamines (acceptance number: CXSL2300377 for specification of 75 mg/vial and acceptance number: CXSL2300378 for specification of 150 mg/vial). We expect to file the NDA of CMAB007奧邁舒® for the treatment of chronic spontaneous urticaria with the NMPA in the first quarter of 2026, and expect to obtain NMPA approval for marketing in the first quarter of 2027. During the Reporting Period, Taizhou Pharmaceutical entered into an exclusive commercialization cooperation agreement in relation to CMAB007奧邁舒® in China with Jemincare, pursuant to which Taizhou Pharmaceutical granted an exclusive promotion right in respect of CMAB007奧邁舒® in China (including the Chinese Mainland, Hong Kong, Macau and Taiwan) to Jemincare. Taizhou Pharmaceutical will continue to possess all the rights and interests in respect of CMAB007奧邁舒® in China (including the Chinese Mainland, Hong Kong, Macau and Taiwan) other than promotion right. For details regarding the aforesaid transaction, please refer to the announcement of the Company dated April 13, 2023. 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. As of the date of this announcement, we have quoted CMAB007奧邁舒® on 34 provincial pharmaceutical product procurement and GPO platforms, and completed the first order in the second month after being approved for marketing, covering various hospitals, primary medical institutions and pharmacies. We anticipate that CMAB007奧邁舒®, as an exclusive product included in the Medical Insurance, will experience rapid market penetration and substantial sales growth in 2024.

***CMAB009***

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

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

During the Reporting Period, Taizhou Pharmaceutical has entered into a business cooperation agreement with Jiangsu Simcere Zaiming Pharmaceutical Co., Ltd*. (江蘇先聲再明醫藥有限公司) ("**Jiangsu Simcere Zaiming**"), pursuant to which Taizhou Pharmaceutical granted exclusive commercial rights in respect of CMAB009 (including but not limited to sales management, marketing and promotion, formulation and adjustment of related strategies and the rights to obtain relevant benefits) in the Chinese Mainland. For further details, please refer to the announcement of the Company dated August 18, 2023.

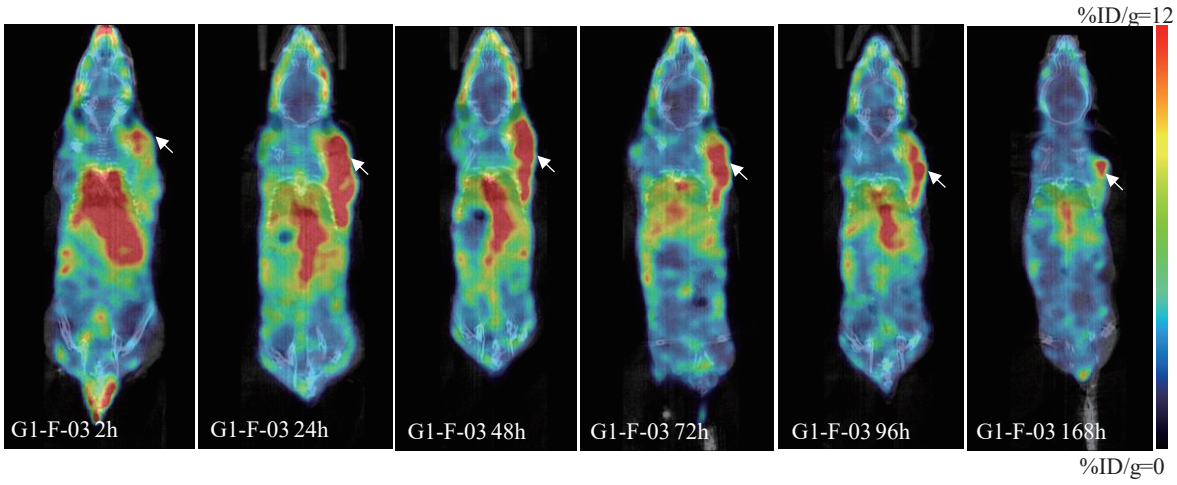
**Other Product Candidates**

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

We have also developed a dosage form of CMAB807, i.e. CMAB807 X (denosumab), for the treatment of tumor bone metastasis and conducted pre-clinical study, and obtained the Clinical Trial Approval Notice. CMAB807 X is expected to obtain the NMPA approval for marketing in the fourth quarter of 2028 for the treatment of tumor bone metastasis.

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

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



**CMAB015 (secukinumab)** is a biosimilar candidate for secukinumab. CMAB015 targets interleukin 17A (IL-17A) for treating psoriasis and ankylosing spondylitis. Secukinumab is the most effective curer for psoriasis at present, which offers significant efficacy and guarantees much more stable condition after drug withdrawal compared with peers. CMAB015 has been approved by the NMPA for clinical trials of the treatment of psoriasis and ankylosing spondylitis. We have completed the phase I clinical trial for CMAB015 and is initiating the phase III clinical trial, and expect that CMAB015 may be approved by the NMPA for marketing in the fourth quarter of 2026.

