JACOBIO PHARMACEUTICALS GROUP CO., LTD.

加科思藥業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1167)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND CHANGE IN USE OF PROCEEDS

The Board is pleased to announce the unaudited condensed consolidated interim results of our Group for the six months ended June 30, 2022, together with comparative figures for the six months ended June 30, 2021.

BUSINESS HIGHLIGHTS

During the Reporting Period, our Group continued advancing our drug pipeline and business operations, including the following milestones and achievements:

Progress of Core Pipeline Products:

- **JAB-3312 (SHP2 inhibitor)**

  We have completed the global Phase I dose escalation portion for the combination of JAB-3312 and a KRAS G12C inhibitor Sotorasib in July 2022.

  In China, we have received the IND approval of Phase I/IIa clinical trial of JAB-3312 in combination with our KRAS G12C inhibitor JAB-21822 and the first patient was dosed in May 2022. Partial response (PR) was observed in the first NSCLC patient enrolled in the first dose level.

- **JAB-21822 (KRAS G12C inhibitor)**

  The preliminary clinical data of the Phase I study of JAB-21822 in advanced solid tumors in China was reported at the 2022 annual meeting of American Society of Clinical Oncology ("**2022 ASCO Annual Meeting**") in June 2022. We have also initiated the Phase II dose expansion in China and a total of 50 NSCLC patients at the RP2D have been treated as of July 31, 2022. With the favorable efficacy and safety profile, the pivotal trial in patients with NSCLC harboring KRAS G12C mutation is expected to start in the second half of 2022.

  In the U.S. and Europe, the first patient with tumors harboring KRAS G12C mutation of the Phase I trial was dosed in September 2021 and May 2022, respectively. The Phase II dose expansion is targeted in the fourth quarter of 2022.

The Phase I dose escalation of JAB-21822 in combination with an anti-EGFR antibody cetuximab was completed in June 2022. The first patient for the Phase IIa dose expansion of JAB-21822 in combination with an anti-EGFR antibody cetuximab was treated in July 2022.

We have received the IND approval for JAB-21822 monotherapy Phase I/IIa trial in NSCLC patients with STK-11 co-mutation and the first patient is expected to be enrolled in September 2022.

Progress of Other Products:

- **JAB-8263 (BET inhibitor)**

  The first patient of the Phase I dose escalation portion in China for solid tumors was successfully dosed in February 2022.

- **JAB-2485 (Aurora A kinase inhibitor)**

  We are in the process of launching a Phase I/IIa trial of JAB-2485 in the U.S. and China. In the U.S., we received the IND approval of JAB-2485 for a Phase I/IIa trial from the U.S. FDA in January 2022. In China, the IND application for a Phase I/IIa trial was submitted to the NMPA in August 2022.

- **JAB-BX102 (CD73 inhibitor)**

  We have received the IND approval for Phase I trial in advanced solid tumors from the NMPA in March 2022.

- **JAB-26766 (PARP7 inhibitor)**

  JAB-26766 is an orally bioavailable small-molecule PARP7 inhibitor, targeting immuno-oncology pathway for the treatment of a variety of solid tumors. We remain on track to submit the IND application in the fourth quarter of 2022.

- **JAB-23400 ($KRAS^{multi}$ inhibitor)**

  JAB-23400 is a first-in-class, orally bioavailable, $KRAS^{multi}$ inhibitor. It can potently inhibit the activity of multiple KRAS mutants in both RAS (ON) and RAS (OFF) states, including KRAS G12X (G12D, G12V, G12R, G12S and G12A), G13D and Q61H, with no inhibition of HRAS and NRAS. Tumor regression was achieved by oral administration in LS513 (KRAS G12D) and SW403 (KRAS G12V) models. The drug candidate was nominated in February 2022 and the IND application is expected to be submitted in 2023.

- **JAB-30300 (P53 Y220C inhibitor)**

  JAB-30300 is an orally bioavailable small molecule for the treatment of patients with locally advanced or metastatic solid tumors harboring P53 Y220C mutation. The drug candidate was nominated in June 2022 and the IND application is expected to be submitted in 2023.

Our iADC Programs:

- We have leveraged our strength in small-molecule drug discovery and development designing innovative immune-stimulators as payloads and built our immunostimulatory antibody-drug conjugate (iADC) platform. Our novel iADC program using immune-stimulators, including Stimulator of Interferon Genes (STING) and other novel small-molecules, as payloads have the potential to address the challenges of both the toxicity caused by the conventional ADC and the low response rate in current immune-checkpoint inhibitors (ICIs) therapy.

FINANCIAL HIGHLIGHTS

Revenue

We recorded RMB54.7 million for the six months ended June 30, 2022 which was attributable to R&D costs reimbursement generated from the license and collaboration agreement with AbbVie regarding the R&D, manufacture and commercialization of our SHP2 inhibitors.

Research and Development Expenses

Our research and development expenses increased by RMB54.9 million or 45.1% from RMB121.7 million for the six months ended June 30, 2021 to RMB176.6 million for the six months ended June 30, 2022, primarily due to the advancements of our clinical candidates, the expansion of pre-clinical research portfolio and the increased staff costs accompanies with the expanding of relative R&D departments.

Administrative Expenses

Our administrative expenses increased by RMB4.3 million or 23.2% from RMB18.5 million for the six months ended June 30, 2021 to RMB22.8 million for the six months ended June 30, 2022. This was primarily attributable to the increase of employee benefit expenses and other administrative expenses in line with our business expansion.

Loss for the Period

As a result of the above factors, the loss for the period decreased from RMB136.6 million for the six months ended June 30, 2021 to RMB127.8 million for the six months ended June 30, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Tremendous progress in cancer biology in the past several decades has elucidated several critical cellular pathways involved in cancer, including Kirsten rat sarcoma 2 viral oncogene homolog (KRAS), MYC proto-oncogene (MYC), P53 and Retinoblastoma (RB), as well as certain immune checkpoints such as programmed cell death protein-1 or its ligand (PD-(L)1) checkpoint and tumor metabolic pathway, that are implicated in more than 70% of total cancer incidence. However, many known targets in these pathways including protein tyrosine phosphatases (PTPs) like Src homology region 2 domain-containing phosphatase-2 (SHP2) and GTPases like KRAS, among others, that play crucial roles in tumorigenesis, have until recently been deemed "undruggable," owing to a variety of drug discovery challenges.

We are a clinical-stage pharmaceutical company focusing on the in-house discovery and development of innovative oncology therapies. Established in July 2015, we are an explorer in developing clinical-stage small-molecule drug candidates to modulate enzymes by binding to their allosteric sites, i.e., sites other than the active site that catalyzes the chemical reaction, in order to address targets which are lack easy-to-drug pockets where drugs can bind. Besides, we are also developing novel candidates with new modalities, spanning from small molecule and monoclonal antibody to iADC and cell therapy.

We intend to proactively explore and enter into strategic and synergistic partnerships with leading multinational corporations (MNCs), as exemplified by the collaboration with AbbVie Ireland Unlimited Company ("**AbbVie**"), a wholly-owned subsidiary of AbbVie Inc. (NYSE: ABBV), for our innovative, allosteric SHP2 inhibitors. Such partnerships pool complementary expertise and resources to increase the chances of success for our drug candidates and ensure maximization of their clinical and commercial value on a global scale.

For details of any of the foregoing, please refer to the rest of this announcement, and, where applicable, the Prospectus and prior announcements published by our Company on the websites of the Stock Exchange and our Company.

Our Products and Product Pipeline

In the past six years, by leveraging our proprietary technologies and know-how in drug discovery and development, we have developed an innovative pipeline of drug candidates, including six assets in Phase I/II trials and several others at the IND-enabling stage. These drug candidates may have broad applicability across various tumor types and demonstrate combinatorial potential among themselves.

The following charts summarizes our pipeline, the development status of each clinical candidate and selected IND-enabling stage candidates as of the date of this announcement.

Clinical stage candidates

	Asset	Regimen	Indications	IND	Phase I	Phase II	Recent development	Upcoming Milestone (expected)
Clinical	**JAB-3312** SHP2 abbvie	Combo w/KRAS G12Ci	KRAS G12C mut NSCLC	*Global trial* +			Phase IIa initiated in Jul 2022	
		Combo w/EGFRi	Osimertinib progressed NSCLC	*Global trial* +			FPI in Jan 2022	
		Combo w/PD-1 mAb	NSCLC, HNSCC, ESCC	*Global trial* +			Phase IIa initiated with FPI in Feb 2022	
		Mono	BRAF class 3/ NF1 LOF mutant solid tumors	*US and China trial* *				
	JAB-3068 SHP2 abbvie	Mono	ESCC, HNSCC, NSCLC, ACC	*US and China trial*				
		Combo w/PD-1 mAb	ESCC, HNSCC, NSCLC	*China trial*				
	JAB-21822 KRAS G12C (RAS pathway)	Mono	NSCLC	*China trial*			Phase II initiated with FPI in Mar 2022	Pivotal trial expected to start in 2022 2H
		Mono	CRC, PDAC and other solid tumors	*China trial*			Phase IIa initiated with FPI in Mar 2022	
		Mono Combo w/EGFR mAb	NSCLC, CRC, PDAC	*Global trial*			FPI in May 2022 in Europe	Expansion portion to be initiated in 2022 2H
		Mono	NSCLC with STK-11 co-mutation	*China trial*				FPI (2022 Q3)
		Combo w/SHP2i	Advanced solid tumors	*China trial* +			FPI in May 2022	
		Combo w/EGFR mAb	CRC	*China trial* +			Phase IIa initiated with FPI in Jul 2022	
		Combo w/PD-1 mAb	NSCLC	*China trial* +				FPI (2023 1H)
	JAB-8263 BET (MYC pathway)	Mono	Solid tumors	*US trial*				RP2D to be determined in 2022 Q4
		Mono	Solid tumors	*China trial*			FPI in Feb 2022	
		Mono Combo w/JAKi	MF and AML	*China trial*				
	JAB-BX102 CD73 mAb (I/O)	Mono Combo w/PD-1 mAb	Solid tumors	*Global trial*			IND (NMPA) approved in Mar 2022	FPI (2022 Q3)
	JAB-2485 Aurora A (RB pathway)	Mono	Solid tumors	*Global trial*			IND (FDA) approved in Jan 2022	FPI (2022 Q4)

