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)

(1) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024; (2) RESIGNATION OF NON-EXECUTIVE DIRECTOR; AND (3) CHANGE IN THE COMPOSITION OF THE REMUNERATION COMMITTEE AND THE NOMINATION COMMITTEE

The Board is pleased to announce the unaudited consolidated interim results of our Group for the six months ended June 30, 2024, together with comparative figures for the six months ended June 30, 2023.

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 Products

- ***Glecirasib (JAB-21822, KRAS G12C inhibitor) and JAB-3312 (SHP2 inhibitor)***

  NSCLC

  ≥2L NSCLC – The NDA application of glecirasib monotherapy in ≥2L NSCLC was submitted to CDE in May 2024 and the priority review designation was granted in the same month. The pivotal trial of glecirasib monotherapy in ≥2L NSCLC patients harboring KRAS G12C mutation enrolled patients from around 60 sites in China. Patient enrollment for pivotal trial was finished in September 2023. Updated safety and efficacy data of pivotal trial patients were initially reported at the 2024 ASCO plenary series and then as an oral presentation at the 2024 ASCO Education Session.

1L NSCLC (in combination with JAB-3312 (SHP2 inhibitor)) – Glecirasib in combination with JAB-3312 has demonstrated promising efficacy and favorable safety profile in the front-line NSCLC. Therefore, CDE approved the Phase III pivotal trial design of glecirasib in combination with JAB-3312 to treat 1L NSCLC patients in February 2024. The Phase III pivotal trial in China has been activated with the first patient in on August 7, 2024. JAB-3312 is the first SHP2 inhibitor entering a Phase III registrational trial worldwide.

A Phase I/IIa trial of glecirasib in combination with JAB-3312 in locally advanced or metastatic advanced solid tumors harboring KRAS G12C mutation is ongoing. Seven dose regimens with different dose levels and frequency were explored. Updated safety and efficacy data of this study were reported as an oral presentation at the 2024 ASCO Oral Abstract Session. As of April 7, 2024, 194 patients with locally advanced or metastatic advanced solid tumors harboring KRAS G12C mutation received the combination treatment of glecirasib and JAB-3312. Among all patients received the combination therapy, 102 patients were 1L NSCLC patients.

PDAC

Patient enrollment of the pivotal trial is ongoing in China. In July 2023, the pivotal trial of glecirasib monotherapy in ≥2L PDAC patients with KRAS G12C mutation was approved by CDE. Glecirasib is the first KRAS G12C inhibitor entered a registrational trial in ≥2L pancreatic cancer worldwide. In August 2023, glecirasib was granted BTD for KRAS G12C mutant pancreatic cancer patients by CDE. In October 2023, the first patient was enrolled to this pivotal trial. Clinical activity and safety results of glecirasib in patients with pancreatic cancer and other solid tumors from Phase I and Phase IIa studies were reported as an oral presentation at the 2024 ASCO GI. Global development plan of glecirasib in ≥2L PDAC patients is under consultation with the U.S. FDA. In April 2024, glecirasib received orphan drug designation (ODD) for pancreatic cancer indication from the U.S. FDA.

Multi-Tumors Basket

A Phase II single arm pivotal trial was approved by the CDE in August 2024. Patients with multiple types of tumors (biliary tract cancer, gastric cancer, small bowel cancer, appendiceal cancer, etc.) harboring KRAS G12C mutation have been treated with glecirasib monotherapy. Clinical activity and safety results of glecirasib in multiple tumor types from Phase I and Phase IIa studies were reported as an oral presentation at the 2024 ASCO GI. Promising clinical outcome was observed.

CRC

Phase III pivotal trial design of glecirasib monotherapy or glecirasib in combination with cetuximab in ≥3L CRC patients with KRAS G12C mutation was approved by CDE in May 2024. Phase I and Phase II clinical trials with glecirasib monotherapy or glecirasib combined with cetuximab to treat advanced or metastatic CRC patients with KRAS G12C mutation is ongoing. The clinical results of above studies were presented at the 2023 JCA-AACR Conference.

Progress of Other Key Selected Programs

Clinical Stage Products

- *JAB-8263 (BET inhibitor)*

  The dose escalation for JAB-8263 in solid tumors and liquid tumors were completed in the U.S. and China respectively. A Phase II trial of JAB-8263 is planned to be initiated in the second half of 2024. To date, JAB-8263 has demonstrated favorable safety and tolerability compared with other BET inhibitors under clinical development. Active therapeutic signals in myelofibrosis (MF) were observed during dose escalation. Improvement in total symptom score (TSS) and spleen volume reduction (SVR) was observed in MF patients treated with JAB-8263 monotherapy. Among the enrolled MF patients, one patient had received the treatment more than one year with SVR 56.5%. The clinical data of JAB-8263 in MF were presented as publish online at the 2024 European Hematology Association (EHA).

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

  A Phase I/IIa global trial of JAB-2485 is being conducted in the U.S. and China. Encouraging clinical efficacy signals were observed. The expansion of monotherapy and combination with chemotherapy are being planned.

  Pre-clinical data of JAB-2485 were published as a research article at ACS Omega, a peer-reviewed scientific journal published by the American Chemical Society.

- *JAB-30355 (p53 Y220C reactivator)*

  JAB-30355 is a potent and orally bioavailable small molecule p53 reactivator for the treatment of patients with solid tumors harboring p53 Y220C mutation. The IND application of JAB-30355 has been approved by the U.S. FDA in March 2024. The IND application of JAB-30355 to CDE has been approved in June 2024. The trial is actively enrolling patients in China and the U.S., and the first patient was dosed in July 2024 in China.

  Pre-clinical data of JAB-30355 were presented in the form of a poster at the 2024 AACR.

- *JAB-BX102 (anti-CD73 humanized monoclonal antibody)*

  Dose escalation for a Phase I/IIa trial has been finished in China and dose expansion trial is being planned in China.

Other IND approved programs

INDs were approved for JAB-BX300 (anti-LIF humanized monoclonal antibody), JAB-26766 (PARP7 inhibitor), and JAB-24114 (glutamine-utilizing enzyme inhibitor). We are optimizing the clinical development strategy for those three assets considering the current treatment landscape and available resources.

Pre-clinical data of JAB-26766 were presented in the form of a poster at the 2024 AACR.

IND-Submitted Product

- *JAB-23E73 (pan-KRAS inhibitor)*

  JAB-23E73 is a novel, first-in-class, orally bioavailable pan-KRAS inhibitor. It can potently inhibit the activity of multiple KRAS mutants in both RAS (ON) and RAS (OFF) states at single digit nano molar and sub nano molar level, with high selectivity over HRAS and NRAS which are tumor suppression genes of KRAS-driven lung cancer growth. JAB-23E73 leads to tumor regression in various CDX models and features a favorable PK profile. IND applications for JAB-23E73 to the CDE and the U.S. FDA were completed in June 2024 and August 2024, respectively.

Our iADC Programs

We have leveraged our strength in small molecule drug discovery and development in designing innovative payloads and built our iADC platform. ICIs have dramatically changed the landscape of cancer treatment. However, ICI response rates remain modest with only a minority of patients deriving clinical benefits. Conjugation of our STING agonist (payload) with different TAA targeting antibodies can facilitate targeted delivery of STING agonists into tumor cells, which enhances antitumor immunity and turns PD-1 unresponsive cold tumors into PD-1 responsive hot tumors. We have designed a series of iADC programs, i.e., HER2-STING iADC (JAB-BX400) and CD73-STING iADC (JAB-BX500). In pre-clinical study, JAB-BX400 was effective in the SK-OV-3 xenograft model, which belongs to cold tumors. Clinical candidate for JAB-BX400 is expected to be nominated in the second half of 2024. iADCs targeting other TAAs are being developed in-house as well.

FINANCIAL HIGHLIGHTS

R&D Expenses

Our R&D expenses decreased by RMB22.0 million or 11.1% from RMB198.8 million for the six months ended June 30, 2023 to RMB176.8 million for the six months ended June 30, 2024, primarily due to decrease in raw materials and consumables used and in R&D staff costs.

Administrative Expenses

Our administrative expenses decreased by RMB2.5 million or 10.5% from RMB23.7 million for the six months ended June 30, 2023 to RMB21.2 million for the six months ended June 30, 2024, primarily due to the combined impact of decrease in administrative employees costs and professional service costs and the increase of depreciation and amortization expenses in connection with our newly leased headquarters in Beijing in 2023.

Loss for the Reporting Period

As a result of the above factors, loss for the Reporting Period increased from RMB166.3 million for the six months ended June 30, 2023 to RMB169.1 million for the six months ended June 30, 2024.

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 immune-oncology, such as immune checkpoints programmed cell death protein-1 (PD-1) and its ligand (PD-(L)1). However, many well-studied targets in these pathways including protein tyrosine phosphatases 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 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 that lack easy-to-drug pockets where drugs can bind. Besides, we are also developing novel candidates of new modalities, spanning from small molecules and monoclonal antibody to iADCs.

We intend to proactively explore and enter into strategic and synergistic partnerships with leading multinational corporations. Such partnerships pool complementary expertise and resources to increase the chances of success for our drug candidates and ensure the 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 nine years, by leveraging our proprietary technologies and know-how in drug discovery and development, we have discovered and developed an innovative pipeline of drug candidates, including one NDA-submitted asset, nine assets at the clinical stage, and several others at the IND-enabling stage. These drug candidates may have broad applicability across various tumor types and have demonstrated combinatorial potential among themselves.