**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 second quarter of 2025; initiate the Phase I clinical trial in the first quarter of 2026, and select IBD as the indication for the Phase III clinical trial; and obtain NMPA approval for marketing (for the IBD 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; initiate clinical trials in the second quarter of 2026; and obtain NMPA approval for marketing in the first quarter of 2030.

**Research and development of new drug candidates**

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

**Research and development system**

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

## DRUG CANDIDATES COMMERCIALIZATION AND PRODUCTION FACILITIES CONSTRUCTION

### Existing production facilities

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

The other production premise accommodates a parcel of industrial land of approximately 100,746 square meters in the Taizhou Hi-tech Zone, including (i) large-scale monoclonal antibody drug substance production lines with scale of each cell reactor reaching 7,500 L and 18,000 L, 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 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, and passed the GMP inspection certification in Brazil, a PIC/S member country.

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 R&D 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 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 announcement represents an extract from the consolidated financial information for the year ended December 31, 2023 with comparative figures for the corresponding period in the previous year, which has been reviewed by the Audit Committee.

## FINANCIAL REVIEW

The following table summarizes our results of operations for the year ended December 31, 2023 and 2022:

| | For the year ended December 31, | | | |
|---|---|---|---|---|
| | **2023** | 2022 | Change | Change |
| | ***RMB'000*** | *RMB'000* | *RMB'000* | *(%)* |
| Revenue | **87,161** | 55,918 | 31,243 | 55.9 |
| Cost of sales | **(11,923)** | (15,375) | 3,452 | (22.5) |
| Gross profit | **75,238** | 40,543 | 34,695 | 85.6 |
| Other income | **3,572** | 27,302 | (23,730) | (86.9) |
| Other gains and losses | **(1,366)** | (4,682) | 3,316 | (70.8) |
| Selling and distribution expenses | **(48,925)** | (28,213) | (20,712) | 73.4 |
| Research and development expenses | **(123,211)** | (147,906) | 24,695 | (16.7) |
| Administrative expenses | **(104,659)** | (90,557) | (14,102) | 15.6 |
| Impairment losses on financial assets | **(427)** | (118) | (309) | 261.9 |
| Finance costs | **(9,578)** | (7,188) | (2,390) | 33.2 |
| Loss before tax | **(209,356)** | (210,819) | 1,463 | (0.7) |
| Income tax expense | **–** | – | – | – |
| Loss and total comprehensive expense for the year | **(209,356)** | (210,819) | 1,463 | (0.7) |
| Attributable to: | | | | |
| Owners of the Company | **(209,356)** | (210,819) | 1,463 | (0.7) |
| | ***RMB*** | *RMB* | *RMB* | *(%)* |
| Loss per share attributable to ordinary equity holders of the Company | | | | |
| – Basic and diluted | **(0.05)** | (0.05) | – | – |

**REVENUE**

Revenue of the Group increased by 55.9% from RMB55.9 million for the year ended December 31, 2022 to RMB87.2 million for the year ended December 31, 2023, primarily because our revenue from the sale of pharmaceutical products increased significantly during the Reporting Period as compared with the previous year.

Set out below are the components of revenue for the periods indicated:

| | For the year ended December 31, | |
|---|---|---|
| | **2023** | 2022 |
| | ***RMB'000*** | *RMB'000* |
| Revenue from the sale of pharmaceutical products | **69,923** | 21,544 |
| Revenue from the exclusive right for the commercialisation in Chinese Mainland | **16,601** | 10,613 |
| Revenue from the contract development and manufacturing agreements | **–** | 23,761 |
| Revenue from the rendering of contract services | **637** | – |
| Total | **87,161** | 55,918 |

**COST OF SALES**

Cost of sales of the Group decreased by 22.5% from RMB15.4 million for the year ended December 31, 2022 to RMB11.9 million for the year ended December 31, 2023, primarily because no cost was incurred from contract development and manufacturing agreement during the Reporting Period.

**OTHER INCOME**

Other income of the Group decreased by 86.9% from RMB27.3 million for the year ended December 31, 2022 to RMB3.6 million for the year ended December 31, 2023, which was primarily due to the decrease in government grants and subsidies-related income during the Reporting Period as compared with the previous year. Set out below are the components of other income for the periods indicated:

| | For the year ended December 31, | |
|---|---|---|
| | **2023** | 2022 |
| | ***RMB'000*** | *RMB'000* |
| Bank interest income | **151** | 382 |
| Government grants and subsidies related to income | **3,272** | 26,920 |
| Others | **149** | – |
| Total | **3,572** | 27,302 |

## OTHER GAINS AND LOSSES

Other losses of the Group decreased by 70.8% from RMB4.7 million losses for the year ended December 31, 2022 to RMB1.4 million losses for the year ended December 31, 2023, which was primarily due to the significant decrease in foreign exchange losses during the Reporting Period as compared with the previous year. Set out below are the components of other gains and losses for the periods indicated:

| | For the year ended December 31, | |
|---|---|---|
| | **2023** | 2022 |
| | ***RMB'000*** | *RMB'000* |
| Net foreign exchange losses | **(1,367)** | (4,000) |
| Fair Value gains on financial assets at fair value through profit or loss | **342** | 44 |
| Gains on disposal of property, plant and equipment | **–** | 33 |
| Gain on termination of a lease contract | **–** | 240 |
| Others | **(341)** | (999) |
| Total | **(1,366)** | (4,682) |

## RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of pipeline products of the Group decreased by 16.7% from RMB147.9 million for the year ended December 31, 2022 to RMB123.2 million for the year ended December 31, 2023, mainly due to that our core products have completed clinical trials.