Notes:

**:* *We have initiated or will initiate Phase IIa study directly after RP2D is determined.*

+: *We have initiated or will initiate Phase Ib/IIa studies directly once we receive IND approval.*

Pre-clinical stage candidates

	Asset	Target	Modality	Lead optimization	Candidate IND-enabling	IND Schedule	Indications	Recent development
IND-Enabling	JAB-23400	KRAS^{multi} (RAS pathway)	Small molecule			2023	PDAC, CRC, NSCLC	Candidate nominated, entering into IND-enabling studies in Feb 2022
	JAB-30300	P53 Y220C (P53 pathway)	Small molecule			2023	Solid tumor	Candidate nominated, entering into IND-enabling studies in Jun 2022
	JAB-26766	PARP7 (I/O)	Small molecule			2022 Q4	Solid tumor	Candidate nominated, entering into IND-enabling studies in Jan 2022
	JAB-24114	Undisclosed (Tumor metabolic pathway)	Small molecule			2022 Q4	Solid tumor, Hematological malignancies	Candidate nominated, entering into IND-enabling studies in Mar 2021
	JAB-BX300	Undisclosed (RAS pathway)	Monoclonal antibody			2022 Q4	Solid tumor	Candidate nominated, entering into IND-enabling studies in Mar 2021
Lead Optimization	JAB-BX400	HER2 (I/O)	iADC			2024	Solid tumor	Payload has been selected and patent filed in Dec 2021
	JAB-X1800	CD73 (I/O)	iADC			2024	Solid tumor	Payload has been selected and patent filed in Dec 2021
	JAB-22000	KRAS G12D (RAS pathway)	Small molecule			2024	PDAC, CRC, NSCLC	Lead series identified and patent filed in Nov 2020

We believe there is tremendous potential for combinatorial strategy among our in-house pipeline assets. For instance, KRAS inhibitors can result in treatment resistance. Based on our pre-clinical studies and other publications, SHP2 inhibitors (upstream of the RAS pathway) may potentially be the ideal combinational partners for KRAS inhibitors to circumvent the adaptive drug resistance. Based on the strong rationale of the double blockade of SHP2 and KRAS G12C, we have prioritized the clinical development of SHP2 inhibitor plus KRAS G12C combination. In fact, the Phase I dose escalation of JAB-3312 and Sotorasib (KRAS G12C inhibitor, Amgen, U.S.) trial has been completed and the Phase IIa dose expansion was open for enrollment in the U.S. at the end of July 2022. In addition, the first patient in the combination trial of JAB-3312 and our KRAS G12 inhibitor JAB-21822 in China was dosed in May 2022.

Business Review

Our Clinical Stage Drug Candidates

We made tremendous progress in clinical development of our assets in the first half of 2022. A total of seven new studies were initiated and first patient enrollments (FPIs) into those trials were achieved in the first half year. Moreover, the Phase I/IIa dose escalation and expansion trial of the KRAS G12C inhibitor JAB-21822 monotherapy trial in China were completed. The preliminary data reported at the 2022 ASCO Annual Meeting showed that JAB-21822 has promising efficacy and a well-tolerated safety profile. The pivotal trial for JAB-21822 monotherapy in China will be launched in the second half of 2022.

- ***JAB-3068 & JAB-3312***

  Our lead drug development programs include two clinical-stage, oral allosteric SHP2 inhibitors (JAB-3068 and JAB-3312), for the potential treatment of cancers driven by RAS signaling pathway and immune checkpoint pathway. We believe SHP2 inhibition is a promising novel therapeutic approach either as a monotherapy or in combination with other therapies for treating multiple cancer types. JAB-3068 is the second SHP2 inhibitor received the IND approval from the U.S. FDA to enter clinical development. In the U.S., JAB-3068 and JAB-3312 have received an orphan drug designation from the U.S. FDA for the treatment of esophageal cancer. The current issued patents and published patent applications have already provided a broad scope of protection for SHP2 inhibitors, as the established players in this field have built a wall of the patent that is hard for any newcomers to circumvent, and therefore enlarged our first-mover advantages in the market. Key highlights of the SHP2 program over the Reporting Period are listed below.

  - **JAB-3312 in Combination with KRAS G12C Inhibitor/EGFR Inhibitor/anti-PD-1 Antibody/MEK Inhibitor**

    JAB-3312 in combination with KRAS G12C inhibitor

    Global Study

    We have completed the Phase I dose escalation for JAB-3312 combining with Sotorasib in July 2022.

    The Phase IIa dose expansion portion in KRAS G12C treatment naïve NSCLC patients is ongoing.

    China Study

    The IND application for JAB-3312 in combination with JAB-21822 was approved by the NMPA in January 2022. A Phase I/IIa, open-label, multi-center, dose-escalation and expansion clinical trial in China was subsequently initiated to explore the safety, tolerability and preliminary efficacy of the combination therapy of JAB-3312 and JAB-21822 in advanced solid tumors with KRAS G12C mutation.

    The first patient was successfully dosed in May 2022. The Phase I dose escalation is ongoing. Partial response was observed in the first NSCLC patient enrolled in the first dose level. Both KRAS G12C treatment for naïve and resistant patients will be enrolled in Phase IIa expansion stage in the fourth quarter of 2022.

JAB-3312 in combination with EGFR inhibitor

The global Phase I dose escalation for JAB-3312 in combination with osimertinib is ongoing. The early clinical response with confirmed PR was observed in one EGFR inhibitor resistant NSCLC patient.

JAB-3312 in combination with anti-PD-1 antibody or MEK inhibitor

We have initiated a global Phase Ib/IIa trial to evaluate JAB-3312 in combination with either pembrolizumab or binimetinib for patients with advanced solid tumors.

We had completed Phase I dose finding portion trial of JAB-3312 in combination with pembrolizumab in the U.S. The Phase IIa dose exploration is being carried out in China. Early clinical response was observed in patients with certain tumor types.

The Phase I dose escalation portion of JAB-3312 in combination with binimetinib is closed to enrollment.

- **JAB-3312 and JAB-3068 Monotherapy**

Monotherapy studies for both JAB-3312 and JAB-3068 have identified the maximum tolerated dose (MTD) and RP2D. In both U.S. and China, Phase I or Phase I/IIa trials in ESCC, HNSCC and NSCLC are closed to enrollment.

- **JAB-3068 in Combination with anti-PD-1 antibody in China**

The Phase I dose optimization for JAB-3068 in combination with anti-PD-1 antibody (JS-001) is in the final stage in China. We observed the clinical response in patients with certain tumor types. The Phase I study is expected to complete by the end of this year.

- **Collaboration with AbbVie**

We have entered into a license and collaboration agreement with AbbVie to develop and commercialize our SHP2 inhibitors on a global basis in May 2020, including JAB-3068 and JAB-3312 (the "**SHP2 Products**"). Under the license and collaboration agreement, subject to our option (the "**PRC Option**") to exclusively develop and commercialize our SHP2 inhibitors in China, Hong Kong and Macau (the "**Territory**"), which we exercised in September 2020, we have granted AbbVie a worldwide, exclusive, sublicensable license to research, develop, manufacture, commercialize and otherwise exploit our SHP2 inhibitors. As we have exercised the PRC Option, we have the exclusive rights (even as to AbbVie and its affiliates) to develop, commercialize and, if we elect to, manufacture such SHP2 Products to seek regulatory approval of and to commercialize in the Territory and, subject to limited exceptions, we are entitled to retain the final decision-making power, over all development, commercialization, manufacturing and regulatory activities to support regulatory approval of our SHP2 Products in the Territory.

This collaboration provides strong validation of our internally discovered SHP2 programs and ensures maximization of their medical and commercial value on a global scale.

For more details of our collaboration with AbbVie, please refer to the paragraphs headed "Business – III. Collaboration with AbbVie" of the Prospectus.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that the JAB-3312 and JAB-3068 will ultimately be successfully developed and marketed by our Company. Shareholders of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

- ***JAB-21822***

Our lead KRAS inhibitor candidate, JAB-21822, is a potent, selective and bioavailable small molecule targeting mutant KRAS G12C protein, and it has demonstrated promising pre-clinical antitumor activity either as a single agent or in combination with other anti-cancer drugs, such as SHP2 inhibitor, anti-EGFR antibody and anti-PD-1 antibody. In our internal head-to-head pre-clinical animal studies, JAB-21822 has shown a favorable pharmacokinetics (PK) profile and tolerability as well as the potential for a superior dosing profile in comparison with Amgen's and Mirati's KRAS G12C inhibitors (which we internally synthesized based on published molecular structures).

During the Reporting Period, we have achieved following progress or milestones:

o **JAB-21822 Monotherapy**

China Study

In China, the Phase I dose escalation of JAB-21822 in patients with tumors harboring a KRAS G12C mutation was completed. 56 patients with advanced solid tumors harboring KRAS G12C mutation were enrolled in five dose level (QD, BID and TID regimen) within seven months, illuminating our robust clinical research and drug development capability.