The following charts summarize our product pipeline, the development status of each clinical candidate as at the date of this announcement.

Clinical

Asset	Regimen	Indications	IND	Phase I	Phase IIa	Pivotal	NDA	Recent development & Expected Milestone
JAB-21822 Glecirasib KRAS G12C (RAS pathway)	Mono	≥2L NSCLC	China trial (NDA submission)					• NDA submission in May 2024 • Priority review granted in May 2024
	Mono	≥2L PDAC & Multi-tumors basket	China trial (pivotal trial)					• Early efficacy data presented at the 2024 ASCO GI
	Combo w/SHP2i JAB-3312	1L NSCLC	China trial (phase III pivotal trial)					• FPI for phase III trial achieved in August 2024 • Updated data presented at 2024 ASCO as an oral presentation
	Combo w/EGFR mAb	≥3L CRC	China trial (phase III pivotal trial)					• Phase III registrational trial aligned with CDE in May 2024.
	Mono	NSCLC, PDAC, CRC and other solid tumors	Global trial					
JAB-3312 SHP2 (RAS pathway)	Combo w/KRAS G12Ci glecirasib	1L NSCLC	China trial (phase III pivotal trial)					• FPI for phase III trial achieved in August 2024 • Updated data presented at 2024 ASCO as an oral presentation
JAB-23E73 Pan-KRAS (RAS pathway)	Mono	NSCLC, PDAC, CRC and other solid tumors	Global trial					
JAB-8263 BET (MYC pathway)	Mono	Solid tumors	US trial					• Initiate Phase II POC trial in H2 2024 in tumor patients with specific biomarkers.
	Mono	Solid tumors	China trial					
	Mono Combo w/JAKi	Liquid tumors	China trial					
JAB-2485 Aurora A (MYC pathway)	Mono	Solid tumors	Global trial					• Initiate Phase II POC trial in H2 2024
JAB-30355 p53 Y220C (p53 pathway)	Mono	Solod tumors	Global trial					• IND approved by U.S. FDA in March 2024 • IND approved by CDE in June 2024 • FPI achieved in July 2024.
JAB-BX102 CD73 mAb (I/O)	Mono Combo w/PD-1 mAb	Solid tumors	China trial					
JAB-26766 PARP 7 (I/O)	Mono	Solid tumors	China trial					• IND (CDE) approved in 2023
JAB-24114 Glutamine-utilizing enzyme (MYC pathway)	Mono	Solid tumors, Hematological malignancies	China trial					• IND (CDE) approved in 2023
JAB-BX300 LIF (RAS pathway)	Mono	Solid tumors	China trial					• IND (CDE) approved in 2023

We believe there are tremendous potentials for combination strategies among our in-house pipeline assets. For instance, our SHP2 inhibitor (JAB-3312) and our KRAS inhibitors (glecirasib and JAB-23E73) showed strong synergistic antitumor effects in pre-clinical studies. Based on the strong rationale and the impressive clinical outcome of the double blockade of SHP2 and KRAS G12C, we have prioritized the clinical development of the combination therapy with our SHP2 inhibitor and our KRAS G12C inhibitor. In fact, a Phase III registrational trial of JAB-3312 in combination with glecirasib in 1L NSCLC patients was approved by CDE in February 2024 and has been activated. The first patient has been dosed in August 2024. Safety and efficacy data from 194 patients who received glecirasib and JAB-3312 combination therapy were published as an oral presentation at the 2024 ASCO Oral Abstract Session.

Business Review

Clinical Stage Products

We have made tremendous progress in clinical development of our assets in the first half of 2024. Among all clinical stage candidates, glecirasib (JAB-21822), our leading asset, was submitted for the NDA evaluation in May 2024 to CDE as monotherapy for 2L+treatment of advanced or metastatic NSCLC patients with KRAS G12C mutation and granted priority review designation in the same month. Our Company completed the clinical investigation for glecirasib monotherapy in 2L+ NSCLC patients within less than three years. In PDAC, glecirasib is in a single arm Phase II pivotal study in China. In 1L NSCLC, our Phase III pivotal trial design of glecirasib in combination with JAB-3312 to treat 1L NSCLC patients with KRAS G12C mutation was approved by CDE in February 2024 and the Phase III pivotal trial has been initiated with the First-Patient-In (FPI) in August 2024. In CRC, a Phase III pivotal trial design of glecirasib monotherapy or glecirasib in combination with cetuximab in ≥3L CRC patients with KRAS G12C mutation was approved by CDE in May 2024.

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

  Glecirasib is a potent, selective and orally available small molecule targeting KRAS G12C mutant 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 and anti-EGFR antibody. Based on our internal head-to-head pre-clinical animal studies, glecirasib has shown favorable safety, tolerability and PK profiles in comparison with Amgen's and Mirati's KRAS G12C inhibitors (which were internally synthesized based on published molecular structures).

During the Reporting Period and up to the date of this announcement, we have achieved the following progress and milestones:

NSCLC

≥2L NSCLC: Monotherapy in China

The pivotal trial of glecirasib monotherapy in ≥2L NSCLC patients harboring KRAS G12C mutation enrolled patients from around 60 sites in China. Patient enrollment for pivotal trial was finished in September 2023. Clinical results of the registrational Phase II trial of glecirasib were initially reported at the 2024 ASCO plenary series and then as an oral presentation at the 2024 ASCO Education Session. Among second-line and above NSCLC patients receiving glecirasib monotherapy treatment, the confirmed objective response rate (cORR) was 47.9% (56/117), including 4 patients achieved a complete response (CR) and 36 patients with tumor reduction exceeding 50%. The disease control rate (DCR) was 86.3%. The median progression-free survival (mPFS) was 8.2 months, and the median overall survival (mOS) was 13.6 months. The median duration of response (mDoR) has not been reached: 6-month and 12-month DoR rates were 73.6% and 56.6%, respectively. Glecirasib appears to have superior efficacy compared with the two KRAS G12C inhibitors approved by the U.S. FDA. The NDA application of glecirasib monotherapy in ≥2L NSCLC was submitted to CDE in May 2024 and priority review designation was granted in the same month.

The Phase I dose escalation of glecirasib in patients with solid tumors harboring KRAS G12C mutation in China has been completed. 800mg QD was deemed to be RP2D. A total of 40 2L+ NSCLC patients were treated with glecirasib at 800mg QD in the Phase IIa dose expansion part.

Glecirasib has been granted BTD for ≥2L treatment of advanced or metastatic NSCLC patients with KRAS G12C mutation by CDE in December 2022. Currently, there are only two KRAS G12C inhibitors approved by the U.S. FDA and the European Medicines Agency (EMA) in the U.S. and Europe. Glecirasib is one of the first three KRAS G12C inhibitor drugs submitted for NDA evaluation in China.

1L NSCLC: Combination Therapy with JAB-3312 in China

Glecirasib in combination with JAB-3312 has demonstrated promising efficacy and favorable safety profile in the front-line NSCLC. Therefore, CDE approved the Phase III pivotal trial design of glecirasib in combination with JAB-3312 to treat 1L NSCLC patients in February 2024. The Phase III pivotal trial in China has been activated with the first patient in on August 7, 2024. JAB-3312 is the first SHP2 inhibitor entering a Phase III registrational trial worldwide.

A Phase I/IIa trial of glecirasib in combination with JAB-3312 in locally advanced or metastatic advanced solid tumors harboring KRAS G12C mutation is ongoing. Seven dose regimens with different dose level and frequency were explored. Updated safety and efficacy data were reported as an oral presentation at the 2024 ASCO Oral Abstract Session. Glecirasib plus JAB-3312 have a manageable safety profile and demonstrate promising efficacy. As of April 7, 2024, 194 patients with locally advanced or metastatic advanced solid tumors harboring KRAS G12C mutation received combination treatment of glecirasib and JAB-3312. Among all patients received the combination therapy, 102 patients were 1L NSCLC patients. In front-line NSCLC, the confirmed ORR of all dose cohorts was 64.7% (66/102), the DCR was 93.1% (95/102), and the mPFS was 12.2 months, respectively. Glecirasib (800mg QD) + JAB-3312 2mg 1/1 dosage yielded confirmed ORR of 77.4% (24/31), and 54.8% (17/31) of patients achieved a deep response with tumors shrinking by more than 50%. The mPFS was not yet mature. The incidence of grade 3 or 4 TRAEs was 43.8% of all dose levels and 36.7% for glecirasib (800mg QD) + JAB-3312 2mg 1/1, respectively. No grade 5 TRAE was seen. No new safety signals were identified compared to glecirasib and JAB-3312 as monotherapy.

Currently, no KRAS G12C inhibitors have been approved for the front-line treatment of NSCLC globally. The most advanced programs are under phase III clinical trial investigation. Our Company's phase III registrational trial are recruiting treatment-naïve, advanced NSCLC patients with KRAS G12C mutation and a PD-L1 staining tumor proportion score < 1%. Currently, only two KRAS G12C inhibitors, namely glecirasib from our Company and sotorasib from Amgen, are in Phase III registrational trial evaluation in this patient cohort. Glecirasib plus JAB-3312 is an "oral + oral" regime which significantly improve patient compliance and adherence.