The Group's research and development expenses mainly include contracting costs, raw materials and consumables, staff costs, depreciation and others. Set out below are the components of research and development expenses for the periods indicated:

| | For the year ended December 31, | |
|---|---|---|
| | **2023** | 2022 |
| | ***RMB'000*** | *RMB'000* |
| Contracting costs | **45,098** | 57,872 |
| Raw materials and consumables | **15,682** | 18,966 |
| Staff costs | **40,201** | 43,054 |
| Depreciation | **12,924** | 17,602 |
| Others | **9,306** | 10,412 |
| Total | **123,211** | 147,906 |

**ADMINISTRATIVE EXPENSES**

Administrative expenses of the Group increased by 15.6% from RMB90.6 million for the year ended December 31, 2022 to RMB104.7 million for the year ended December 31, 2023, mainly due to the increase in depreciation as a result of the increase in property, plant and equipment which have not been put into production or research and development use during the Reporting Period.

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

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

| | For the year ended December 31, | |
|---|---|---|
| | **2023** | 2022 |
| | ***RMB'000*** | *RMB'000* |
| Staff costs | **44,816** | 42,552 |
| Depreciation | **38,825** | 26,036 |
| Others | **21,018** | 21,969 |
| Total | **104,659** | 90,557 |

**FINANCE COSTS**

Finance costs of the Group increased by 33.2% from RMB7.2 million for the year ended December 31, 2022 to RMB9.6 million for the year ended December 31, 2023, which was primarily due to the new bank borrowings and other borrowings during the Reporting Period.

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

The following table sets out the components of finance costs for the periods indicated:

| | For the year ended December 31, | |
|---|---|---|
| | **2023** | 2022 |
| | ***RMB'000*** | *RMB'000* |
| Interest on loans from a related party | **1,384** | 527 |
| Interest on bank and other borrowings | **5,642** | 3,937 |
| Interest on lease liabilities | **2,552** | 2,724 |
| Total | **9,578** | 7,188 |

## LIQUIDITY AND CAPITAL RESOURCES

Our cash and bank balances increased by 416.4% from RMB33.6 million as at December 31, 2022 to RMB173.3 million as at December 31, 2023, because we received the upfront fee and milestone payment for the license agreements of CMAB007 and CMAB009.

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

| | **As at December 31,** | | |
|---|---|---|---|
| | **2023** | 2022 | Change |
| | ***RMB'000*** | *RMB'000* | *(%)* |
| **Current Assets** | | | |
| Trade receivables | **19,423** | 9,532 | 103.8 |
| Prepayments and other receivables | **39,084** | 41,733 | (6.3) |
| Amounts due from a related party | **398** | 446 | (10.8) |
| Inventories | **102,037** | 100,797 | 1.2 |
| Contract costs | **7,508** | – | – |
| Financial assets at fair value through profit or loss | **–** | 15,044 | (100.0) |
| Rental deposit to a related party | **411** | – | – |
| Cash and bank balances | **173,345** | 33,568 | 416.4 |
| Total | **342,206** | 201,120 | 70.2 |

## INDEBTEDNESS

As at December 31, 2023, we had lease liabilities of RMB50.3 million, interest-bearing bank and other borrowings of RMB209.7 million and loans from a related party of RMB22.5 million. As at 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 lease liabilities, interest-bearing bank and other borrowings and loans from a related party at the dates indicated:

| | As at December 31, | |
|---|---|---|
| | **2023** | 2022 |
| | ***RMB'000*** | *RMB'000* |
| Lease liabilities | **50,344** | 41,629 |
| Interest-bearing bank and other borrowings | **209,729** | 84,708 |
| Loans from Biomabs | **22,500** | 45,000 |

As at December 31, 2023, we, as a lessee, had outstanding lease liabilities for the remaining terms of relevant lease agreements (excluding our contingent rental agreements) in an aggregate amount of RMB50.3 million.

## CONTINGENT LIABILITIES, CHARGE OF ASSETS AND GUARANTEES

As at December 31, 2023, the 100,746-square-meter land located at No. 288 Xiangtai Road of the Taizhou Hi-tech Zone with a carrying amount of RMB34.3 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 RMB102.5 million were pledged to Bank of Communications Co., Ltd. Taizhou Branch as security for the bank loans of the Group amounting to RMB49.0 million as at December 31, 2023. In addition, our equipments with a carrying amount of RMB200.2 million were pledged to an independent third-party customer to secure the Group's entrusted loan of RMB100.0 million as at December 31, 2023.

Save as disclosed, we did not have any other 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 December 31, 2023, the total issued share capital of the Company was US$412,408 divided into 4,124,080,000 shares.