In March 2022, multiple Phase II expansion cohorts were initiated, and as of July 31, 2022, a total of 50 NSCLC patients at the RP2D have been treated. Multiple cohorts are ongoing in parallel for CRC, PDAC and other solid tumor patients with KRAS G12C mutation. With the favorable efficacy and safety profile, the pivotal trial in patients with NSCLC harboring KRAS G12C mutation is expected to start in the second half of 2022.

Phase I preliminary clinical data of JAB-21822 monotherapy trial in China, particularly the NSCLC cohort, was reported at the 2022 ASCO Annual Meeting in June 2022, the details of which are set out as below:

- As of April 1, 2022, the Phase I clinical data of NSCLC patients with KRAS G12C mutation shows that the overall response rate (ORR) was 56.3% (18/32) and the disease control rate (DCR) was 90.6% (29/32). In 400mg QD and 800mg QD cohorts, the ORR was 66.7% (8/12) and the DCR was 100% (12/12). JAB-21822 was well tolerated with no DLTs in the dose escalation phase. The clinical trial is still ongoing and remains open to enrollment.

Global Study

The IND application of Phase I trial of JAB-21822 in patients with solid tumors harboring a KRAS G12C mutation in both monotherapy and in combination with anti-EGFR antibody cetuximab was approved by U.S. FDA in May 2021. Regulatory submissions in three European countries and Israel were also completed in 2021.

The first patient of monotherapy has been successfully dosed in September 2021 in the U.S. and in May 2022 in Europe, respectively. The Phase I dose escalation for JAB-21822 global study was completed in August 2022 and the Phase II dose expansion portion is expected to be initiated in the third quarter of 2022.

- **JAB-21822 in Combination with anti-EGFR Antibody Cetuximab in China**

The IND application for JAB-21822 in combination with anti-EGFR antibody cetuximab was approved in China in December 2021. A Phase I/IIa, open-label, multi-center, dose-escalation and expansion clinical trial in China was initiated to explore the safety, tolerability and preliminary efficacy of the combination therapy of JAB-21822 and cetuximab in advanced colorectal cancer with KRAS G12C mutation.

The Phase I dose escalation was completed in June 2022. The first patient for Phase IIa dose expansion was treated in July 2022.

- **JAB-21822 Monotherapy in NSCLC Patients with STK-11 Co-mutation in China**

The IND application for JAB-21822 monotherapy in NSCLC patients with serine/threonine kinase 11 (STK-11) co-mutation was approved by the NMPA in October 2021. A Phase I/IIa, open-label, multi-center, dose-escalation and expansion clinical trial in China was initiated aiming to explore the safety, tolerability and preliminary efficacy. The clinical trial focuses on the first line NSCLC patient who have KRAS G12C and STK-11 co-mutation. The first patient for Phase I dose escalation is expected to be enrolled in September 2022.

- **Combination Therapy with anti-PD-1 Antibody in China**

The IND application for the Phase I/IIa trial of JAB-21822 in combination with anti-PD-1 antibody was approved by the NMPA in October 2021. We are optimizing clinical development strategy for JAB-21822 in combination with anti-PD-1 antibody to better position this combo therapy considering the current NSCLC treatment landscape and other KRAS G12C inhibitors' global approval status. The first patient is expected to be enrolled in the first half of 2023.

We will continue to proactively communicate with regulatory authorities in the respective major markets and pursue opportunities for expedited track of regulatory approval or designations with preferential treatment, such as breakthrough therapies. In addition, we have been exploring the potential synergistic combinations by working with potential, value-adding collaborators, and to maximize the clinical and commercial value of our drug candidates on a global scale.

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- ***JAB-8263***

  Our JAB-8263 is an innovative, selective and potent small molecule inhibitor of BET family proteins, which plays a key role in tumorigenesis by controlling the expression of oncogenes such as c-Myc. We are evaluating JAB-8263 for the treatment of various solid tumors such as NMC, NSCLC, SCLC, CRPC, ESCC and ovarian cancer, and hematological malignancies such as MF and AML.

  - **Solid Tumors**

    The Phase I dose escalation is ongoing in the U.S. and China. The first patient was enrolled in the U.S. in November 2020. The first patient of Phase I dose escalation portion in China for solid tumors was successfully dosed in February 2022. By leveraging clinical data from both U.S. and China in real time, we expect to expedite the comprehensive assessment of drug safety, tolerability and preliminary efficacy on a global scale.

  - **MF and AML**

    The Phase I dose escalation of JAB-8263 in hematological malignancies in China is ongoing. The enrollment of the first patient in China was completed in April 2021.

  To date, JAB-8263 has demonstrated favorable safety and tolerability comparing with other BET inhibitors in clinical development. RP2D is expected to be determined in the fourth quarter of 2022. Further expansion will be determined once RP2D is identified.

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- ***JAB-2485***

  JAB-2485 is an oral highly selective small molecule Aurora A kinase inhibitor. JAB-2485 can inhibit Aurora A activity, induce apoptosis and inhibit tumor growth. As of the date of this announcement, there is no commercialized Aurora A inhibitor globally. Pre-clinical data show that JAB-2485 is a highly selective inhibitor, and the inhibitory activity of Aurora A is one thousand times higher than that of Aurora B. JAB-2485 may potentially benefit patients with RB loss tumors, such as small cell lung cancer and triple negative breast cancer.

  We are in the process of launching a Phase I/IIa trial of JAB-2485 in the U.S. and China. We received the IND approval of JAB-2485 for a Phase I/IIa trial from the U.S. FDA in January 2022. Study startup activities are ongoing at several U.S. sites, and we expect to dose the first patient in the fourth quarter of 2022 in the U.S. Furthermore, this is the first global trial managed by our internal clinical team without oversea clinical CRO's support, which is also a milestone to demonstrate the global clinical development capacity and capability of our clinical team. In China, the IND application for a Phase I/IIa trial was submitted to the NMPA in August 2022.

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- ***JAB-BX102***

  JAB-BX102 is a humanized monoclonal antibody against CD73, a key protein involved in the adenosine pathway. Combination of JAB-BX102 with immune checkpoint inhibitor such as anti-PD-(L)1 antibodies can result in synergistic anti-tumor effect. JAB-BX102 is our first large molecule program entered into clinical stage.

  We received the IND approval for a Phase I/IIa trial of JAB-BX102 in advanced solid tumors from the U.S. FDA in October 2021 and the NMPA in March 2022, respectively. Study startup activities are ongoing, and we expect to enroll the first patient in China in the third quarter of 2022. Once the Phase I dose escalation stage is completed, U.S. patients will participate in the Phase IIa dose expansion for which they will receive the combination of JAB-BX102 and pembrolizumab.

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Our Pre-clinical Drug Candidates (Small Molecule or Monoclonal Antibody)

We have also developed a diverse pipeline of assets targeting various other major and critical pathways involved in cancer (including RAS, MYC, P53, RB, immuno-oncology and tumor metabolic pathways) and have demonstrated potential to be among the first few market entrants in their respective drug classes globally. These include potentially first-in-class and/or best-in-class innovative drug candidates against novel or validated targets. We will continue to advance the drug discovery and development of these portfolio assets in both China and the U.S. in parallel, and actively explore possible combinations amongst our own pipeline drug candidates.

- ***Leading Pre-clinical Stage Drug Candidates***

  - **JAB-23400** – JAB-23400 is a first-in-class, orally bioavailable, $KRAS^{multi}$ inhibitor. It can potently inhibit the activity of multiple KRAS mutants in both RAS (ON) and RAS (OFF) states, including KRAS G12X (G12D, G12V, G12R, G12S and G12A), G13D and Q61H, with no inhibition of HRAS and NRAS.

In pre-clinical studies, JAB-23400 exhibited an acceptable oral bioavailability both in rodents and non-rodents species. JAB-23400 also showed an excellent anti-tumor effect in KRAS G12X (G12D, G12V, G12R, G12S and G12A), G13D, and Q61H mutant tumor xenografts. Tumor regression was achieved by oral administration in LS513 (KRAS G12D) and SW403 (KRAS G12V) models. According to the pre-clinical data, it is predicted that JAB-23400 will have an acceptable exposure on human.

The drug candidate was nominated in February 2022 and the IND application is expected to be submitted in 2023. To date, there is no small-molecule $KRAS^{multi}$ inhibitor that targets both RAS (ON) and RAS (OFF) states in clinical stage globally. Therefore, JAB-23400 has the potential to be among the first few market entrants.

- **JAB-30300** – JAB-30300 is an orally bioavailable small molecule for the treatment of patients with locally advanced or metastatic solid tumors harboring P53 Y220C mutation. JAB-30300 was nominated as clinical candidate in June 2022. It has shown favorable PK properties in different species and tumor regression was achieved in different CDX mice models.

  IND application is expected to be submitted in 2023. Currently, there is only one program in the Phase I clinical stage in respective drug classes globally. Therefore, JAB-30300 has the potential to be among the first few market entrants.

- **JAB-26766** – JAB-26766 is an orally bioavailable small-molecule PARP7 inhibitor, targeting immuno-oncology pathway for the treatment of a variety of solid tumors such as SCLC, HNSCC and ESCC. PARP7 acts as a brake in type I interferon (IFN) signaling in a TBK1-dependent manner. JAB-26766 has exhibited favorable in vitro cell inhibition activities and selectivity. Higher exposure in mice and dog was seen for JAB-26766 per oral administration which led to substantial tumor inhibition activities in different tumor models.