PDAC

Patient enrollment of the pivotal trial is ongoing in China. In July 2023, the pivotal trial of glecirasib monotherapy in ≥2L PDAC patients with KRAS G12C mutation was approved by CDE. Currently, no KRAS inhibitors have been approved for PDAC treatment globally. Glecirasib is the first KRAS G12C inhibitor entered a registrational trial in ≥2L pancreatic cancer worldwide. In August 2023, glecirasib was granted BTD for KRAS G12C mutant pancreatic cancer patients by CDE. In October 2023, the first patient was enrolled to this pivotal trial.

Clinical activity and safety results of glecirasib in patients with pancreatic cancer and other solid tumors from Phase I and Phase IIa studies were reported as an oral presentation at the 2024 ASCO GI. Global development plan of glecirasib in ≥2L PDAC patients is under consultation with the U.S. FDA. In April 2024, glecirasib received orphan drug designation (ODD) for pancreatic cancer indication from the U.S. FDA.

Phase III pivotal trial design of glecirasib monotherapy or glecirasib in combination with cetuximab in ≥3L CRC patients with KRAS G12C mutation was approved by CDE in May 2024.

Multi-Tumors Basket

Multi-tumors basket patients (biliary tract cancer, gastric cancer, small bowel cancer, appendiceal cancer, etc.) harboring KRAS G12C mutation have been treated with glecirasib monotherapy. Clinical activity and safety results of glecirasib in multi-tumors basket patients from Phase I and Phase IIa studies were reported as an oral presentation at the 2024 ASCO GI. Among 19 multi-tumors basket patients received glecirasib monotherapy, confirmed ORR was 52.6% (10/19), DCR was 84.2% (16/19), mPFS was 7.0 months, and mOS was not reached (12-month OS rate: 58.2%). The clinical trial is still ongoing and remains open to enrollment. A Phase II single arm pivotal trial was approved by the CDE in August 2024. No KRAS inhibitors have been approved for multi-tumors basket patients globally. Among all KRAS G12C inhibitors in the clinical stage globally, glecirasib is the one reported data with the largest number of enrolled patients.

CRC

Monotherapy and Combination Therapy with anti-EGFR Antibody cetuximab in China

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 monotherapy of glecirasib in advanced colorectal cancer with KRAS G12C mutation.

A total of 35 patients treated with glecirasib 800 mg QD have been enrolled as of May 29, 2023. Glecirasib had shown promising antitumor activity in heavily pretreated patients with metastatic colorectal cancer with mutant KRAS G12C as monotherapy. The results of this trial were summarized and released at the 2023 JCA-AACR Conference. As at the date of this announcement, monotherapy yielded ORR of 33.3% (11/33), DCR of 90.9% (30/33) and mPFS of 6.9 months.

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 glecirasib with cetuximab in advanced colorectal cancer with KRAS G12C mutation.

The patient enrollment of the Phase I/IIa trial was completed in February 2023. More than 47 CRC patients have been treated with glecirasib 800 mg QD in combination with cetuximab by the end of February 2023. The preliminary results of this trial were summarized and released at the 2023 JCA-AACR Conference. As at the date of this announcement, in a clinical trial of glecirasib in combination with cetuximab, ORR was 62.8% (27/43), DCR was 93% (40/43), mPFS has not reached as at the data cut-off. In terms of safety, the majority of TRAEs in monotherapy and combination therapy were grades 1-2.

Clinical Trial Collaboration with Merck

Under the collaboration agreement entered with Merck, cetuximab will be provided by Merck for combination trials in China and Europe.

Monotherapy and Combination Global Study

The Phase I dose escalation for glecirasib global study was completed in August 2022, and the Phase II dose expansion portion was initiated in September 2022. The clinical trial is still ongoing in the U.S. and Europe, and similar clinical response with Chinese patients has been observed.

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 and orphan drugs. In addition, we have been exploring the potential synergistic combinations by working with value-adding collaborators, and to maximize the clinical and commercial value of our drug candidates on a global scale.

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

- **JAB-3312**

JAB-3312 is a clinical-stage, oral allosteric SHP2 inhibitor for the potential treatment of cancers driven by RAS signaling pathway and immune checkpoint pathway. SHP2 inhibitor plays a major role in circumventing resistance when combined with inhibitors of various oncogenic drivers. We believe SHP2 inhibition is a promising novel therapeutic approach for multiple cancer types. 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 patents that is hard for any newcomers to circumvent, and therefore enlarged our first-mover advantages in the market.

Our SHP2 inhibitor received the IND approval from the U.S. FDA for clinical development in May 2018, which ranked the second SHP2 program in clinic stage globally. JAB-3312 is a second generation SHP2 inhibitor and the most potent SHP2 inhibitor of its class. In pre-clinical studies, the IC_{50} for JAB-3312 in cell proliferation was 0.7-3.0 nM. In clinical studies, recommend dose for the registrational Phase III clinical trial is 2 mg QD intermittent. In the U.S., JAB-3312 has obtained orphan drug designation from the U.S. FDA for the treatment of esophageal cancer. Preclinical research results of JAB-3312 were published as a peer-reviewed article in the Journal of Medicinal Chemistry, a scientific journal published by the American Chemical Society since 1959.

Key highlights of the JAB-3312 program over the Reporting Period are listed below.

JAB-3312 in Combination with KRAS G12C Inhibitor

See "JAB-21822 (Glecirasib, KRAS G12C inhibitor) – NSCLC – 1L NSCLC: Combination Therapy with JAB-3312 in China".

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- **JAB-8263**

  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. JAB-8263 is the most potent BET inhibitor in the clinical stage globally which binds to BRD2, BRD3, BRD4, and BRDT with biochemical IC_{50} ranging from 0.20 to 0.99 nM. Pre-clinical studies showed that JAB-8263 can maintain 80-90% inhibition of c-MYC for more than 48 hours when given at a very low dose. We are evaluating JAB-8263 for the treatment of various solid tumors and hematological malignancies. To date, JAB-8263 has demonstrated favorable safety and tolerability compared with other BET inhibitors under clinical development. Active therapeutic signals in solid tumors and hematological malignancies were observed during dose escalation. Improvement in total symptom score (TSS) and spleen volume reduction (SVR) was observed in solid tumors and hematological malignancies patients treated with JAB-8263 monotherapy. Among the enrolled solid tumors and hematological malignancies patients, one patient had received the treatment more than one year with SVR 56.5%.

  The dose escalation for JAB-8263 in solid tumors and liquid tumors has been completed in US and China respectively. The clinical data of JAB-8263 in solid tumors and hematological malignancies were presented as publish only at the 2024 EHAC. Phase II clinical trials of JAB-8263 in solid tumors and hematological malignancies patients or solid tumor patients with specific biomarkers are being planned.

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- **JAB-2485**

  JAB-2485 can inhibit Aurora kinase A activity, induce apoptosis and inhibit tumor growth. Aurora kinase A inhibition may potentially benefit patients with RB loss tumors, such as SCLC and TNBC. JAB-2485 is one of the top two orally bioavailable small molecules in clinical stage which selectively inhibit Aurora kinase A over Aurora kinases B and C. Pre-clinical studies showed that JAB-2485 features a 1500-fold selectivity on Aurora kinase A over Aurora kinases B and C. JAB-2485 induces minimal myelosuppression and displays favorable PK properties. As at the date of this announcement, there is no commercialized Aurora kinase A inhibitor globally.

  A Phase I/IIa global trial of JAB-2485 is being conducted in the U.S. and China. Encouraging clinical efficacy signals were observed. For example, a patient at a low dose level has been on the JAB-2485 for more than one year with stable disease. The expansion of monotherapy and combination with chemotherapy are being planned.

  Pre-clinical data of JAB-2485 were published as a research article at ACS Omega, a weekly peer-reviewed scientific journal published by the American Chemical Society.

  Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that JAB-2485 will ultimately be successfully developed and marketed by our Company. Shareholders and potential investors are advised to exercise caution when dealing in our Shares.

- **JAB-30355**

  JAB-30355 is a potent and orally bioavailable small molecule p53 reactivator for the treatment of patients with locally advanced or metastatic solid tumors harboring p53 Y220C mutation.

  JAB-30355 has shown very high binding affinity to p53 Y220C mutant proteins and can maximally restore the proper folding and functionality of misfolded p53 Y220C upon binding, trigger apoptosis *in vitro*. When applied *in vivo*, tumor regression was achieved in multiple CDX and PDX models harboring p53 Y220C hotspot mutation, such as ovarian cancer, pancreatic cancer, gastric/esophageal cancer, breast cancer, lung cancer, etc. The synergistic effects were found when combined with chemo or oncogenic protein inhibitors which indicates a wide combo potential of JAB-30355. Good crystalline solubility across physiologic conditions and favorable PK properties across were observed.

  The IND application of JAB-30355 has been approved by the U.S. FDA in March 2024. The IND application of JAB-30355 to CDE has been approved in June 2024. The first patient was dosed in July 2024 in China. Currently, there is only one program which just entered a Phase II single arm registrational trial in respective drug classes globally. In preclinical studies, the potency of JAB-30355 is 2-3-fold of the drug under registrational study, and the predicted human efficacy dose for JAB-30355 is half of that of the program under registrational trial. Therefore, JAB-30355 has the potential to be among the first few market entrants.

  Pre-clinical data of JAB-30355 were presented in the form of a poster at the 2024 AACR.

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- **JAB-BX102**

  JAB-BX102 is a humanized monoclonal antibody against CD73, a key protein involved in the adenosine pathway. JAB-BX102 binds to a unique N terminal epitope of CD73, and directly inhibits CD73 enzymatic activity with sub-nanomolar IC_{50}. JAB-BX102 induces strong internalization and achieves fast elimination of cellular CD73. Combination of JAB-BX102 with ICI such as anti-PD-(L)1 antibodies can result in synergistic antitumor effect. JAB-BX102 is our first large molecule program that entered into clinical stage.