The capital structure of the Group was 80.2% debt and 19.8% equity as at December 31, 2023, compared with 56.3% debt and 43.7% equity as at December 31, 2022.

## FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may affect our financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollars and the U.S. dollars. The conversion of foreign currencies, including the Hong Kong dollars and the U.S. dollars, into RMB 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 December 31, 2023, the gearing ratio of the Group was 80.2% (as at December 31, 2022: 56.3%).

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

| | **At December 31,** | |
|---|---|---|
| | **2023** | 2022 |
| Current ratio[(1)] | **1.1** | 1.1 |
| Quick ratio[(2)] | **0.8** | 0.5 |

*Notes:*

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

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

As at December 31, 2022 and December 31, 2023, our current ratio was 1.1, and our quick ratio increased from 0.5 as at December 31, 2022 to 0.8 as at December 31, 2023, primarily due to the significant increase in cash and bank balance and trade receivables during the Reporting Period as compared with the previous year.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 December 2023*

| | Notes | **2023** | 2022 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| REVENUE | *4* | **87,161** | 55,918 |
| Cost of sales | | **(11,923)** | (15,375) |
| Gross profit | | **75,238** | 40,543 |
| Other income | *5* | **3,572** | 27,302 |
| Other gains and losses | *6* | **(1,366)** | (4,682) |
| Selling and distribution expenses | | **(48,925)** | (28,213) |
| Research and development expenses | | **(123,211)** | (147,906) |
| Administrative expenses | | **(104,659)** | (90,557) |
| Impairment losses on financial assets | | **(427)** | (118) |
| Finance costs | *8* | **(9,578)** | (7,188) |
| Loss before tax | *7* | **(209,356)** | (210,819) |
| Income tax expense | *9* | **–** | – |
| Loss and total comprehensive expense for the year | | **(209,356)** | (210,819) |
| Attributable to: | | | |
| Owners of the Company | | **(209,356)** | (210,819) |
| Loss per share attributable to ordinary equity holders of the Company | *11* | | |
| – Basic | | **RMB(0.05)** | RMB(0.05) |
| – Diluted | | **RMB(0.05)** | RMB(0.05) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*31 December 2023*

| | Notes | **31 December 2023** | 31 December 2022 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| **Non-current assets** | | | |
| Property, plant and equipment | | **615,232** | 636,306 |
| Right-of-use assets | *12* | **71,304** | 67,707 |
| Other non-current assets | | **6,231** | 11,977 |
| Rental deposit to a related party | | **–** | 411 |
| **Total non-current assets** | | **692,767** | 716,401 |
| **Current assets** | | | |
| Trade receivables | *13* | **19,423** | 9,532 |
| Prepayments and other receivables | *14* | **39,084** | 41,733 |
| Amounts due from a related party | | **398** | 446 |
| Inventories | | **102,037** | 100,797 |
| Contract costs | | **7,508** | – |
| Financial assets at fair value through profit or loss ("**FVTPL**") | | **–** | 15,044 |
| Rental deposit to a related party | | **411** | – |
| Cash and bank balances | | **173,345** | 33,568 |
| **Total current assets** | | **342,206** | 201,120 |
| **Current liabilities** | | | |
| Trade and other payables | *15* | **150,640** | 148,328 |
| Amounts due to a related party | | **14** | 180 |
| Lease liabilities to third parties | *12* | **12,612** | 8,442 |
| Lease liability to a related party | *12* | **4,386** | 4,849 |
| Contract liabilities | | **32,724** | 19,552 |
| Interest-bearing bank and other borrowings | | **108,260** | – |
| Deferred income | | **7,555** | 7,050 |
| **Total current liabilities** | | **316,191** | 188,401 |
| **Net current assets** | | **26,015** | 12,719 |
| **Total assets less current liabilities** | | **718,782** | 729,120 |

| | Notes | **31 December 2023** ***RMB'000*** | 31 December 2022 *RMB'000* |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Deferred income | | **11,696** | 10,405 |
| Amounts due to a related party | | **70,876** | 92,697 |
| Contract liabilities | | **296,338** | 112,028 |
| Interest-bearing bank and other borrowings | | **101,469** | 84,708 |
| Lease liabilities to third parties | *12* | **33,346** | 23,952 |
| Lease liability to a related party | *12* | **–** | 4,386 |
| **Total non-current liabilities** | | **513,725** | 328,176 |
| **Net assets** | | **205,057** | 400,944 |
| **Capital and reserves** | | | |
| Share capital | | **2,804** | 2,804 |
| Reserves | *16* | **202,253** | 398,140 |
| **Total equity** | | **205,057** | 400,944 |

## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP 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 were 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 KY1-90008, 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 the research, development and production of monoclonal antibody drugs for cancers and autoimmune diseases and the 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.