  JAB-26766 is currently at the IND-enabling stage and the IND application is expected to be submitted in the fourth quarter of 2022. Currently, there is only one program in the Phase I clinical stage in respective drug classes globally, therefore JAB-26766 has the potential to be among the first few market entrants.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that the JAB-23400, JAB-30300 and JAB-26766 will ultimately be successfully developed and marketed by our Company. Shareholders of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

- ***Other Pre-clinical Stage Drug Candidates***

  - **JAB-24114** – JAB-24114 is targeting tumor metabolic pathway developed for the treatment of solid tumors including NSCLC and HNSCC. Tumor metabolism has emerged as a promising new field for cancer drug discovery. Through genetic mutations that alter fundamental metabolic pathways, tumor cells can acquire the ability to grow in an uncontrolled manner, but they also acquire dependencies that can differentiate them from normal cells. JAB-24114 can also be used in combination with SHP2 inhibitors or KRAS inhibitors. The first patent filing was made in May 2020. Currently there is only one program in the Phase I clinical stage in respective drug classes globally. Therefore, JAB-24114 has the potential to be among the first few market entrants. JAB-24114 is currently at the IND-enabling stage. We remain on track to submit an IND application for JAB-24114 in the fourth quarter of 2022.

  - **JAB-BX300** – JAB-BX300 is a large molecule antibody targeting RAS pathway for the treatment of pancreatic and other solid tumors with KRAS mutations. The first patent filing was submitted in September 2019. Currently there is only one program in the Phase I clinical stage in respective drug classes globally. Therefore, JAB-BX300 has the potential to be among the first few market entrants. JAB-BX300 is currently at the IND-enabling stage. We remain on track to submit an IND application for JAB-BX300 in the fourth quarter of 2022.

  - **JAB-22000** – JAB-22000 is a small-molecule KRAS G12D inhibitor. Lead series with high potency and selectivity have been identified and our first patent filing was made in November 2020. Subsequent patent filings have covered multiple directions. It is currently in lead optimization stage, targeting to submit the IND application in 2024. Currently there is no clinical stage small molecule KRAS G12D programs globally. Therefore, JAB-22000 has the potential to be among the first few market entrants.

  Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that the JAB-24114, JAB-BX300 and JAB-22000 will ultimately be successfully developed and marketed by our Company. Shareholders of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

Our iADC Programs

A growing body of ADCs are currently in clinical development, some of which had been approved by the U.S. FDA, verifying the concept of "magic bullet". However, these conventional ADCs, which use toxins as payloads, have demonstrated obvious toxicity because the toxin molecules can be delivered to the normal tissues. These safety concerns limit the application of conventional ADCs. Meanwhile, checkpoint immunotherapies have revolutionized the field of cancer therapeutics, yet a substantial subset of patients fail to respond. A major factor involved in initial resistance to current ICIs is the lack of T cell infiltration into tumor, characterizing the so-called "cold tumor". Immuno-stimulators can enhance the filtration of immune cells and turned the tumor from "cold" to "hot".

We have leveraged our strength in small-molecule drug discovery and development designing innovative immune-stimulators as payloads and built our iADC platform. Our novel iADC program using immune-stimulators, including STING and other novel small molecules as payloads have the potential to address the challenges of both the toxicity caused by the conventional ADC and the low response rate in current ICI therapy.

- ***STING-iADC Programs – Unique Payload to Support Multiple iADC Programs***

  Recent efforts have been focused on identifying targets that could elicit or augment anti-tumor immune responses. One of such novel targets is STING, an endoplasmic protein that stimulates innate immune and turn "cold" tumor to "hot" by inducing the production of pro-inflammatory cytokines such as IFNs.

  There are already multiple projects in clinical stage evaluating the efficacy and safety of either intratumoral injection or systemic administration of STING agonist. Although such approaches have shown many therapeutic benefits, including potent anti-tumor activity, the therapeutic window was limited by immune-related toxicity, such as cytokine release syndrome (CRS).

  By specifically delivering highly potent STING agonist into tumor associated antigen (TAA) expressing tumor cell, rationale designed iADC could locally activate anti-tumor activity to boost the tumor specific innate/adaptive immune response and avoid the risk of systemic immune-related adverse effect.

  JAB-27670 is a highly potent novel non-cyclic dinucleotide (non-CDN) small-molecule STING agonist designed with sub-nanomolar activity, which is suitable to be used as payload through our internal evaluation. It has exhibited a potent and durable tumor inhibition in CT26 and MC38 CDX models at a low dose (0.6 mg/kg, Q3D) and was validated in HER2 and CD73 targets internally.

  - ***JAB-BX400 (a STING-iADC product candidate targeting HER2)***

    By using JAB-27670 as payload, we have developed our in-house HER2-STING iADC (JAB-BX400). HER2, also known as ERBB-2 or neu, is a protein tyrosine kinase receptor encoded on chromosome 17q12. High HER2 expression can lead to the enhanced proliferation of various malignant tumor cells. Our HER2-STING iADC showed excellent features in pre-clinical studies, including favorable physicochemical properties at even high drug to antibody ratio value, hundreds to thousands fold improvement in activity over the free STING payload, and complete and durable tumor regression with only single dose (1 mg/kg) in SK-OV-3 CDX model.

    Based on the excellent in vivo efficacy of our HER2-STING iADC, we are planning to nominate a candidate in the fourth quarter of 2022. IND application is expected to be submitted in 2024.

- ***JAB-X1800 (a STING-iADC product candidate targeting CD73)***

  By using JAB-27670 as payload, we have developed our in-house CD73-STING iADC (JAB-X1800). CD73 has emerged as a negative regulator of cancer immunity, which is thought to involve its enzyme product adenosine, an immunosuppressive molecule that can act on numerous immune-effector cells and suppressor cells. Our anti-CD73 antibody (JAB-BX102) can strongly inhibit CD73 enzyme activity and improves tumor immune microenvironment.

  We are developing a novel iADC connecting JAB-BX102 and JAB-27670 with a cleavable linker, which could deliver the potent STING agonist into CD73-expressing tumor cell specifically and inhibit CD73 function as well. The strategy of double stimulation of immunity in tumor microenvironment (TME) could be a promising monotherapy or combination approach for cancer therapy.

  JAB-X1800 is in lead optimization stage and IND application is expected to be submitted in 2024.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that our iADC Platform, JAB-BX400 and JAB-X1800 will ultimately be successfully developed and marketed by our Company. Shareholders of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

Corporate Development

We have a solid patent portfolio to protect our drug candidates and technologies. As of June 30, 2022, we owned 228 patents or patent applications that are filed globally, of which 37 patents have been issued or allowed in major markets globally.

Impact of the COVID-19 Outbreak

The management of our Company expected that clinical trials in and outside mainland China will not be significantly affected by the outbreak of COVID-19. Since the outbreak, we have deployed various measures to mitigate any impact the COVID-19 pandemic may have on our business, especially our ongoing clinical trials. We have endeavored to provide a safe work environment and adopted a thorough disease prevention scheme to protect our employees. There remains uncertainty regarding the future impact of the pandemic globally. Our Company is striving to minimize delays and disruptions and we believe that the COVID-19 pandemic did not significantly and materially affect our operation. However, the potential negative impact on our global operations in the future, including clinical trial recruitment and participation and regulatory interactions, may be difficult to predict.

Future and Outlook

We are a front runner in selecting, discovering and developing potential first-in-class therapies with innovative mechanisms for global oncology treatment. By continuing to strengthen our drug discovery platform and to advance our pipeline, we expect to obtain global market leadership with a number of transforming therapies and expect to benefit cancer patients significantly. In addition, we also plan to add world-class manufacturing and commercialization capabilities to our integrated discovery and development platform as we achieve clinical progress and anticipate regulatory approvals.

In the near term, we plan to focus on pursuing the following significant opportunities:

- **Develop our SHP2 assets in China and worldwide**

  We are one of the early movers globally in developing allosteric drugs, including two lead assets – SHP2 inhibitors and KRAS G12C inhibitor, which we expect to be the key revenue drivers. By executing the global clinical development plan in an efficient and timely manner, we believe that we can establish our SHP2 inhibitors as backbone drugs for multiple solid tumors.

  In addition, as we have both SHP2 and KRAS assets in our pipeline, we are well-positioned to explore the clinical benefits of this combination therapy.

- **Develop, commercialize and expand our KRAS portfolio**

  KRAS is one of the most well-known proto-oncogenes and is crucially involved in human cancer. Based on our cutting-edge allosteric inhibitor platform, we have developed a diversified portfolio of KRAS inhibitor programs that target different forms of KRAS which harbor either G12C, G12D, G12V or other mutations.

  We plan to initiate the KRAS G12C inhibitor pivotal registrational trial in NSCLC in the second half of 2022 in China and expect to complete an NDA submission to the NMPA during the period from 2023 to 2024.

  We intend to pursue the development of our frontier KRAS portfolio designed to address tumors where few treatment options exist with significant unmet medical needs in global market, including pancreatic, CRC and other solid tumors with KRAS mutations, in both single agent and rational combination therapies.

- **Develop our P53 portfolio**

  P53 is the single most frequently altered gene in human cancers, with mutations being present in approximately 50% of all invasive tumors. We are leveraging our allosteric inhibitor platform to design and develop a pipeline of selective, small molecule, tumor-agnostic therapies that structurally correct specific mutant P53 proteins to restore their wild-type function. Currently, we are developing JAB-30300 for specific P53 Y220C mutations. At the same time, projects targeting P53 mutations other than Y220C are also under development to provide more effective treatment options.

- **Advance our iADC programs with unique payload**

  Check point immunotherapies have revolutionized the field of cancer therapeutics, yet a substantial subset of patients fail to respond. We have identified a superior STING agonist that is suitable to be used as a payload by leveraging our expertise in developing small molecule drugs. Other than STING-iADC, an in-house iADC platform with unique immune-stimulators as payloads is under development to address the challenges with high unmet needs.