  We initiated the Phase I/IIa dose escalation and expansion trial for JAB-BX102 in patients with advanced solid tumors in September 2022. The dose escalation has been completed and combination with pembrolizumab is being planned.

  Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that JAB-BX102 will ultimately be successfully developed and marketed by our Company. Shareholders and potential investors are advised to exercise caution when dealing in our Shares.

- **Other IND approved programs**

  JAB-BX300 – JAB-BX300 is a monoclonal antibody that binds to LIF and prevents signaling through the LIF receptor. Treatment of JAB-BX300 can reverse tumor immunosuppression by decreasing M2 macrophages and activating natural killer cells and cytotoxic T lymphocytes. Studies show that LIF is an attractive target for the treatment of KRAS-driven tumors such as PDAC or CRC when treated as monotherapy or combining with anti-PD-(L)1 antibody. High level of serum LIF may be a potential biomarker, especially for pancreatic cancer.

  The IND application of JAB-BX300 was approved by CDE in June 2023.

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

  JAB-26766 – JAB-26766 is an orally bioavailable small molecule PARP7 inhibitor, targeting immune-oncology pathway for the treatment of a variety of solid tumors such as sqNSCLC, ovarian cancer and cervical cancer etc. PARP7 acts as a brake in IFN signaling in a TBK1-dependent manner in the downstream of STING. PARP7 facilitates cancer cell growth by MARylation of α-tubulin or androgen receptor. JAB-26766 has displayed a double-digit nano molar potency in cellular assays and super selectivity to PARP1/2. Higher exposure in mice was observed for JAB-26766 per oral administration which led to substantial tumor inhibition activities in different tumor models.

  We received the IND approval from CDE for a Phase I/IIa advanced solid tumors clinical trial in China in June 2023.

  Pre-clinical data of JAB-26766 were presented in the form of a poster at the 2024 AACR.

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

  JAB-24114 – JAB-24114 is a prodrug of DON, an inhibitor of glutamine-utilizing enzymes which serves vital roles in the tricarboxylic acid cycle, purine, lipid, and amino acid synthetic pathways. Different from glutaminase inhibitors which are only blocking the conversion of glutamine to glutamate, JAB-24114 has substantial therapeutic potential. As a prodrug of DON, JAB-24114 is stable in plasma and inactive in GI tissue. It is preferentially distributed in tumors where it is bio-transformed and activated to the active moiety DON.

  JAB-24114 has the distinctive combination effects of depleting tumors of nutrients while enhancing T cell function. Synergistic action with anti-PD-(L)1 antibody can boost the antitumor effect. JAB-24114 can also be used in combination with SHP2 inhibitors or KRAS inhibitors.

  The IND application of JAB-24114 was approved by CDE for a Phase I/IIa trial in March 2023.

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

- **IND-Submitted Product**

  JAB-23E73 – JAB-23E73 is a novel, first-in-class, orally bioavailable pan-KRAS inhibitor. It can potently inhibit the activity of multiple KRAS mutants in both RAS (ON) and RAS (OFF) states at single digit nano molar and sub nano molar level, including KRAS G12X (G12D, G12V, G12R, G12S and G12A), G13D and Q61H, with high selectivity over HRAS and NRAS which are tumor suppression genes of KRAS-driven lung cancer growth. JAB-23E73 has significant antitumor effect on cancer cell lines with multiple KRAS mutations or amplification of KRAS wild-type and has no inhibitory effect on KRAS-independent cells, indicating a favorable therapeutic window.

  In pre-clinical studies, JAB-23E73 exhibited favorable oral bioavailability both in rodent and non-rodent species. JAB-23E73 also showed an excellent antitumor effect in KRAS G12X and G13D mutant tumor xenografts. Tumor regression was achieved by oral administration in LS513 (Colon, KRAS G12D), HPAC (Pancreas, KRAS G12D), RKN (LMS, KRAS G12V), NCI-H441 (Lung, KRAS G12V), Capan-2 (Pancreas, KRAS G12V) and LoVo (Colon, KRAS G13D) models. The combination of JAB-23E73 with SHP2 inhibitor JAB-3312 or EGFR antibody Cetuximab could significantly enhance antitumor effects. At the same time, JAB-23E73 is well tolerated in animal models. According to pre-clinical data, it is predicted that JAB-23E73 will have a favorable exposure on human.

  The IND application to CDE and U.S. FDA has been submitted in June and August 2024, respectively. The first patient will be dosed in the fourth quarter of 2024.

  Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that JAB-23E73 will ultimately be successfully developed and marketed by our Company. Shareholders and potential investors are advised to exercise caution when dealing in our Shares.

- **Pre-clinical Stage Product**

  JAB-22000 – JAB-22000 is a highly selective KRAS G12D inhibitor. Compounds with high potency have been identified. Multiple patent filings have been submitted covering multiple optimization directions. IND schedule and development plan will be adjusted according to the progress and the clinical outcome of JAB-23E73, our pan-KRAS inhibitor.

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

Our iADC Programs

ICIs have dramatically changed the landscape of cancer treatment. However, ICI response rates remain modest with only a minority of patients deriving clinical benefits. 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”. STING can attract the infiltration of immune cells into tumor, activate infiltrated immune cells, and turn the tumor from “cold” to “hot”. By conjugating our STING agonist (payload) with different TAA targeting antibodies, we can target deliver STING agonists into tumor cells, which enhances antitumor immunity and turns PD-1 unresponsive cold tumors into PD-1 responsive hot tumors.

A growing body of ADCs are currently in clinical development, some of which had been approved by the U.S. FDA and the CDE, 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.

We have leveraged our strength in small molecule drug discovery and development in designing innovative payloads and built our iADC platform. Our novel iADC program using STING agonist as payloads have the potential to address the challenges of both low response rate in current ICI therapy and toxicities caused by conventional ADCs.

For iADC, right plasma stability is very important to reduce the releasing of drug before it reaches the target site (on target, off-tumor toxicity). Our iADC molecules have shown greatly improved plasma stability compared with the competitor which would broaden the therapeutic window and improve safety in future use.

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

  Recent efforts have been focused on identifying targets that could elicit or augment antitumor 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 and chemokines, such as IFNs and CXCLs.

  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 antitumor activity, the therapeutic window was limited by immune-related toxicity, such as cytokine release syndrome.

  By specifically delivering potent STING agonist into TAA expressing tumor cells, rationally designed iADC could locally activate antitumor activity to boost the tumor specific innate/adaptive immune response and avoid the risk of systemic immune-related adverse effect.

  By conjugating our STING agonist (payload) with different TAA targeting antibodies, we are developing a series of iADC programs, i.e., HER2-STING iADC (JAB-BX400) and CD73-STING iADC (JAB-BX500). In pre-clinical studies, JAB-BX400 barely releases free payload (less than 1%) after incubated in the plasma for 48 hours. And cytokine release is significantly less by JAB-BX400 compared with the competitor. More importantly, JAB-BX400 is effective in the SK-OV-3 xenograft model, which belongs to cold tumors. Clinical candidate for JAB-BX400 is expected to be nominated in the second half of 2024. We are developing other TAAs targeting iADCs as well.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that our iADC Platforms, JAB-BX400 and JAB-BX500 will ultimately be successfully developed and marketed by our Company. Shareholders and potential investors are advised to exercise caution when dealing in our Shares.

Corporate Development during the Reporting Period

We have a solid patent portfolio to protect our drug candidates and technologies. As at June 30, 2024, we owned 347 patents or patent applications that are filed globally, of which 89 patents have been issued or allowed in major markets globally.

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, commercialize and expand our pipeline targeting multiple promising pathways in the field of target therapy and immuno-oncology**

  In the field of target therapy:

  We have an established track record of successfully designing innovative therapies targeting allosteric binding sites of traditionally "undruggable" targets.

  - ***RAS pathway***

    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 in RAS pathway, including glecirasib (JAB-21822, KRAS G12C inhibitor), JAB-23E73 (pan-KRAS inhibitor), JAB-3312 (SHP2 inhibitor), JAB-22000 (KRAS G12D inhibitor) and JAB-BX300 (anti-LIF humanized monoclonal antibody), that target different forms of KRAS which harbor either G12C, G12D, G12V or other mutations.

    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 the global market, including NSCLC, PDAC, CRC and other solid tumors with KRAS mutations, in both single agent and rational combination therapies.

  - ***MYC pathway***

    The MYC transcription factor is a master regulator of diverse cellular functions and has been long considered a compelling therapeutic target because of its role in a wide range of human malignancies. MYC amplification is commonly found in numerous solid tumors, including pancreatic cancer, SCLC, HCC, HNSCC and TNBC. We have developed JAB-8263, a highly potent BET inhibitor, JAB-2485, a highly selective Aurora kinase A inhibitor, and JAB-24114, a small molecule inhibitor of glutamine-utilizing enzymes.

  - ***p53 pathway***

    p53 is the most frequently altered gene in human cancers, with mutations being present in approximately 50% of all solid 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-30355 for specific p53 Y220C mutation.

In the field of immuno-oncology:

Immuno-oncology is a validated and promising field of cancer drug discovery, and we are developing a number of iADC programs, small molecules and monoclonal antibodies against novel immuno-oncology targets.