**Information about subsidiaries**

Particulars of the Company's principal subsidiaries are as follows:

| Name | Place of incorporation/ registration and business | Issued ordinary/ registered share capital | Percentage of equity attributable to the Company | | Principal activities |
|---|---|---|---|---|---|
| | | | Direct | Indirect | |
| Taizhou Mabtech Pharmaceutical Limited ("**Taizhou Pharmaceutical**") (泰州邁博太科藥業有限公司)* | PRC/Chinese Mainland | US$210,000,000 | – | 100% | Research and development, manufacturing, technical consulting, technology transfer and provision of technical services of biological products, diagnostic reagents, chemical biological reagents and drugs |
| Shanghai Shengheng Biotechnology Limited ("**Shengheng Biotech**") (上海晟珩生物技術有限公司) | PRC/Chinese Mainland | RMB30,000,000 | – | 100% | Research and development, technical consulting, technology transfer and provision of technical services of biological products, diagnostic reagents, chemical biological reagents and drugs |

* Taizhou Pharmaceutical is registered as a wholly-foreign-owned enterprise under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all IFRSs, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board (the "**IASB**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

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

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

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their material accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset amounting to RMB7,316,000 for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability amounting to RMB7,316,000 for all taxable temporary differences associated with right-of-use assets at 1 January 2022.

The adoption of amendments to IAS 12 did not have any material impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the consolidated statements of cash flows for the years ended 31 December 2023 and 2022.

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

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

| | |
|---|---|
| Amendments to IFRS 10 and IAS 28 | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3] |
| Amendments to IFRS 16 | *Lease Liability in a Sale and Leaseback*[1] |
| Amendments to IAS 1 | *Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")[1] |
| Amendments to IAS 1 | *Non-current Liabilities with Covenants* (the "**2022 Amendments**")[1] |
| Amendments to IAS 7 and IFRS 7 | *Supplier Finance Arrangements*[1] |
| Amendments to IAS 21 | *Lack of Exchangeability*[2] |

[1] Effective for annual periods beginning on or after 1 January 2024
[2] Effective for annual periods beginning on or after 1 January 2025
[3] No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

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. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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 amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

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. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

## 3. OPERATING SEGMENT INFORMATION

**Segment information**

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

**Geographical information**

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

**Information about a major customer**

Revenue of approximately RMB14,151,000 was derived from the exclusive right for the commercialisation in Chinese Mainland with a single customer (2022: RMB23,761,000 was derived from a contract development and manufacturing agreement with a single customer).

## 4. REVENUE

An analysis of revenue is as follows:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| *Revenue from contracts with customers* | | |
| Revenue from the sale of pharmaceutical products | **69,923** | 21,544 |
| Revenue from the exclusive right for the commercialisation in Chinese Mainland | **16,601** | 10,613 |
| Revenue from the rendering of contract services | **637** | – |
| Revenue from the contract development and manufacturing agreements | **–** | 23,761 |
| Total | **87,161** | 55,918 |

**Revenue from contracts with customers**

***(a) Disaggregated revenue information***

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Geographical market** | | |
| Chinese Mainland | **87,161** | 55,918 |
| **Timing of revenue recognition** | | |
| Over time | **16,601** | 10,613 |
| At a point in time | **70,560** | 45,305 |
| Total | **87,161** | 55,918 |

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Revenue from the sale of pharmaceutical products | **23** | 10 |
| Revenue from the rendering of contract services | **566** | – |
| Revenue from the contract development and manufacturing agreement | **–** | 21,430 |
| Revenue from the exclusive right for the commercialisation in Chinese Mainland | **14,151** | – |
| Total | **14,740** | 21,440 |

***(b) Performance obligations***

Information about the Group's performance obligations is summarised below:

*Sale of pharmaceutical products*

The performance obligation is satisfied upon delivery of the products and acceptance by the customer, and payment is generally due within 30 to 90 days from delivery. Some contracts provide customers with rights of return and sales rebates which give rise to variable consideration subject to constraint.

*Exclusive right for the commercialisation*

The performance obligation is satisfied overtime during the expected commercialisation period after the commercialisation authorisation from the local authorities is obtained, with reference to the budgeted manufacture order from the customer (i.e. when the customer receives and consumes the benefits during the commercialisation stage) or the expected product life cycle (10 years).

*Contract development and manufacturing agreement with a customer*

The performance obligation is satisfied upon delivery of the control of rights of the deliverables and acceptance by the customer.

*Revenue from the rendering of contract services*

The performance obligation is satisfied upon delivery of the control of rights of the deliverables and acceptance by the customer.

The amounts of transaction prices allocated to the unsatisfied performance obligations as at 31 December are as follows:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Amounts expected to be recognised as revenue: | | |
| Within one year | **42,030** | 29,204 |
| Over one year | **304,771** | 135,613 |
| Total | **346,801** | 164,817 |

## 5. OTHER INCOME

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Bank interest income | **151** | 382 |
| Government grants and subsidies related to income | **3,272** | 26,920 |
| Others | **149** | – |
| Total | **3,572** | 27,302 |

## 6. OTHER GAINS AND LOSSES

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Net foreign exchange losses | **(1,367)** | (4,000) |
| Fair value gains on financial assets at FVTPL | **342** | 44 |
| Gains on disposal of property, plant and equipment | **–** | 33 |
| Gains on termination of a lease contract | **–** | 240 |
| Others | **(341)** | (999) |
| Total | **(1,366)** | (4,682) |