- **Continuously progress and expand the additional pipeline targeting multiple other promising pathways**

  We have an established track record of successfully selecting important yet often overlooked or passed-over cancer targets. In addition to our SHP2 and KRAS assets, we will continue to progress our rich pipeline including several early-stage drug candidates that target a variety of other major and critical pathways and to explore possible combinations amongst our own pipeline drug candidates.

- **Capture global market opportunities and expand to compelling area of research through collaborations**

  On the coattails of our landmark collaboration with AbbVie for our SHP2 portfolio inhibitors, we plan to continue exploring partnerships around the world to fulfill people's shared dream of curing cancer and living a better life. We intend to find the most suitable and resourceful partners for collaboration to expand our footprint of global development and the commercialization of our drug candidates. We will continue exploring partnerships around the world to look for compelling areas of research that have been primarily out of reach for many of the world's patients.

- **Strengthen our talent pool and increase multi-regional presence**

  In order to execute our global development strategy, we have established dual R&D centers in both Beijing, China and Massachusetts, the U.S. as our two main global R&D hubs. Besides, we launched our third R&D center in Shanghai, China, to attract and recruit well-trained scientists and physicians around the world.

Our clinical development team has expanded its global footprint with clinical networks in China, the U.S. and Europe and is expected to expand to other territories in the near future. Our global clinical development capabilities are well demonstrated by our rapid implementation of over twenty ongoing clinical trials, including multi-regional clinical trials following specific regulatory requirements.

We have developed a cohesive and vibrant corporate culture that inspires and encourages innovation, which we believe helps us to attract, retain and motivate an aspiring team to drive our fast growth. We are committed to exploring cutting-edge anti-cancer therapies, with this belief, we plan to enrich our scientific teams in both China and the U.S.

- **Enhance our advanced research and development platform**

  We have built an integrated R&D platform to enable our strategic focus on the R&D of innovative drugs in oncology with large unmet medical needs. Our integrated R&D platform consists of three specialized platforms, including a drug target discovery and validation platform, an allosteric inhibitor technology platform and a translational medicine platform.

  We believe that R&D is key to driving our therapeutic strategy and maintaining our competitiveness in the biopharmaceutical industry. With this belief, we are committed to further strengthening and advancing our R&D platforms to continuously fuel innovation.

- **Expand our manufacturing capabilities in China**

  We are building our in-house GMP-compliant manufacturing facilities to expand our manufacturing capabilities. We cooperate with a third party to construct new facilities for R&D, manufacturing and general administration with a total gross floor area of around 20,000 sq.m. in Beijing, China. The commercial-scale manufacturing facilities are currently under construction. It is estimated that the construction and fit-out of the manufacturing facilities will be completed by the end of 2023.

  We are committed to being an innovative biopharmaceutical company which enjoys global market shares. To achieve this goal, we plan to build a fully functional capabilities including R&D, manufacturing and commercialization in China, and obtain global market shares by partnering with top MNCs. We strive to deploy our innovation engine for creating a robust pipeline in the fight against cancer for the benefits of patients around the world.

FINANCIAL REVIEW

Revenue

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Revenue from the license and collaboration agreement	**54,687**	57,689

For the six months ended June 30, 2022 and 2021, our Group recorded revenue of RMB54.7 million and RMB57.7 million, respectively, which are in connection with the R&D costs reimbursement generated from the license and collaboration agreement with AbbVie regarding the R&D, manufacture and commercialization of our SHP2 inhibitors.

Cost of Revenue

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Clinical trial expenses of our SHP2 inhibitors	**45,854**	53,133

Our cost of revenue consists of research and development expenses related to our SHP2 inhibitors. For the six months ended June 30, 2022, we recorded cost of revenue of RMB45.9 million, mainly attributable to the clinical trial expenses of our SHP2 inhibitors, as compared with RMB53.1 million for the six months ended June 30, 2021.

Gross Profit

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Gross profit from the license and collaboration agreement	**8,833**	4,556

As a result of the foregoing, our gross profit increased from RMB4.6 million for the six months ended June 30, 2021 to RMB8.8 million for the six months ended June 30, 2022.

Other Income

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Other income from a related party	**1,284**	–
Government grants	**495**	3,624
Total	**1,779**	3,624

Our Group's other income decreased from RMB3.6 million for the six months ended June 30, 2021 to RMB1.8 million for the six months ended June 30, 2022, primarily attributable to a decrease in government grants of RMB3.1 million.

Other Gains/(Losses) – Net

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Net foreign exchange gains/(losses)	**49,154**	(14,631)
Fair value changes on long-term investments measured at fair value through profit or loss	**3,623**	–
Net fair value gains on derivative financial instruments	**565**	2,701
Total	**53,342**	(11,930)

The increase in other gains was primarily attributable to the appreciation of USD and HKD for the six months ended June 30, 2022 which has resulted in net foreign exchange gains of RMB49.2 million for the six months ended June 30, 2022.

Our other gains and losses consisted primarily of gains or losses due to fluctuations in the exchange rates between the RMB and the USD and between the RMB and the HKD. Our net foreign exchange gains and losses increased by RMB63.8 million from losses of RMB14.6 million for the six months ended June 30, 2021 to gains of RMB49.2 million for six months ended June 30, 2022, which was mainly attributable to foreign exchange gains in connection with bank balances dominated in USD and HKD and the appreciation of the USD and the HKD against the RMB for the six months ended June 30, 2022, compared to the depreciation of the USD and the HKD against the RMB for the six months ended June 30, 2021.

Our business mainly operates in the PRC, and most of our Group's transactions are settled in RMB. Since our inception, we have financed our business solely through equity financings, with related proceeds denominated in USD, HKD and RMB. We converted a portion of those proceeds in USD and HKD to RMB with the remaining amounts reserved for additional conversions to RMB as needed. Translation of our monetary assets and liabilities at the period end exposes us to currency-related gains or losses and the actual conversion of our USD and HKD denominated bank balances will also expose us to currency exchange risk.

We have managed our foreign exchange risk by closely reviewing the movement of the foreign currency rates and would consider hedging against foreign exchange exposure should the need arise.

Research and Development Expenses

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Testing fee	**65,197**	51,994
Employee benefits expenses	**55,785**	38,184
Raw material and consumables used	**37,780**	18,985
Depreciation and amortization	**4,914**	3,765
Others	**12,913**	8,732
Total	**176,589**	121,660

Our research and development expenses increased by RMB54.9 million from RMB121.7 million for the six months ended June 30, 2021 to RMB176.6 million for the six months ended June 30, 2022, primarily due to (i) the advancement to our clinical candidates, (ii) expansion of pre-clinical research portfolio associated R&D activities, and (iii) the increased staff costs accompanied with expanding of relative R&D departments. Such increase in research and development expenses was resulted from the following factors:

- RMB18.8 million increase in raw material and consumables used due to the development of our drug candidates;

- RMB17.6 million increase in employee benefits expenses primarily due to an increase in the number of research and development employees and their salary level; and

- RMB13.2 million increase in testing fee mainly due to the rapid progress of the clinical trials and advancement of our pre-clinical drug candidates.

Administrative Expenses

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Employee benefits expenses	**15,206**	12,379
Professional services expenses	**1,743**	961
Depreciation and amortization	**767**	308
Others	**5,063**	4,880
Total	**22,779**	18,528

Our administrative expenses increased by RMB4.3 million from RMB18.5 million for the six months ended June 30, 2021 to RMB22.8 million for the six months ended June 30, 2022, which was primarily attributable to the increase of employee benefits expenses and other administrative expenses in line with our business expansion.

Finance Income

Our finance income increased by RMB0.1 million from RMB7.6 million for the six months ended June 30, 2021 to RMB7.7 million for the six months ended June 30, 2022, which was mainly attributable to the net impact of (i) increased average interest rate of time deposit during the six months ended June 30, 2022 compared to that for the six months ended June 30, 2021, and (ii) decreased bank balances in line with our business progress.

Income Tax Expense

We recognized no income tax expenses for the six months ended June 30, 2021 and 2022.

Non-IFRS Measure

To supplement the consolidated financial statements, which are presented in accordance with the International Financial Reporting Standards ("**IFRS**"), our Company also uses adjusted loss for the Reporting Period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. Our Company believes that these adjusted measures provide useful information to the Shareholders and potential investors in understanding and evaluating our Group's consolidated results of operations in the same manner as they help our Company's management.

Adjusted loss for the Reporting Period represents the loss for the Reporting Period excluding the effect of certain noncash items and one-time events, namely share-based payment expenses, fair value gains in derivative financial instruments arising from the commitment of investments and fair value gains in long-term investments measured at fair value through profit or loss. The term adjusted loss for the Reporting Period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and should not consider it in isolation from, or as substitute for analysis of, our Group's results of operations or financial condition as reported under IFRS. Our Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, our Company believes that this and other non-IFRS measures are reflections of our Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of our Group's operating performance, and thus, facilitate comparisons of operating performance from period to period and from company to company to the extent applicable.