Our novel iADC programs using unique payloads have the potential to address the challenges of both low response rate in current ICI therapy and toxicities caused by conventional ADC. Our iADC molecules have shown greatly improved plasma stability compared with the competitor which would broaden the therapeutic window and improve safety in future use. Our iADC projects can also be used in combination with PD-(L)1 antibodies.

- **Advance our allosteric inhibitor technology platform and iADC platform in parallel**

  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.

  Our years of extensive research efforts focused on allosteric inhibitors and extensive know-how and experience accumulated in this process enable us to build a proprietary technology platform for the discovery and optimization of allosteric modulators.

  Meanwhile, by leveraging our expertise in developing small molecule drugs, we have identified unique STING agonist molecules that are suitable to be used as a payload and developed our iADC candidates.

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

  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.

Cautionary Statement under Rule 18A.08(3) of the Listing Rules: Our Company cannot guarantee that it will be able to successfully develop or ultimately market our Core Products. Shareholders and potential investors are advised to exercise caution when dealing in our Shares.

FINANCIAL REVIEW

Revenue

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from the license and collaboration agreement	**–**	40,335

For the six months ended June 30, 2024, no revenue was recognized. For the six months ended June 30, 2023, our Group recorded revenue of RMB40.3 million in relation to the R&D costs reimbursement generated from the license and collaboration agreement with AbbVie which was terminated in 2023.

Cost of Revenue

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Clinical trial expenses of our SHP2 inhibitors	**–**	37,933

For the six months ended June 30, 2024, no cost of revenue was recognized. For the six months ended June 30, 2023, our cost of revenue consists of R&D expenses related to our SHP2 inhibitors under the license and collaboration agreement with AbbVie, which was terminated in 2023.

Gross Profit

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Gross profit from the license and collaboration agreement	**–**	2,402

As a result of the foregoing, our gross profit decreased from RMB2.4 million for the six months ended June 30, 2023 to nil for the six months ended June 30, 2024.

Other income

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grants	**7,465**	822
Total	**7,465**	822

Our other income increased from RMB0.8 million for the six months ended June 30, 2023 to RMB7.5 million for the six months ended June 30, 2024, which was attributable to the increase of government grants associated with the progression of our R&D programs and rental subsidies of our headquarters in Beijing.

Other Gains – Net

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net foreign exchange gains	**5,810**	37,750
Fair value changes on derivative financial instruments	**–**	(2,864)
Fair value changes on long-term investments measured at fair value through profit or loss	**(185)**	(645)
Disposal (loss)/gain of property, plant and equipment	**(6)**	439
Loss on remeasurement of redemption liability	**(957)**	–
Total	**4,662**	34,680

The decrease in our net other gains was primarily attributable to the decrease of net foreign exchange gains due to the relatively lower appreciation of USD and HKD against RMB in the first half of 2024 as compared to that in 2023.

Our net other gains consist primarily of gains 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 decreased by 32.0 million from RMB37.8 million for the six months ended June 30, 2023 to RMB5.8 million for the six months ended June 30, 2024, which was mainly attributable to foreign exchange gains in connection with bank balances dominated in USD and HKD and the relatively lower appreciation of the USD and the HKD against the RMB for the six months ended June 30, 2024 compared to that for the six months ended June 30, 2023.

Our business mainly operated in the PRC, and most of our Group's transactions are settled in RMB. Since our inception, we have financed our business principally through equity financings and bank borrowings, 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. Future commercial transactions or assets and liabilities denominated in USD and HKD may 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.

R&D Expenses

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Testing fee	**77,291**	75,693
Employee benefits expenses	**66,681**	73,774
Raw material and consumables used	**14,029**	30,663
Depreciation and amortization	**11,337**	8,365
Others	**7,489**	10,257
Total	**176,827**	198,752

Our R&D expenses decreased by RMB22.0 million or 11.1% from RMB198.8 million for the six months ended June 30, 2023 to RMB176.8 million for the six months ended June 30, 2024, primarily due to the decrease in raw materials and consumables used and in R&D staff costs. Such decrease in research and development expenses resulted from (i) RMB16.6 million decrease in raw materials and consumables used, including the manufacture of clinical candidates; and (ii) RMB7.1 million decrease in employee benefits expenses primarily due to decrease in the average number of R&D employees and their compensation level.

Administrative Expenses

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Employee benefits expenses	**13,021**	14,824
Professional services expenses	**618**	1,852
Depreciation and amortization	**2,413**	1,115
Others	**5,138**	5,924
Total	**21,190**	23,715

Our administrative expenses decreased by RMB2.5 million or 10.5% from RMB23.7 million for the six months ended June 30, 2023 to RMB21.2 million for the six months ended June 30, 2024 mainly due to the combined impact of decrease in professional services expenses and the increase of depreciation and amortization expenses in connection with our headquarters in Beijing which was opened in mid-2023.

Finance Income and Finance Expenses

Our finance income remained stable at RMB22.1 million for the six months ended June 30, 2023 and 2024, which was mainly attributable to the combined impact of (i) increased average interest rate of time deposit during the six months ended June 30, 2024 compared to that for the six months ended June 30, 2023; and (ii) decreased bank balances in line with our business progress. Our finance expenses increased by RMB1.4 million from RMB3.8 million for the six months ended June 30, 2023 to RMB5.2 million for the six months ended June 30, 2024, due to an increase in interest costs on lease liabilities and interest costs on borrowings.

Income Tax Expenses

No income tax expenses were recognized for the six months ended June 30, 2024 and 2023 as there was no taxable profits during the Reporting Period.

Non-IFRS Measures

To supplement the consolidated financial statements, which are presented in accordance with 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, 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 non-cash items and one-time events, namely share-based payment expenses and fair value changes on long-term investments measured at fair value through profit or loss. The term adjusted loss for the Reporting Period is not defined under IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered 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 does 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 our loss to adjusted loss during the periods indicated:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period	**(169,053)**	(166,281)
Added:		
Share-based payment expenses	**5,409**	7,298
Fair value losses in long-term investments measured at fair value through profit or loss	**185**	645
Adjusted loss for the period	**(163,459)**	(158,338)

The table below sets forth a reconciliation of our R&D expenses to adjusted R&D expenses during the periods indicated:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
R&D expenses for the period	**(176,827)**	(198,752)
R&D expenses in relation to our SHP2 inhibitors which were recorded in Cost of Revenue for the period	**–**	(37,933)
Added:		
Share-based payment expenses	**4,891**	6,032
Adjusted R&D expenses for the period	**(171,936)**	(230,653)

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

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Administrative expenses for the period	**(21,190)**	(23,715)
Added:		
Share-based payment expenses	**518**	1,266
Adjusted administrative expenses for the period	**(20,672)**	(22,449)

Cash Flows

During the six months ended June 30, 2024, net cash used in operating activities of our Group amounted to RMB180.4 million, representing a decrease of RMB39.4 million over the net cash used in operating activities of RMB219.8 million during the six months ended June 30, 2023. The decrease was mainly due to the decrease of R&D expenditures.

During the six months ended June 30, 2024, net cash generated from investing activities of our Group amounted to RMB43.7 million, representing a decrease of RMB126.9 million over the net cash generated from investing activities of RMB170.6 million during the six months ended June 30, 2023. The decrease was mainly due to the combined impact of (i) the placement of deposits with original maturities over 3 months of RMB924.2 million during the six months ended June 30, 2024 compared to that of RMB291.0 million during the six months ended June 30, 2023; and (ii) the proceeds received from the maturity of deposits with initial terms over 3 months of RMB946.4 million during the six months ended June 30, 2024 compared to that of RMB482.5 million during the six months ended June 30, 2023.

During the six months ended June 30, 2024, net cash generated from financing activities of our Group amounted to RMB25.8 million, representing a decrease of RMB163.5 million over the net cash generated from financing activities of RMB189.3 million during the six months ended June 30, 2023. The decrease was mainly due to the combined impact of (i) the proceeds from contribution in Beijing Jacobio of RMB45.0 million; (ii) the proceeds raised from the Subscription of RMB139.1 million during the six months ended June 30, 2023; and (iii) the net repayment of borrowings of RMB10.1 million during six months ended June 30, 2024 compared to net proceeds from bank borrowings of RMB60.0 million during six months ended June 30, 2023.

Significant Investments, Material Acquisitions and Disposals

During the six months ended June 30, 2024, 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 borrowings, other funds raised from the capital markets from time to time and the unutilized net proceeds from the initial public offering of the Company.

During the Reporting Period, all of our borrowings were denominated in RMB. We currently are available to access to undrawn bank loan facilities of RMB260.0 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, 2024, our cash and bank balances were RMB1,060.2 million, as compared to RMB1,147.8 million as at December 31, 2023. The decrease was mainly due to the net cash used in operating activities. Our primary uses of cash are to fund R&D 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, 2024, our cash and cash equivalents were more than our total borrowings. Therefore, there was no net debt, and the gearing ratio calculated as net debt divided by equities is not applicable.

Lease Liabilities

IFRS 16 Leases has been consistently applied to our Group's consolidated financial statements for the six months ended June 30, 2024. As at June 30, 2024, our lease liabilities amounted to RMB134.4 million.

Capital Commitments

As at June 30, 2024, our Group had capital commitments contracted for but not yet provided of RMB0.01 million, primarily in connection with contracts for purchase of property, plant and equipment.

As at December 31, 2023, our Group had capital commitments contracted for but not yet provided of RMB0.07 million, primarily in connection with contracts for purchase of property, plant and equipment.