## 7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Depreciation for property, plant and equipment | **51,858** | 42,573 |
| Depreciation for right-of-use assets | **8,837** | 8,976 |
| Gains on disposal of property, plant and Equipment | **–** | (33) |
| Gains on termination of a lease contract | **–** | (240) |
| Impairment losses on financial assets | | |
| – Impairment of trade receivables | **427** | 118 |
| Fair value gains on financial assets at FVTPL | **(342)** | (44) |
| Foreign exchange differences, net | **1,367** | 4,000 |
| Staff cost (including directors' emoluments): | | |
| – Independent non-executive directors' fee | **324** | 308 |
| – Salaries and other benefits | **69,314** | 81,212 |
| – Pension scheme contributions | **8,769** | 8,368 |
| – Share-based payment expenses | **13,469** | 9,782 |
| – Consultation fee | **501** | 533 |
| | **92,377** | 100,203 |
| Auditors' remuneration | **3,342** | 3,328 |
| Short-term lease payment | **107** | 376 |
| Government grants and subsidies related to income | **(3,272)** | (26,920) |
| Cost of inventories sold and services provided | **11,923** | 13,980 |
| Cost of intellectual property transfer agreement of CMAB806 | **–** | 1,395 |
| Cost of inventories recognised as expense (included in research and development expenses) | **15,682** | 18,966 |

## 8. FINANCE COSTS

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Interest on loans from a related party | **1,384** | 527 |
| Interest on bank and other borrowings | **5,642** | 3,937 |
| Interest on lease liabilities | **2,552** | 2,724 |
| Total | **9,578** | 7,188 |

## 9. INCOME TAX

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

Hong Kong profits tax is provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. 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 year.

Under the Law of the PRC of Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% throughout the reporting period.

In December 2021, Taizhou Pharmaceutical was reaccredited as a "High and New Technology Enterprise", therefore is entitled to a preferential tax rate of 15% for a three-year period since 2021. The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authority in the PRC for every three years and Taizhou Pharmaceutical should self-evaluate whether it meets the criteria of High and New Technology Enterprise each year.

Pursuant to Caishui [2018] circular No. 76, Taizhou Pharmaceutical can carry forward its unutilised tax losses for up to ten years. This extension of expiration period applies to all the unutilised tax losses that were carried forward by Taizhou Pharmaceutical at the effective date of the tax circular.

Pursuant to the relevant EIT Laws, Taizhou Pharmaceutical enjoyed a super deduction of 175% on qualifying research and development expenditures during the nine months from 1 January 2022 to 30 September 2022 and of 200% during the period from 1 October 2022 to 31 December 2023.

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate for the jurisdiction in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss before tax | **(209,356)** | (210,819) |
| Income tax expense calculated at 25% | **(52,339)** | (52,705) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions and enacted by local authority | **20,989** | 19,108 |
| Tax effect of expenses not deductible for tax purposes | **2,110** | 3,496 |
| Effect of research and development expenses that are additionally deducted | **(7,221)** | (12,062) |
| Tax effect of tax losses and deductible temporary differences not recognised | **36,461** | 42,163 |
| Income tax expense recognised in profit or loss | **–** | – |

The Group has unused tax losses of RMB1,264,261,000 available for offset against future profits as of 31 December 2023 (2022: RMB1,084,752,000). The tax losses of the entity will expire in one to ten years for offsetting against taxable profits of the companies in which the losses arose. The Group had deductible temporary differences of RMB207,972,000 at 31 December 2023 (2022: RMB157,027,000), which are mainly related to deferred income and accrued expenses.

Deferred taxation had not been 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.

## 10. DIVIDENDS

No dividend was paid or proposed for holders of ordinary shares of the Company for the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

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

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

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss attributable to ordinary equity holders of the Company for the purpose of calculating basic loss per share | **(209,356)** | (210,819) |

| | **2023** | 2022 |
|---|---|---|
| | ***'000*** | *'000* |
| Weighted average number of ordinary shares for the purpose of calculating basic loss per share | **4,124,080** | 4,124,080 |

The calculation of diluted loss per share amounts for the years ended 31 December 2023 and 2022 did not assume the exercise of the pre-IPO share options since its inclusion would be anti-dilutive.

## 12. LEASES

**The Group as a lessee**

The Group has lease contracts for various items of leasehold land and buildings used in its operations. Lump sum payments were made upfront to acquire the leased land from the owner with lease periods of 50 years, and no ongoing payments will be made under the terms of the land lease. Leases of buildings generally have lease terms between 3 and 18 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

***(a) Right-of-use assets***

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

| | **Leasehold land** | **Buildings** | **Total** |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2022 | 35,860 | 41,514 | 77,374 |
| Additions | – | 488 | 488 |
| Lease modification | – | 49 | 49 |
| Depreciation charge | (771) | (8,205) | (8,976) |
| Termination of a lease contract | – | (1,228) | (1,228) |
| As at 31 December 2022 and 1 January 2023 | **35,089** | **32,618** | **67,707** |
| Additions | **–** | **–** | **–** |
| Lease modification | **–** | **12,434** | **12,434** |
| Depreciation charge | **(771)** | **(8,066)** | **(8,837)** |
| As at 31 December 2023 | **34,318** | **36,986** | **71,304** |