The table below sets forth a reconciliation of the loss to adjusted loss during the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Loss for the period	**(127,825)**	(136,597)
Added:		
Share-based payment expenses	**6,488**	10,829
Subtracted:		
Fair value gains in long-term investments measured at fair value through profit or loss	**(3,623)**	–
Fair value gains in derivative financial instruments arising from the commitment of investments	**(3,456)**	–
Adjusted loss for the period	**(128,416)**	(125,768)

The table below sets forth a reconciliation of the research and development expenses to adjusted research and development expenses during the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Research and development expenses for the period	**(176,589)**	(121,660)
Research and development expenses in relation to our SHP2 inhibitors which was recorded in Cost of Revenue for the period	**(45,854)**	(53,133)
Added:		
Share-based payment expenses	**3,896**	7,782
Adjusted research and development expenses for the period	**(218,547)**	(167,011)

The table below sets forth a reconciliation of the administrative expenses to adjusted administrative expenses during the periods indicated:

	Six months ended June 30,	
	2022	2021
	RMB'000	*RMB'000*
Administrative expenses for the period	**(22,779)**	(18,528)
Added:		
Share-based payment expenses	**2,592**	3,047
Adjusted administrative expenses for the period	**(20,187)**	(15,481)

Cash Flows

During the six months ended June 30, 2022, net cash used in operating activities of our Group amounted to RMB111.8 million, representing a decrease of RMB3.0 million compared to the net cash used in operating activities during the six months ended June 30, 2021. The decrease was mainly due to the increase of interest received during the six months ended June 30, 2022.

During the six months ended June 30, 2022, net cash flows used in investing activities of our Group amounted to RMB1.7 million, representing an increase of RMB183.8 million over the net cash flows generated from investing activities of RMB182.1 million during the six months ended June 30, 2021. The increase was mainly due to the combined impact of (i) settlement of deposits with original maturities of over 3 months of RMB194.9 million during the six months ended June 30, 2021 and (ii) the purchase of long-term investments measured at fair value through profit or loss of RMB5 million during the six months ended June 30, 2022.

During the six months ended June 30, 2022, net cash flows used in financing activities of our Group amounted to RMB3.0 million, representing an increase of RMB122.6 million over the net cash flows generated from financing activities of RMB119.6 million during the six months ended June 30, 2021. The increase was mainly due to the impact of fund raised from the exercise of over-allotments option of RMB132.8 million during the six months ended June 30, 2021.

Significant Investments, Material Acquisitions and Disposals

During the six months ended June 30, 2022, our Group did not have any significant investments or material acquisitions or disposals of subsidiaries, associates, and joint ventures.

Liquidity, Capital Resources and Gearing Ratio

We expect our liquidity requirements will be satisfied by a combination of cash generated from operating activities, bank credits, funds raised from the capital markets from time to time and the net proceeds from the initial public offering.

We currently have bank credits of RMB100.0 million and do not have any plan for material additional equity financing. We will continue to evaluate potential financing opportunities based on our need for capital resources and market conditions.

As at June 30, 2022, our cash and bank balances were RMB1,466.6 million, as compared to RMB1,537.6 million as at December 31, 2021.

The decrease was mainly due to net cash used in our operating activities. Our primary uses of cash are to fund research and development efforts of new drug candidates, working capital and other general corporate purposes. Our cash and cash equivalents are held in USD, RMB and HKD.

Currently, our Group follows a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved.

As at June 30, 2022, our Group did not have any interest-bearing bank and other borrowings. Thus, neither the gearing ratio nor the debt-to-equity ratio was applicable to our Group.

Lease Liabilities

IFRS 16 Leases is effective for annual periods beginning on or after January 1, 2019 and earlier application is permitted. IFRS 16 has been consistently applied to our Group's consolidated financial statements for the six months ended June 30, 2022 and for the year ended December 31, 2021. As at June 30, 2022, our lease liabilities amounted to RMB3.9 million.

Capital Commitments

As at June 30, 2022, our Group had capital commitments contracted for but not yet provided of RMB155.2 million, among which RMB4.2 million was in relation to contracts for purchase of property, plant and equipment and RMB151.0 million was primarily in relation to the capital commitments for the share purchase agreement entered into with Hebecell in August 2021.

As at December 31, 2021, our Group had capital commitments contracted for but not yet provided of RMB152.2 million, among which RMB3.8 million was in relation to contracts for purchase of property, plant and equipment and RMB148.4 million was primarily in relation to the capital commitments for the share purchase agreement entered into with Hebecell in August 2021. For details, please refer to the announcement published on the websites of the Stock Exchange and our Company dated August 31, 2021.

Contingent Liabilities

As at June 30, 2022, our Group did not have any contingent liabilities (December 31, 2021: Nil).

Pledge of Assets

There was no pledge of our Group's assets as at June 30, 2022.

Foreign Exchange Exposure

Our financial statements are expressed in RMB, but certain of our cash and cash equivalents, time deposits, contract assets, trade payables and other payables and accruals are denominated in foreign currencies, and are exposed to foreign currency risk. The management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Liquidity Risk

As at June 30, 2022, we recorded net current assets of RMB1,442.6 million, representing the decrease of RMB116.3 million from RMB1,558.9 million as at December 31, 2021. In the management of the liquidity risk, our Company monitors and maintains a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows.

Employees and Remuneration Policies

As at June 30, 2022, we had 285 employees in total. The total remuneration costs amounted to RMB78.4 million for the six months ended June 30, 2022, as compared to RMB59.3 million for the six months ended June 30, 2021. The increase reflected the increased number of employees and their salary level which is in line with our business expansion.

In order to maintain the quality, knowledge and skill levels of our workforce, we provide continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

We provide various incentives and benefits for our employees. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. We have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees in accordance with applicable laws. We have also adopted the 2021 Stock Incentive Plan on August 31, 2021, which intends to attract and retain the best available personnel, to provide additional incentives to Employees and to promote the success of our Company's business. For more details of the 2021 Stock Incentive Plan, please refer to the announcements published on the websites of the Stock Exchange and the Company dated August 31, 2021 and October 8, 2021.

INTERIM DIVIDEND

The Board has resolved not to recommend an interim dividend for the six months ended June 30, 2022 (2021: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Group is committed to implementing high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value as well as the responsibility commitments. Our Company has adopted the CG Code as its own code of corporate governance.

The Board is of the view that our Company has complied with all applicable code provisions of the CG Code for the six months ended June 30, 2022 and up to the date of this announcement, except for a deviation from the code provision C.2.1 of the CG Code as described below.

Under code provision C.2.1 of the CG Code, the responsibility between the chairman and chief executive should be separate and should not be performed by the same individual. However, Dr. Yinxiang Wang ("**Dr. Wang**") is the chairman of our Board and the chief executive officer of our Company. With extensive experience in the pharmaceutical industry and having served in our Company since its establishment, Dr. Wang is in charge of overall strategic planning, business direction and operational management of our Group. The Board considers that the vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and diverse individuals. The Board currently comprised three executive Directors, three non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition.

The Board will continue to review and monitor the practices of our Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code for dealing in securities in our Company by the Directors. The Directors have confirmed compliance with the required standard set out in the Model Code for the six months ended June 30, 2022. No incident of non-compliance by the Directors was noted by our Company during the Reporting Period.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

Our Company has established an Audit Committee in compliance with Rules 3.21 and 3.22 of the Listing Rules and principle D.3 of the CG Code, and has adopted written terms of reference. The Audit Committee consists of one non-executive Director, Dr. Te-li Chen, and two independent non-executive Directors, Dr. Ge Wu and Dr. Daqing Cai. The Audit Committee is currently chaired by Dr. Daqing Cai, who possesses suitable professional qualifications.

The Audit Committee has discussed with our Company's management and reviewed the unaudited interim results of our Group for the Reporting Period. The Audit Committee considered that the interim results are in compliance with the applicable accounting principles, standards and requirements, and our Company has made appropriate disclosures thereof.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF OUR COMPANY

Neither our Company nor any of its subsidiaries had purchased, sold or redeemed any of our Company's listed securities during the six months ended June 30, 2022.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

Use of Proceeds during the Reporting Period

Our Company's Shares were listed on the Main Board of the Stock Exchange on the Listing Date. Our Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from its Global Offering of approximately HK$1,421.8 million, equivalent to RMB1,183.1 million including shares issued as a result of the partial exercise of the over-allotment option (the "**Net Proceeds**").

As at June 30, 2022, approximately RMB228.4 million of the Net Proceeds had been utilized as follows:

	Allocation of net proceeds from the Global Offering as disclosed in the Prospectus *RMB million*	**Utilized as at December 31, 2021** *RMB million*	**Unutilized as at December 31, 2021** *RMB million*	**Utilized as at June 30, 2022** *RMB million*	**Unutilized as at June 30, 2022** *RMB million*
Fund registrational clinical trials and preparation for registration filings of JAB-3068 in the Territory	520.6	–	520.6	–	520.6
Fund registrational clinical trials and preparation for registration filings of JAB-3312 in the Territory	213.0	–	213.0	–	213.0
Fund the set-up of our sales and marketing team and commercialization activities of JAB-3068 and JAB-3312 in the Territory	47.3	–	47.3	–	47.3
Fund ongoing and planned clinical trials of JAB-8263	118.3	31.5	86.8	37.5	80.8
Fund ongoing pre-clinical and clinical development of JAB-21822 and the preparation of its IND filing	94.6	93.8	0.8	94.6	–
For the ongoing and planned early-stage drug discovery and development, including pre-clinical and clinical development of our other pipeline assets, discovery and development of new drug candidates	47.3	47.3	–	47.3	–
Fund the planned construction of our in-house GMP-compliant manufacturing facility	94.6	0.6	94.0	1.6	93.0
For working capital and general corporate purposes	47.4	47.4	–	47.4	–
Total	**1,183.1**	**220.6**	**962.5**	**228.4**	**954.7**

Change in Use of Proceeds from the Global Offering

As at the date of this announcement, our Company has not yet utilized the Net Proceeds of approximately RMB953.3 million (the "**Unutilized Net Proceeds**"). The Board, having considered the reasons set out in "Reasons for the Change in Use of Proceeds" below, resolved to change in use of the Unutilized Net Proceeds. The change and the revised allocation of the Net Proceeds and Unutilized Net Proceeds are set out in the table below.