Contingent Liabilities

As at June 30, 2024, our Group did not have any significant contingent liabilities (December 31, 2023: Nil).

Pledge of Assets

There was no pledge of our Group's assets as at June 30, 2024 (December 31, 2023: Nil).

Foreign Exchange Exposure

As at June 30, 2024, our financial statements are expressed in RMB, but certain of our long-term investments measured at fair value through profit or loss, cash and cash equivalents, time deposits, and trade payables are denominated in foreign currencies, and are exposed to foreign currency risk (primarily with respect to USD). Our management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Liquidity Risk

As at June 30, 2024, we recorded net current assets of RMB899.5 million, representing a decrease of RMB63.8 million from RMB963.3 million as at December 31, 2023. In managing 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, 2024, we had 298 employees in total. The total remuneration costs amounted to RMB79.7 million for the six months ended June 30, 2024, as compared to RMB92.0 million for the six months ended June 30, 2023. The decrease corresponded to the decreased number of employees and their salary level.

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 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 Plan, please refer to the announcements of our 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, 2024 (six months ended June 30, 2023: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Group is committed to implementing a high standard 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 Corporate Governance Code as its own code of corporate governance.

The Board is of the view that our Company has complied with all the code provisions set out in Part 2 of the Corporate Governance Code for the six months ended June 30, 2024 and up to the date of this announcement, except for a deviation from code provision C.2.1 of the Corporate Governance Code as described below.

Under code provision C.2.1 of the Corporate Governance Code, the responsibility between the chairman and chief executive should be separate and should not be performed by the same individual. However, Dr. WANG is the chairman of the 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 the Board and our senior management, which comprises experienced and diverse individuals. As at the date of this announcement, the Board comprised three executive Directors, one non-executive Director 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 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, 2024. 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 the Audit Committee in compliance with Rules 3.21 and 3.22 of the Listing Rules and principle D.3 of the Corporate Governance Code, and has adopted written terms of reference for the Audit Committee. The Audit Committee consists of one non-executive Director, Dr. Te-li CHEN, and two independent non-executive Directors, Dr. Bai LU and Dr. Ge WU. The Audit Committee is currently chaired by Dr. Bai LU. Dr. Ge WU possesses suitable professional qualifications.

The Audit Committee has discussed with our 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

During the Reporting Period, our Company repurchased a total of 2,335,200 Shares at an aggregate consideration (before all the relevant expenses) of HK$3,849,042 on the Stock Exchange. As at the date of this announcement, all such repurchased Shares are held by our Company as treasury shares. Particulars of the repurchases made by our Company during the Reporting Period are as follows:

Month of repurchase during the reporting period	**No. of Shares repurchased**	**Price paid per Share**		**Aggregate consideration paid** *(HK$)*
		Highest price *(HK$)*	**Lowest price** *(HK$)*	
June 2024	2,335,200	1.86	1.51	3,849,042
Total	2,335,200			3,849,042

Our Company intends to use the treasury shares to resell at market price to raise additional funds, to transfer or use for share grants under share schemes that comply with Chapter 17 of the Listing Rules and for other purposes permitted under the Listing Rules, the articles of association of our Company and the applicable laws of the Cayman Islands, subject to market conditions and our Group's capital management needs.

Save for the share repurchases mentioned above, neither our Company nor any of our subsidiaries had purchased, sold or redeemed any of our Company's listed securities (including sale of treasury shares) during the Reporting Period.

USE OF PROCEEDS

Net proceeds from the Global offering

Our Shares were listed on the Main Board of the Stock Exchange on December 21, 2020. Our Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering of approximately HK$1,421.8 million, equivalent to approximately RMB1,183.1 million including shares issued as a result of the partial exercise of the over-allotment option (the "**Net Proceeds**"). The Net Proceeds have been utilized in the manner, proportion and the expected timeframe as set out in the annual results announcement for the year ended December 31, 2022 and change in use of proceeds which was published on March 22, 2023 (the "**2022 Annual Results Announcement**") and the supplemental announcement to the 2023 Interim report and the 2023 Annual report of our Company which was published on August 21, 2024.

All unutilized Net Proceeds from the Global Offering as at June 30, 2024 are expected to be utilized by the end of 2025. During the six months ended June 30, 2024, approximately RMB121.8 million of the Net Proceeds had been utilized as follows:

	Original use of Net Proceeds *RMB million*	Original percentage of Net Proceeds	Revised allocation of Net Proceeds as disclosed in the 2022 Annual Results Announcement *Note* *RMB million*	Percentage of Net Proceeds after re-allocation as disclosed in the 2022 Annual Results Announcement	Unutilized Net Proceeds as at December 31, 2023 *RMB million*	Utilized Net Proceeds during the six months ended June 30, 2024 *RMB million*	Unutilized Net Proceeds as at June 30, 2024 *RMB million*
Fund registrational clinical trials and preparation for registration filings of JAB-3068 in the Territory	300.6	25%	–	–	–	–	–
Fund the clinical trials of JAB-3312 in combination with JAB-21822 and registrational clinical trials and preparation for registration filings of JAB-3312	213.0	18%	213.0	18%	74.8	56.7	18.1
Fund the set-up of our sales and marketing team and commercialization activities of JAB-3312 and JAB-21822 in China	47.3	4%	47.3	4%	47.3	–	47.3
Fund ongoing and planned clinical trials of JAB-8263	118.3	10%	118.3	10%	53.2	8.8	44.4
Fund clinical development of JAB-21822, including registrational clinical trials and preparation for NDA	254.6	22%	454.6	38%	40.2	40.2	–
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	107.3	9%	207.9	18%	–	–	–
Fund the planned decoration of our R&D center and construction of our inhouse GMP-compliant manufacturing facility	94.6	8%	94.6	8%	20.2	16.1	4.1
For working capital and general corporate purposes	47.4	4%	47.4	4%	–	–	–
Total	**1,183.1**	**100%**	**1,183.1**	**100%**	**235.7**	**121.8**	**113.9**

Note:

The reasons for the changes in the proposed applications of the Net Proceeds and re-allocation of the unutilized amount of the Net Proceed as disclosed in the 2022 Annual Results Announcement are as follows:

(i) The Company's interim report for the six months ended June 30, 2022 stipulates that approximately RMB300.6 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 would perform preclinical 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. Based on the progress of JAB-3068 and the foremost development of glecirasib, the Board is of the view that the removal 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 of glecirasib and other ongoing and planned early-stage drug discovery and development is beneficial to the whole R&D progress of our Group.

(ii) The proportion of the Net Proceeds to be used in the clinical development of glecirasib has been raised from RMB254.6 million to RMB454.6 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" in the 2023 Annual Report for the development progress of glecirasib.

(iii) The proportion of the Net Proceeds to be used for the ongoing and planned early-stage drug discovery and development has been raised from RMB107.3 million to RMB207.9 million, primarily for the purpose of drug discovery and development of JAB-23E73, JAB-30355, JAB-26766 and our iADC programs. Please refer to "Management Discussion and Analysis – Business Review" in the 2023 Annual Report for the development progress of JAB-23E73, JAB-30355, JAB-26766 and our iADC programs.

Net proceeds from the Subscription

For details of the Subscription, please refer to the announcements of our Company dated February 10 and 17, 2023. The Company received total net proceeds (after deduction of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses) of approximately HK$158.9 million from the Subscription, equivalent to approximately RMB139.1 million. All unutilized net proceeds from the Subscription as at June 30, 2024 are expected to be utilized by the end of 2025.

During the six months ended June 30, 2024, approximately RMB62.1 million of the net proceeds from the Subscription had been utilized as follows:

	Percentage of net proceeds	Allocation of net proceeds *RMB million*	Unutilized net proceeds as at December 31, 2023 *RMB million*	Utilized net proceeds during the six months ended June 30, 2024 *RMB million*	Unutilized net proceeds as at June 30, 2024 *RMB million*
Advancing the clinical trials of JAB-21822 (including confirmatory clinical trials)	35%	48.7	48.7	17.8	30.9
Advancing R&D of our IND-enabling pipeline products, including the development of programs such as JAB-23E73 and its iADC platforms	65%	90.4	44.3	44.3	–
Total	**100%**	**139.1**	**93.0**	**62.1**	**30.9**

EVENT AFTER THE REPORTING PERIOD

On August 30, 2024, Beijing Jacobio has entered into an exclusive out-licensing agreement with Allist regarding the research and development, manufacturing, and commercialization of glecirasib (JAB-21822), a KRAS G12C inhibitor, and JAB-3312, an allosteric SHP2 inhibitor, within Chinese Mainland, Taiwan, the Hong Kong Special Administrative Region and the Macao Special Administrative Region (the "**Territory**"). The Company retains all its rights to glecirasib and JAB-3312 outside of the Territory, where it can continue to pursue research and development for these two drugs. For details, please refer to the announcement of the Company dated August 30, 2024.

Save as disclosed in this announcement, no important events affecting our Company occurred since the end of the Reporting Period and up to the date of this announcement.

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

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

The interim report of our Company for the six months ended June 30, 2024 will be published on the above websites in due course.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

Ms. Yanmin TANG ("**Ms. Tang**") has tendered her resignation from the position as a non-executive Director with effect from August 30, 2024 due to her pursuit of other personal affairs. Accordingly, Ms. Tang will cease to be a member of the nomination committee of the Company (the "**Nomination Committee**") and the remuneration committee of the Company (the "**Remuneration Committee**") with effect from August 30, 2024. Ms. Tang confirmed that she has no disagreement with the Board and there is no matter relating to her resignation that needs to be brought to the attention of the Stock Exchange or the Shareholders. The Board would like to express its sincere gratitude to Ms. Tang for her invaluable contribution to the Company during her tenure of office.