***(b) Lease liabilities to third parties***

The carrying amount of lease liabilities to third parties and the movements during the year are as follows:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Carrying amount at 1 January | **32,394** | 33,010 |
| New lease | **–** | 488 |
| Lease modification | **12,434** | 49 |
| Accretion of interest recognised during the year | **2,121** | 2,020 |
| Termination of a lease contract | **–** | (1,468) |
| Payments | **(983)** | (1,750) |
| Exchange (gain)/loss | **(8)** | 45 |
| Carrying amount at 31 December | **45,958** | 32,394 |
| Analysed into: | | |
| Current portion | **12,612** | 8,442 |
| Non-current portion | **33,346** | 23,952 |

***(c) Lease liability to a related party***

The carrying amount of the lease liability to a related party and the movements during the year are as follows:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Lease liability to Biomabs *(note)*: | | |
| Carrying amount at 1 January | **9,235** | 12,680 |
| Accretion of interest recognised during the year | **431** | 704 |
| Payments | **(5,280)** | (4,149) |
| Carrying amount at 31 December | **4,386** | 9,235 |
| Analysed into: | | |
| Current portion | **4,386** | 4,849 |
| Non-current portion | **–** | 4,386 |

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

***(d)*** The amounts recognised in profit or loss in relation to leases are as follows:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Interest on lease liabilities to third parties | **2,121** | 2,020 |
| Interest on lease liability to a related party | **431** | 704 |
| Depreciation for right-of-use assets | **8,837** | 8,976 |
| Expense relating to short-term leases | **107** | 376 |
| Total amount recognised in profit or loss | **11,496** | 12,076 |

## 13. TRADE RECEIVABLES

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade receivables | **19,968** | 9,650 |
| Impairment | **(545)** | (118) |
| Total | **19,423** | 9,532 |

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 90 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 3 months | **16,454** | 8,357 |
| 4 to 6 months | **2,182** | 1,166 |
| 7 to 9 months | **109** | 9 |
| 10 to 12 months | **678** | – |
| Total | **19,423** | 9,532 |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| At beginning of year | **118** | – |
| Impairment losses | **427** | 118 |
| At end of year | **545** | 118 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

**As at 31 December 2023**

| | **With 3 months** | **4 to 6 months** | **7 to 9 months** | **10 to 12 months** | **Over 12 months** | **Total** |
|---|---|---|---|---|---|---|
| Expected credit loss rate | **0.56%** | **2.71%** | **9.06%** | **31.16%** | **100.00%** | **2.73%** |
| Gross carrying amount *(RMB'000)* | **16,547** | **2,243** | **120** | **985** | **73** | **19,968** |
| Expected credit losses *(RMB'000)* | **(93)** | **(61)** | **(11)** | **(307)** | **(73)** | **(545)** |
| Net amount *(RMB'000)* | **16,454** | **2,182** | **109** | **678** | **–** | **19,423** |

As at 31 December 2022

| | With 3 months | 4 to 6 months | 7 to 9 months | 10 to 12 months | Over 12 months | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.42% | 3.79% | 11.11% | 33.33% | 100.00% | 1.22% |
| Gross carrying amount *(RMB'000)* | 8,392 | 1,212 | 10 | – | 36 | 9,650 |
| Expected credit losses *(RMB'000)* | (35) | (46) | (1) | – | (36) | (118) |
| Net amount *(RMB'000)* | 8,357 | 1,166 | 9 | – | – | 9,532 |

## 14. PREPAYMENTS AND OTHER RECEIVABLES

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Other receivables | **979** | 1,484 |
| Prepayments for research and development Services | **11,280** | 7,651 |
| Other deposits and prepayments | **3,834** | 3,418 |
| VAT recoverable *(note)* | **22,991** | 29,180 |
| Total | **39,084** | 41,733 |

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

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2023 and 2022, the loss allowance was assessed to be minimal.

## 15. TRADE AND OTHER PAYABLES

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade payables | **10,012** | 16,586 |
| Accrued expenses for research and development services | **32,091** | 39,877 |
| Other payables for purchases of property, plant and equipment | **57,831** | 51,244 |
| Salary and bonus payables | **15,160** | 14,856 |
| Other taxes payable | **658** | 935 |
| Accrued listing expenses and issue costs | **11,189** | 11,037 |
| Other payables | **23,699** | 13,793 |
| Total | **150,640** | 148,328 |

Payment terms with suppliers are mainly on credit with 60 days from the time when the goods and/or services are received/rendered 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:

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 60 days | **4,467** | 9,794 |
| Over 60 days but within 1 year | **5,545** | 6,792 |
| Total | **10,012** | 16,586 |

Trade and other payables are unsecured, non-interest-bearing and repayable on demand.