	Original use of Net Proceeds as disclosed in the Prospectus *RMB million*	**Original percentage of Net Proceeds as disclosed in the Prospectus**	**Amounts of Unutilized Net Proceeds as at the date of this announcement** *RMB million*	**Changed Use of Proceeds**	**Revised allocation of Net Proceeds** *RMB million*	**Percentage of Net Proceeds (after the proposed change)**	**Revised amounts of Unutilized Net Proceeds as at the date of this announcement** *RMB million*
Fund registrational clinical trials and preparation for registration filings of JAB-3068 in the Territory	520.6	44%	520.6	Same as original	300.6	25%	300.6
Fund registrational clinical trials and preparation for registration filings of JAB-3312 in the Territory	213.0	18%	213.0	Fund **the clinical trials of JAB-3312 in combination with JAB-21822 and** registrational clinical trials and preparation for registration filings of JAB-3312 in the Territory	213.0	18%	213.0
Fund the set-up of our sales and marketing team and commercialization activities of JAB-3068 and JAB-3312 in the Territory	47.3	4%	47.3	Fund the set-up of our sales and marketing team and commercialization activities of **1)** JAB-3068 and JAB-3312 in the Territory **and 2) JAB-21822 in China**	47.3	4%	47.3
Fund ongoing and planned clinical trials of JAB-8263	118.3	10%	79.4	Same as original	118.3	10%	79.4

	Original use of Net Proceeds as disclosed in the Prospectus *RMB million*	Original percentage of Net Proceeds as disclosed in the Prospectus	Amounts of Unutilized Net Proceeds as at the date of this announcement *RMB million*	Changed Use of Proceeds	Revised allocation of Net Proceeds *RMB million*	Percentage of Net Proceeds (after the proposed change)	Revised amounts of Unutilized Net Proceeds as at the date of this announcement *RMB million*
Fund ongoing pre-clinical and clinical development of JAB-21822 and the preparation of its IND filing	94.6	8%	–	Fund clinical development of JAB-21822**, including registrational clinical trials and preparation for NDA**	254.6	22%	160.0
For the ongoing and planned early-stage drug discovery and development, including pre-clinical and clinical development of our other pipeline assets, discovery and development of new drug candidates	47.3	4%	–	Same as original	107.3	9%	60.0
Fund the planned construction of our in-house GMP-compliant manufacturing facility	94.6	8%	93.0	Fund the planned **decoration of our R&D center** and construction of our in-house GMP-compliant manufacturing facility	94.6	8%	93.0
For working capital and general corporate purposes	47.4	4%	–	Same as original	47.4	4%	–
Total	**1,183.1**	**100%**	**953.3**		**1,183.1**		**953.3**

Reasons for the Change in Use of Proceeds

The reasons for the above changes in the proposed applications of the Net Proceeds and re-allocation of the unutilized amount of the Net Proceeds are as follows:

(a) The Prospectus stipulates that approximately RMB520.6 million of the Net Proceeds is originally intended to be used for funding registrational clinical trials and preparation for registration filings of JAB-3068 in the Territory. Pursuant to the collaboration agreement with AbbVie, we will perform pre-clinical and early global clinical development activities on SHP2 Products and manufacture (or have manufactured) SHP2 Products for use in clinical studies, in accordance with a development plan and budget. AbbVie would reimburse our costs and expenses incurred from and after July 31, 2022 which do not exceed 105% of the then-current development budget, and we would bear any costs and expenses in excess of the 105% threshold, subject to certain exceptions. As of the date of this announcement, Phase I/IIa monotherapy studies for JAB-3068 have identified the MTD and RP2D and is closed to enrollment in ESCC, HNSCC and NSCLC while the Phase I study for JAB-3068 in combination with anti-PD-1 antibody (JS-001) is expected to be completed by the end of this year. Based on the current progress of JAB-3068 and the advanced development of JAB-21822, the Board is of the view that the decrease of the proportion of the Net Proceeds to fund registrational clinical trials and preparation for registration filings of JAB-3068 in the Territory and the increase of the proportion of the Net Proceeds to fund clinical development JAB-21822 and the ongoing and planned early-stage drug discovery and development is beneficial to the whole R&D progress of our Company.

(b) The proportion of the Net Proceeds to be used in the clinical development of JAB-21822 has been raised from RMB94.6 million to RMB254.6 million, primarily for the purpose of investing in registrational clinical trials and preparation for NDA submission. Please refer to "Management Discussion and Analysis – Business Review" above for the development progress of JAB-21822.

(c) The proportion of the Net Proceeds to be used for the ongoing and planned early-stage drug discovery and development has been raised from RMB47.3 million to RMB107.3 million, primarily for the purpose of drug discovery and development of JAB-23400, JAB-30300 and our iADC programs. Please refer to "Management Discussion and Analysis – Business Review" above for the development progress of JAB-23400, JAB-30300 and our iADC programs.

The Board has considered that the development direction of our Company is still in line with the disclosures in the Prospectus in spite of the change in use of the unutilized Proceeds as stated above. The Board confirms that there is no material change in the business nature of our Group as set out in the Prospectus, and considers that the change in the use of the net proceeds is fair and reasonable as this would allow the Group to deploy its financial resources more effectively to enhance the R&D capacity and pipeline of the Group, and is therefore in the best interest of our Company and the Shareholders as a whole.

Save as the changes disclosed above, there are no other proposed changes in the use of the Net Proceeds. The Unutilized Net Proceeds will be applied in a manner consistent with the above planned applications and remains subject to change based on our current and future development of market conditions and actual business needs.

APPRECIATION

The Board would like to take this opportunity to extend our deepest gratitude to our staff for their hard work and dedication to our Group, and to the Shareholders for their continuous trust and support in our Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND OUR COMPANY

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of our Company (www.jacobiopharma.com).

The 2022 interim report of our Company will be dispatched to the Shareholders and will be available on the above website of the Stock Exchange and that of our Company in due course.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that the Core Products will ultimately be successfully developed and marketed by our Company. Shareholders of our Company and potential investors are advised to exercise caution when dealing in the Shares of our Company.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF LOSS

	Note	Six months ended 30 June	
		2022	2021
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**54,687**	57,689
Cost of revenue	*4*	**(45,854)**	(53,133)
Gross profit		**8,833**	4,556
Research and development expenses	*4*	**(176,589)**	(121,660)
Administrative expenses	*4*	**(22,779)**	(18,528)
Other income		**1,779**	3,624
Other gains/(losses) – net		**53,342**	(11,930)
Operating loss		**(135,414)**	(143,938)
Finance income		**7,715**	7,644
Finance expenses		**(126)**	(303)
Finance income – net		**7,589**	7,341
Loss before income tax		**(127,825)**	(136,597)
Income tax expense	*5*	**–**	–
Loss for the period		**(127,825)**	(136,597)
Loss attributable to:			
Owners of the Company		**(127,825)**	(136,597)
Non-controlling interests		**–**	–
		(127,825)	(136,597)
Loss per share attributable to owners of the Company:			
– Basic and diluted (in RMB per share)	*6*	**(0.17)**	(0.18)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Note	Six months ended 30 June	
		2022	2021
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Loss for the period		**(127,825)**	(136,597)
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**241**	(38)
Other comprehensive loss for the period, net of tax		**241**	(38)
Total comprehensive loss		**(127,584)**	(136,635)
Total comprehensive loss attributable to:			
Owners of the Company		**(127,584)**	(136,635)
Non-controlling interests		**–**	–
		(127,584)	(136,635)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**34,412**	34,066
Right-of-use assets		**4,948**	7,706
Intangible assets		**1,209**	1,548
Long-term investments measured at fair value through profit or loss	*8*	**24,851**	16,228
Other receivables and prepayments		**4,030**	19,703
Derivative financial instruments		**6,312**	2,856
Total non-current assets		**75,762**	82,107
Current assets			
Contract assets	*3*	**20,286**	64,919
Other receivables and prepayments		**38,692**	32,675
Derivative financial instruments		**–**	4,550
Cash and bank balances	*9*	**1,466,575**	1,537,583
Total current assets		**1,525,553**	1,639,727
Total assets		**1,601,315**	1,721,834
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the Company			
Share capital		**510**	510
Other reserves		**3,979,461**	3,979,220
Share-based compensation reserve		**126,665**	120,177
Accumulated losses		**(2,590,644)**	(2,462,819)
		1,515,992	1,637,088
Non-controlling interests		**–**	–
Total shareholders' equity		**1,515,992**	1,637,088

	Note	As at 30 June 2022 *RMB'000* (Unaudited)	As at 31 December 2021 *RMB'000* (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**536**	1,889
Deferred income		**1,817**	2,024
Total non-current liabilities		**2,353**	3,913
Current liabilities			
Trade payables	*10*	**57,190**	51,047
Other payables and accruals		**21,817**	24,868
Lease liabilities		**3,375**	4,918
Derivative financial instruments		**588**	–
Total current liabilities		**82,970**	80,833
Total liabilities		**85,323**	84,746
Total equity and liabilities		**1,601,315**	1,721,834

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

JACOBIO PHARMACEUTICALS GROUP CO., LTD. (the "**Company**") was incorporated in the Cayman Islands on 1 June 2018 as an exempted company with limited liability under the Companies Law (Cap.22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, "**the Group**") are principally engaged in research and development of new drugs.

The ordinary shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 21 December 2020.

The condensed consolidated interim financial information is presented in Renminbi ("**RMB**") and rounded to nearest thousand yuan, unless otherwise stated.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim financial information should be read in conjunction with the financial statements for the year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"), and any public announcements made by the Company during the interim reporting period.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in those annual financial statements, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- Amendments to IAS 16 – Property, plant and equipment – proceeds before intended use
- Amendments to IAS 37 – Onerous contracts – cost of fulfilling a contract
- Amendments to IFRS 3 – Reference to the conceptual framework
- Annual improvements to IFRS standards 2018 – 2020

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and interpretations not yet adopted

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group, are as follows:

		Effective for accounting periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2023
IFRS 17	Insurance contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective.