CHANGE IN THE COMPOSITION OF THE NOMINATION COMMITTEE AND THE REMUNERATION COMMITTEE

The Board further announces that, Dr. Te-li CHEN, a non-executive Director, has been appointed as a member of the Nomination Committee and the Remuneration Committee in place of Ms. Tang with effect from August 30, 2024, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**–**	40,335
Cost of revenue	*5*	**–**	(37,933)
Gross profit		**–**	2,402
Research and development expenses	*5*	**(176,827)**	(198,752)
Administrative expenses	*5*	**(21,190)**	(23,715)
Other income		**7,465**	822
Other gains – net		**4,662**	34,680
Operating loss		**(185,890)**	(184,563)
Finance income		**22,071**	22,053
Finance expenses		**(5,234)**	(3,771)
Finance income – net		**16,837**	18,282
Loss before income tax		**(169,053)**	(166,281)
Income tax expense	*6*	**–**	–
Loss for the period attributable to owners of the Company		**(169,053)**	(166,281)
Loss per share attributable to owners of the Company			
– Basic and diluted (in RMB per share)	*7*	**(0.22)**	(0.22)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(169,053)**	(166,281)
Other comprehensive (expense)/income		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**(248)**	49
Other comprehensive (expense)/income for the period, net of tax	**(248)**	49
Total comprehensive expense attributable to owners of the Company	**(169,301)**	(166,232)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**88,118**	88,797
Right-of-use assets		**123,297**	130,806
Intangible assets		**1,204**	1,366
Long-term investments measured at fair value through profit or loss	*9*	**17,996**	18,181
Other receivables and prepayments		**2,881**	2,908
Long-term bank deposits	*10*	**–**	50,013
Total non-current assets		**233,496**	292,071
Current assets			
Contract assets	*4*	**–**	9,339
Other receivables and prepayments		**19,065**	11,224
Cash and bank balances	*10*	**1,060,201**	1,147,847
Total current assets		**1,079,266**	1,168,410
Total assets		**1,312,762**	1,460,481
EQUITY			
Equity attributable to owners of the Company			
Share capital		**523**	523
Treasury shares		**(3,290)**	–
Other reserves		**4,114,727**	4,114,620
Share-based compensation reserve		**157,436**	152,027
Accumulated losses		**(3,362,852)**	(3,193,799)
Total equity		**906,544**	1,073,371

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Note	As at 30 June 2024 *RMB'000* (Unaudited)	As at 31 December 2023 *RMB'000* (Audited)
LIABILITIES			
Non-current liabilities			
Redemption liability	*11*	**105,592**	58,817
Lease liabilities		**119,689**	121,969
Deferred income		**1,194**	1,194
Total non-current liabilities		**226,475**	181,980
Current liabilities			
Trade payables	*12*	**79,017**	81,191
Other payables and accruals		**22,218**	35,994
Borrowings	*13*	**63,806**	73,616
Lease liabilities		**14,702**	14,329
Total current liabilities		**179,743**	205,130
Total liabilities		**406,218**	387,110
Total equity and liabilities		**1,312,762**	1,460,481

NOTES TO THE 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 unaudited condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**"), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4 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 Company.

(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 and the termination

No revenue was generated for the six months ended 30 June 2024. For the six months ended 30 June 2023, all of the Group's revenue of RMB40,335,000 was derived from a single customer under a license and collaboration agreement as entered between the Group and that customer (the "**Agreement**"). Based on the terms of the Agreement, the Group would 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. In June 2023, the customer delivered a notice of its intent to terminate the Agreement (the "**Termination Notice**") to the Group. Both parties will collaborate to orderly transition the responsibilities under the Agreement for a period of no longer than 180 days from the date of the Termination Notice (the "**Transition Period**"). The Transition Period finally ended at 24 December 2023.

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from the Agreement recognised:		
Over time	**–**	40,335

(d) Assets related to contracts with customers

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

	As at 30 June	As at 31 December
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current		
Contract assets relating to the Agreement	**–**	9,339
Less: loss allowance	**–**	–
	–	9,339

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Testing fee	**77,291**	97,776
Employee benefits expenses	**79,702**	92,033
Raw materials and consumables used	**14,029**	41,226
Depreciation and amortisation	**13,750**	9,956
Professional services expenses	**4,394**	4,361
Auditor's remuneration	**500**	909
Others	**8,351**	14,139
	198,017	260,400

6 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, the Cayman Islands does not impose a withholding tax on payments of dividends by the Company to 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 of HKD2 million. No Hong Kong profit tax was provided for as there was no assessable profit that was subject to Hong Kong profits tax during the six months ended 30 June 2024 and 2023.

United States

The subsidiary as 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 corporate income tax in Massachusetts at a rate of 8.00% during the six months ended 30 June 2024 and 2023. No federal and state corporate income tax was provided for as there was no assessable profit that was subject to federal and state corporate income tax during the six months ended 30 June 2024 and 2023.

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 which is subject to a tax concession rate of 15% during the six months ended 30 June 2024 and 2023.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprise engaging in research and development activities are entitled to claim 200% of their research and development expenditures, as tax deductible expenses when determining their assessable profits for that year. No PRC enterprise income tax was provided for as there was no assessable profit that was subject to PRC enterprise income tax during the six months ended 30 June 2024 and 2023.

7 LOSS PER SHARE

(a) Basic loss per share

Basic and diluted loss per share are presented as follows.

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

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company for the period (RMB'000)	**(169,053)**	(166,281)
Weighted average number of fully paid ordinary shares in issue (in thousands)	**776,652**	769,773
Basic loss per share (in RMB per share)	**(0.22)**	(0.22)

(b) Diluted loss per share

The Group had potential dilutive shares throughout the six months ended 30 June 2024 and 2023 in connection with the share options and restricted shares as granted by the Group to its employees in the past. Due to the Group's losses for the six months ended 30 June 2024 and 2023, these potential dilutive shares are anti-dilutive and hence the Group's diluted loss per share equals to its basic loss per share.

8 DIVIDEND

No dividend has been paid, declared or proposed by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil). The directors of the Company have determined that no dividend will be paid in respect of the interim period.

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

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current assets		
Preferred shares investment in an associate	**11,053**	11,339
Preferred shares investment in an investee	**6,943**	6,842
	17,996	18,181

10 CASH AND BANK BALANCES

The Group's cash and cash equivalents and other cash and bank balances are analysed as below:

	As at 30 June 2024 ***RMB'000*** **(Unaudited)**	As at 31 December 2023 *RMB'000* (Audited)
Cash and bank balances	**1,060,201**	1,147,847
Less: Bank deposits with original maturities of over 3 months	**(693,672)**	(723,984)
Less: Restricted bank deposits (a)	**(4,721)**	(4,721)
	361,808	419,142
Less: Long-term bank deposits (non-current portion)	**–**	50,013
Cash and cash equivalents	**361,808**	469,155

(a) Restricted bank deposits are the deposits for performance guarantees of contracts.

11 REDEMPTION LIABILITY

	As at 30 June 2024 ***RMB'000*** **(Unaudited)**	As at 31 December 2023 *RMB'000* (Audited)
Redemption liability at amortised cost (a)	**105,592**	58,817

(a) Pursuant to a capital increase agreement of Beijing Jacobio dated 30 June 2023 (the "**Investment Agreement**"), a third party, Beijing E-town International Investment & Development Co., Ltd. (the "**Investor**") proposed to invest an aggregate amount of RMB150 million to subscribe for 3.03% of the registered capital of Beijing Jacobio. Payment for the subscription consideration will be made in cash in three instalments based on the milestones of Beijing Jacobio's research and development activities. As at 30 June 2024, Beijing Jacobio has received the first instalment of RMB60 million and the second instalment of RMB45 million.

Pursuant to the Investment Agreement, Beijing Jacobio is obligated to redeem the equity interests held by the Investor at the end of five-year period commencing on the date of the receipt of proceeds (the "**Investment Period**"), and has an option to redeem it at any time prior to the expiry of the Investment Period. The redemption price is the original investment principals plus interests calculated in accordance with terms of the Investment Agreement. The Investment Agreement was treated as a forward contract with fixed redemption price and the risks and rewards associated with ownership of the related equity investments in Beijing Jacobio had been transferred to the Group.

The Investment Agreement that contained an obligation for Beijing Jacobio to purchase its own equity instruments in cash gave rise to a financial liability recognised initially at the present value of the redemption amount and subsequently measured at amortised cost. A discount rate of 3.45% was applied to determine the present value of the redemption liability. The difference between the initial recognition amount of the redemption liability and the consideration paid by the Investor was recorded in other reserve.

As of 30 June 2024, management re-evaluated its funding demand based on the progress of related projects and determined to change the estimated redemption time and recognised the remeasurement loss of RMB957,000 in other gains – net.

12 TRADE PAYABLES

The aging analysis of trade payables based on the invoice date is as follows:

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Less than 1 year	**79,017**	81,191

13 BORROWINGS

	As at 30 June 2024	As at 31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current liabilities		
Unsecured short-term bank loans	**63,806**	73,616

As at 30 June 2024, the unsecured bank loans of the Group were repayable within 1 year and bear interests at rates ranging from 3.15% to 4.00% (As at 31 December 2023: from 3.10% to 3.90%) per annum.