## 16. SHARE CAPITAL

| | **2023** | 2022 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Issued and fully paid: | | |
| 4,124,080,000 (2022: 4,124,080,000) ordinary shares | **2,804** | 2,804 |

## OTHER INFORMATION

### Final Dividend

The Board does not recommend the payment of a final dividend for the year ended December 31, 2023.

### 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 the date of this announcement, 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 December 31, 2023, 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 December 31, 2023, we had a total of 347 employees, of which 102 are located in Shanghai and 245 are located in Taizhou. The table below sets forth a breakdown of our employees by function:

| **Function** | **Number of Employees** |
|---|---|
| Business units | **51** |
| R&D personnel[(1)] | **223** |
| Administration | **24** |
| Management | **49** |
| Total | **347** |

*Notes:*

(1) The number of R&D personnel here excludes 27 R&D team members who have been included in our management.

Our success depends on our ability to attract, recruit and retain qualified employees. We provide our employees with opportunities to work on cutting-edge biologics projects with world-class scientists. We aim to attract qualified employees with overseas educational backgrounds and relevant experience gained from global pharmaceutical or biotechnology companies. As of the date of this announcement, Dr. Wang Hao and Dr. Hou Sheng 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, 173 out of our 250 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 December 31, 2023, all of our employees at Taizhou were members of the labor union. We believe that we maintain a good working relationship with our employees. We had not experienced any material difficulty in recruiting employees for our operations during the Reporting Period and up to the date of this announcement.

## 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.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2023.

## 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 listed on the Stock Exchange during the Reporting Period.

## MATERIAL LITIGATION

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

## SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

## AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules. The Audit Committee consists of two independent non-executive Directors, namely Mr. Leung, Louis Ho Ming and Mr. Guo Liangzhong and one non-executive Director namely Mr. Jiao Shuge. Mr. Leung, Louis Ho Ming is the chairman of the Audit Committee.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended December 31, 2023 and has met with the independent auditor, Ernst & Young. 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 of the Company.

## IMPORTANT EVENTS AFTER THE REPORTING DATE

There are no important events undertaken by the Group after December 31, 2023 and up to the date of this announcement.

## ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on June 21, 2024 (the "**AGM**"). A notice convening the AGM will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mabpharm.cn) and will be dispatched to the Shareholders upon request within the prescribed time and in such manner as required under the Listing Rules.

## CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from June 18, 2024 to June 21, 2024, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, unregistered holders of shares must lodge all properly completed transfer forms accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on June 17, 2024.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mabpharm.cn).

The annual report for the year ended December 31, 2023 containing all the information required by Appendix D2 to the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

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

| | |
|---|---|
| "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 announcement |
| "Board" or "Board of Directors" | the board of Directors of the Company |
| "CDMO" | Contract Development and Manufacturing Organization |
| "CG Code" | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules |
| "CHO" | the ovary of the Chinese hamster |
| "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 on the Listing Date |
| "Core Product(s)" | has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this announcement, our Core Products include CMAB007, CMAB009 and CMAB008 |
| "Director(s)" | the director(s) of our Company |
| "EGFR" | epidermal growth factor receptor |
| "FDA" | Food and Drug Administration of the United States |
| "Global Offering" | has the meaning ascribed to it under the Prospectus |
| "GMP" | good manufacturing practices |
| "GPO" | group purchasing organizations |
| "Group", "our Group", "the Group", "we", "us", or "our" | the Company and its subsidiaries from time to time |
| "HK dollar" or "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |

| | |
|---|---|
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "IBD" | inflammatory bowel disease |
| "IgE" | immunoglobulin E |
| "Independent Third Party(ies)" | an individual(s) or a company(ies) who or which is/are not connected (within the meaning of the Listing Rules) with any Directors, chief executives or substantial shareholders (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates |
| "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 |
| "Main Board" | the Main Board of the Stock Exchange |
| "mCRC" | metastatic colorectal cancer |
| "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 |
| "PIC/S" | Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme |
| "PRC" or "China" | the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan |
| "Prospectus" | the prospectus issued by the Company on May 20, 2019 in connection with the Hong Kong public offering of the Shares |
| "Reporting Period" | twelve months from January 1, 2023 to December 31, 2023 |

| | |
|---|---|
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Shares" | ordinary share(s) in the capital of the Company with nominal value of US$0.0001 each |
| "Shareholder(s)" | holder(s) of Share(s) |
| "Sinomab" | Sinomab Limited (formerly known as Mabtech Limited), a limited liability company incorporated in the Cayman Islands on September 4, 2014, and a company which the controlling shareholder of the Company and its associate in aggregate indirectly control 66.67% voting rights as of the date of this announcement |
| "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 |
| "TNF α" | tumor necrosis factor |

**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, March 26, 2024

*As at the date of this announcement, the Board of Directors of the Company comprises Dr. Wang Hao, Mr. Tao Jing, Mr. Li Yunfeng, and Dr. Hou Sheng as executive Directors; Mr. Jiao Shuge and Dr. Qian Weizhu as non-executive Directors; and Mr. Guo Liangzhong, Dr. Zhang Yanyun and Mr. Leung, Louis Ho Ming as independent non-executive Directors.*

* *For identification purpose only*