3 SEGMENT AND REVENUE INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Group.

(a) Description of segments

The Group is principally engaged in the research and development of new drugs. The CODM reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions.

(b) License and collaboration agreement with a customer

The Group recognised revenue totalled RMB54,687,000 for the six months ended 30 June 2022 (six months ended 30 June 2021:RMB57,689,000) in relation to a license and collaboration agreement entered by the Group with a customer (the "**Agreement**"). Under the terms of the Agreement, the Group agreed to grant licenses of certain intellectual properties and to provide research and development services in relation to certain licensed products to this customer. The considerations of the Agreement consist of non-refundable upfront payment, reimbursements for research and development costs incurred, and variable considerations including milestone payments and royalties on net sales of the licensed products.

(c) An analysis of revenue from contracts with customers is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from the Agreement	**54,687**	57,689

The Group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition:		
Over time	**54,687**	57,689

(d) Assets related to contracts with customers

The Group has recognised the following assets related to contracts with customers:

	As at	As at
	30 June	31 December
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract assets relating to the Agreement	**20,286**	64,919
Less: loss allowance	**–**	–
Current portion	**20,286**	64,919

4 EXPENSES BY NATURE

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Testing fee	**97,608**	91,448
Employee benefits expenses	**78,370**	59,274
Raw materials and consumables used	**41,662**	21,057
Professional services expenses	**8,747**	4,728
Depreciation and amortisation	**6,408**	4,885
Utilities and office expenses	**3,830**	4,162
Short-term leases expenses	**3,618**	3,658
Auditor's remuneration	**1,008**	990
Others	**3,971**	3,119
Total	**245,222**	193,321

5 INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax expense	**–**	–
Deferred income tax expense	**–**	–
	–	–

(a) The Group's principal applicable taxes and tax rates are as follows:

Cayman Islands

Under the prevailing laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, no Cayman Islands withholding tax is payable on dividend payments by the Company to its shareholders.

Hong Kong

Hong Kong profits tax rate is 8.25% for assessable profits on the first HKD2 million and 16.5% for any assessable profits in excess. No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the six months ended 30 June 2022 and 2021.

United States

The subsidiary incorporated in Massachusetts, United States is subject to statutory United States federal corporate income tax at a rate of 21%. It is also subject to the state income tax in Massachusetts at a rate of 8.00% during the six months ended 30 June 2022 and 2021.

Mainland China

Pursuant to the PRC Enterprise Income Tax Law and the respective regulations, the subsidiaries which operate in Mainland China are subject to enterprise income tax at a rate of 25% on the taxable income.

Pursuant to the relevant laws and regulations, a subsidiary of the Company has been eligible as a High/New Technology Enterprise ("**HNTE**") which is subject to a tax concession rate of 15% during the six months ended 30 June 2022 and 2021.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2018 onwards, enterprise engaging in research and development activities are entitled to claim 175% of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits for that year.

6 LOSS PER SHARE

(a) Basic loss per share

Basic and diluted loss per share reflecting the effect of the issuance of ordinary shares by the Company are presented as follows.

Basic loss per share is calculated by dividing the loss attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company for the period *(RMB'000)*	**(127,825)**	(136,597)
Weighted average number of fully paid ordinary shares in issue *(in thousands) (i)*	**751,442**	746,365
Basic loss per share *(in RMB per share)*	**(0.17)**	(0.18)

(i) As at 30 June 2022, 32,690,345 shares (30 June 2021: 32,690,345 shares) were relevant to share-based payments of the Group, 12,832,730 shares (30 June 2021: 8,766,780 shares) of which had been vested and included in the calculation of basic loss per share, while the remaining 19,857,615 shares (30 June 2021: 23,923,565 shares) had not been included in the calculation of loss per share.

(b) Diluted loss per share

The Group had potential dilutive shares throughout the six months ended 30 June 2022 and 2021 related to the shares held for share award scheme. Due to the Group's negative financial results for the six months ended 30 June 2022 and 2021, shares held for share award scheme has anti-dilutive effect on the Group's loss per share. Thus, diluted loss per share is equivalent to the basic loss per share.

7 DIVIDEND

No dividend has been declared by the Company for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

8 LONG-TERM INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2022	As at 31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current assets		
Preferred shares investments *(a)*	**24,851**	16,228

(a) The investees of these preferred shares investments are principally engaged in research and development in biotechnology field.

The Company's preferred shares investment in Hebecell Holding Limited ("Hebecell"), over which the Company has significant influence, was accounted as financial assets measured at fair value through profit or loss. The Company's commitments to further purchase and subscribe for preferred shares of Hebecell at a fixed purchase price were recognised as derivative financial instruments.

9 CASH AND BANK BALANCES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Cash at bank	**1,466,575**	1,537,583

Reconciliation to interim condensed consolidated statement of cash flows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Cash and bank balances	**1,466,575**	1,537,583
less: Restricted bank deposits *(a)*	**(6,685)**	(10,379)
Cash and cash equivalents	**1,459,890**	1,527,204

(a) Restricted bank deposits are the retention deposits for the Group's foreign currency exchange forward contracts and the retention deposits for a performance guarantee of a lease contract.

10 TRADE PAYABLES

The aging analysis of trade payables is as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Less than 1 year	**57,190**	51,047

"AbbVie"	AbbVie Ireland Unlimited Company, incorporated on July 19, 2020 in Ireland, which is a wholly-owned subsidiary of AbbVie Inc. (NYSE: ABBV) and an Independent Third Party
"Articles of Association"	articles of association of our Company
"Audit Committee"	the audit committee of the Board
"BET"	bromodomain and extra-terminal; BET proteins interact with acetylated lysine residues in histone to regulate gene expression, and promote aberrant expression of many oncogenes such as MYC, CCND1, and BCL2L1
"Board"	The board of Directors
"CD73"	ecto-5'-nucleotidase, a surface-expressed enzyme that hydrolyzes AMP into adenosine. CD73 is an immunosuppressive molecule that can be therapeutically targeted to restore effector T-cell function
"China" or "PRC"	the People's Republic of China
"Company" or "our Company"	JACOBIO PHARMACEUTICALS GROUP CO., LTD. (加科思藥業集團有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 1, 2018, which was formerly known as JACOBIO (CAY) PHARMACEUTICALS CO., LTD., the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1167)
"Core Product(s)"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules, which for purposes of this announcement, refers to JAB-3068, JAB-3312 and JAB-21822
"Corporate Governance Code" or "CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Directors"	director(s) of our Company
"Global Offering"	the offer of Shares for subscription as described in the Prospectus
"GMP"	good manufacturing practice

"Group", "our Group", "we", "us" or "our"	our Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"GTPases"	a large family of hydrolase enzymes that bind to the nucleotide guanosine triphosphate (GTP) and hydrolyze it to guanosine diphosphate (GDP)
"Hebecell"	Hebecell Holding Limited, an exempted company incorporated with limited liability under the Laws of the Cayman Islands
"Hong Kong dollars" or "HK dollars" or "HK$" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Independent Third Party"	a person or entity who is not a connected person of our Company under the Listing Rules
"KRAS G12X-mutant"	Multiple mutant forms at codon-12 of the KRAS protein
"Listing"	the listing of our Company on the main board of the Stock Exchange on December 21, 2020
"Listing Date"	December 21, 2020, being the date on which the Offer Shares were listed and dealings in the Offer Shares first commenced on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
"MEK"	mitogen-activated protein kinase kinase (also known as MAPKK), a kinase enzyme which phosphorylates MAPK
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules

"NMPA"	the National Medical Product Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"PD-1"	programmed cell death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages. The normal function of PD-1 is to turn off the T cell-mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body. When PD-1 on the surface of a T cell attaches to certain proteins on the surface of a normal cell or a cancer cell, the T cell turns off its ability to kill the cell
"PD-(L)1"	PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell that attaches to certain proteins on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"Phase I"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase Ib/IIa"	Phase Ib/IIa is the study that tests the safety, side effects, and best dose of a new treatment. It is conducted in target patient popular with selected dose levels. Phase Ib/IIa study also investigates how well a certain type of disease responds to a treatment. In the phase IIa part of the study, patients usually receive multiple dose levels and often include the highest dose of treatment that did not cause harmful side effects in the phase Ia part of the study. Positive results will be further confirmed in a Phase IIb or Phase III study
"Phase II"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Plan"	the 2021 Stock Incentive Plan adopted by the Board on August 31, 2021 in its present form or as amended from time to time
"Prospectus"	the prospectus of our Company dated December 9, 2020 being issued in connection with the Listing
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Period"	the six months ended June 30, 2022
"RP2D"	recommended Phase II dose

"Share(s)"	ordinary share(s) with a nominal value of US$0.0001 each in the share capital of our Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S."	the United States of America
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. FDA"	U.S. Food and Drug Administration

By order of the Board
JACOBIO PHARMACEUTICALS GROUP CO., LTD.
Yinxiang WANG
Chairman

Hong Kong, August 23, 2022

As at the date of this announcement, the Board of Directors of our Company comprises Dr. Yinxiang WANG as Chairman and executive Director, Ms. Xiaojie WANG and Ms. Yunyan HU as executive Directors, Ms. Yanmin TANG, Dr. Dong LYU and Dr. Te-li CHEN as non-executive Directors, and Dr. Ruilin SONG, Dr. Ge WU and Dr. Daqing CAI as independent non-executive Directors.