"1L"	with respect to any disease, the first line therapy, which is the treatment regimen or regimens that are generally accepted by the medical establishment for initial treatment
"2L"	with respect to any disease, the therapy or therapies that are tried when the first-line treatments do not work adequately
"3L"	with respect to any disease, the therapy or therapies that are tried when the first-line treatments and the second-line treatments do not work adequately
"2021 Plan"	the 2021 stock incentive plan adopted by the Board on August 31, 2021, as amended, supplemented or otherwise modified from time to time
"2023 AACR"	American Association for Cancer Research Annual Meeting 2023 held in Orlando, the U.S. in April 2023
"2023 JCA-AACR Conference"	The Second Japanese Cancer Association-American Association for Cancer Research Precision Cancer Medicine International Conference held in Kyoto, Japan in June 2023
"2024 AACR"	American Association for Cancer Research Annual Meeting 2024 held in San Diego, the U.S. in April 2024
"2024 ASCO"	2024 American Society of Clinical Oncology Annual Meeting held in Chicago, the U.S. in May to June 2024
"2024 ASCO GI"	2024 American Society of Clinical Oncology Gastrointestinal Cancers Symposium held in San Francisco, the U.S. in January 2024
"2024 EHAC"	European Hematology Association Congress held in Madrid, Spain in June 2024
"AbbVie"	AbbVie Ireland Unlimited Company, a company with unlimited liability incorporated under the laws of Ireland on July 19, 2020, which is a wholly-owned subsidiary of AbbVie Inc. (NYSE: ABBV) and an Independent Third Party
"ADC(s)"	antibody-drug conjugate(s)
"Allist"	Allist Pharmaceuticals Co., Ltd.* (上海艾力斯醫藥科技股份有限公司), a limited liability company established in China and listed on Shanghai Stock Exchange (SHSE) (SHSE stock code: 688578)
"AML"	acute myeloid leukemia, a type of cancer that progress rapidly and aggressively and affects the bone marrow and blood
"Audit Committee"	audit committee of the Board

"Beijing Jacobio"	Jacobio Pharmaceuticals Co., Ltd. (北京加科思新藥研發有限公司), a limited liability company incorporated under the laws of PRC on July 17, 2015, being an indirect non-wholly owned subsidiary of our Company
"BET"	bromodomain and extra-terminal motif; BET proteins (including BRD2, BRD3, BRD4, and BRDT) interact with acetylated lysine residues in histone to regulate gene expression and promote aberrant expression of many oncogenes
"Board"	board of Directors
"BTD"	breakthrough therapy designation
"CD73"	ecto-5'-nucleotidase, a surface-expressed enzyme that hydrolyzes adenosine monophosphate into adenosine; CD73 is an immunosuppressive molecule that can be therapeutically targeted to restore effector T cell function
"CDE"	the Center for Drug Evaluation of NMPA (中華人民共和國國家藥品監督管理局藥品評審中心)
"CDMO"	contract development and manufacturing organization, a company that mainly provides CMC and manufacturing services in the pharmaceutical industry
"CDX"	cell line-derived xenograft, a model used for the research and testing of anti-cancer therapies; human cell lines are implanted into immune-deficient mice to test the efficacy of antitumor compounds in vivo
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan, China
"CMC"	chemistry, manufacturing and controls processes, including manufacturing techniques, impurities studies, quality controls and stability studies
"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 (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
"Corporate Governance Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules

"CRC"	colorectal cancer, a type of cancer arising from the colon or rectum
"CXCL(s)"	chemokine (C-X-C motif) ligand(s)
"DCR"	disease control rate, the total proportion of patients who demonstrate a response to treatment, equal to the sum of complete responses, partial responses and stable disease
"Director(s)"	director(s) of our Company
"DON"	6-Diazo-5-oxo-L-norleucine
"Dr. WANG"	Dr. Yinxiang WANG, chairman of the Board and executive Director
"EGFR"	epidermal growth factor receptor
"G13D"	a hotspot mutation in the KRAS protein (glycine to aspartic acid at amino acid position 13)
"GDP"	guanosine diphosphate
"GI"	gastrointestinal
"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
"GTP"	guanosine triphosphate
"GTPases"	a large family of hydrolase enzymes that bind to the nucleotide GTP and hydrolyze it to GDP
"HCC"	hepatocellular carcinoma, a type of cancer arising from hepatocytes
"HER2"	receptor tyrosine-protein kinase erbB-2, a protein that normally resides in the membranes of cells and is encoded by the ERBB2 gene
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HNSCC"	head and neck squamous cell carcinoma
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"HPAC"	human pancreatic adenocarcinoma
"HRAS"	HRas proto-oncogene, a gene providing instructions for making a protein called H-Ras that is involved primarily in regulating cell division
"iADC"	immunostimulatory antibody-drug conjugate
"IC_{50}"	the half maximal inhibitory concentration, which is a measure of the potency of a substance in inhibiting a specific biological or biochemical function
"ICI(s)"	immune checkpoint inhibitor(s)
"IFN(s)"	type I interferon(s)
"IFRS"	International Financial Reporting Standards
"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"	Kirsten rat sarcoma 2 viral oncogene homolog, a signal transducer protein, which plays an important role in various cellular signaling events such as in regulation of cell proliferation, differentiation and migration
"KRAS G12X-mutant"	multiple mutant forms at codon-12 of the KRAS protein
"LIF"	leukemia inhibitory factor
"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
"LMS"	leiomyosarcoma, a type of rare cancer that grows in the smooth muscles
"LoVo"	a colorectal cancer cell line
"LS513"	a colorectal cancer cell line
"MAH"	marketing authorization holder in China, being a company or drug research institution which has obtained a drug registration certificate from NMPA

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"MF"	myelofibrosis, one of a collection of progressive blood cancers known as myeloproliferative neoplasms
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"mOS"	median overall survival
"mPFS"	median progression-free survival
"MYC"	a family of regulator genes and proto-oncogenes that code for transcription factors
"NCI-H441"	a lung cancer cell line
"NDA"	new drug application
"nM"	nanomolar
"NMPA"	the National Medical Product Administration of the PRC (中華人民共和國國家藥品監督管理局)
"NRAS"	neuroblastoma RAS viral oncogene homolog, which provides instructions for making a protein called N-Ras that is involved primarily in regulating cell division
"NSCLC"	non-small cell lung cancer
"ORR"	overall response rate or objective response rate
"OS"	overall survival
"p53"	a type of tumor suppressor gene
"p53 Y220C"	a common mutation (tyrosine at 220th residue is substituted by cysteine) that plays a major role in cancer progression
"PARP"	poly ADP ribose polymerase
"PARP1/2" and "PARP7"	members of the PARP enzymes

"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, 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
"PDAC"	pancreatic ductal adenocarcinoma cancer
"PDX"	patient-derived xenografts, a model of cancer where the tissue or cells from a patient's tumor are implanted into an immune-deficient or humanized mouse
"Phase I"	a clinical 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 I/IIa"	a clinical study that tests the safety, side effects, and best dose of a new treatment conducted in target patient population with selected dose levels; Phase I/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"	a clinical study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage
"Phase III"	a clinical study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PK"	Pharmacokinetics (PK) describes the absorption, distribution, metabolism, and excretion (also known as ADME) of drugs in the body

"Prospectus"	the prospectus of our Company dated December 9, 2020 issued in connection with the Global Offering
"Q61H"	specific variations in the KRAS protein
"QD"	once daily
"R&D"	research and development
"RAS"	a low-molecular-weight GDP/GTP-binding guanine triphosphatase, which is a prototypical member of the small-GTPase superfamily
"RB"	retinoblastoma protein
"Reporting Period"	the six months ended June 30, 2024
"RKN"	a sarcoma cell line
"RMB"	Renminbi, the lawful currency of the PRC
"RP2D"	recommended Phase II dose
"SCLC"	small cell lung cancer
"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 Share(s)
"SHP2"	Src homology region 2 domain-containing phosphatase-2, a protein tyrosine phosphatase acting as a key regulator in the RAS signaling pathway
"SK-OV-3"	an ovarian cancer cell line with epithelial-like morphology
"sqNSCLC"	squamous non-small cell lung cancer
"STING"	stimulator of interferon genes protein
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	subscription of 22,100,100 Shares by the top-up vendor pursuant to the placing and subscription agreement entered into among our Company, the top-up vendor and the placing agent on February 10, 2023, details of which are set out in the announcements of our Company dated February 10 and 17, 2023
"SVR"	spleen volume reduction
"TAA(s)"	tumor-associated antigen(s)

"TBK1"	TANK-binding kinase 1
"TNBC"	triple-negative breast cancer, a breast cancer that tests negative for expression of estrogen receptors, progesterone receptors, and HER2 protein
"TRAE(s)"	treatment-related adverse event(s)
"TSS"	total symptom score
"U.S."	the United States of America
"U.S. FDA"	U.S. Food and Drug Administration
"US$" or "USD"	U.S. dollars, the lawful currency of the U.S.
"%"	per cent

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

Hong Kong, August 30, 2024

As at the date of this announcement, the Board comprises Dr. Yinxiang WANG as Chairman and executive Director, Ms. Xiaojie WANG and Ms. Yunyan HU as executive Directors and Dr. Te-li CHEN as non-executive Director, and Dr. Ruilin SONG, Dr. Bai LU and Dr. Ge WU as independent non-executive Directors.