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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)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

**Goldman
Sachs**

Goldman Sachs (Asia) L.L.C.

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On February 10, 2023, the Company, the Top-up Vendor and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which, (i) the Top-up Vendor agreed to sell, and the Placing Agent agreed, as agent of the Top-up Vendor, to procure on a best effort basis purchasers to purchase, 22,100,100 Placing Shares held by the Top-up Vendor at a price of HK\$7.26 per Placing Share; and (ii) the Company conditionally agreed to issue to the Top-up Vendor and the Top-up Vendor conditionally agreed to subscribe for 22,100,100 Subscription Shares at the Subscription Price, which is equivalent to the Placing Price.

It is expected that the Placing Shares will be placed by the Placing Agent to not less than six professional, institutional and/or individual investors who, together with their respective ultimate beneficial owners, are third parties independent of and not connected with the Top-up Vendor, the parties acting in concert with the Top-up Vendor, the Company and connected persons of the Company. It is not expected that any such investor will become a substantial shareholder of the Company as a result of the Vendor Placing.

The closing of the Vendor Placing is conditional upon fulfillment of the following conditions: (i) the customary termination events as set out in the Placing and Subscription Agreement not having occurred before the closing of the Vendor Placing; (ii) the representations and warranties made by any of the Company and the Top-up Vendor pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Placing Closing Date; and (iii) each of the Company and the Top-up Vendor having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Placing Closing Date.

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors pursuant to the ordinary resolution passed at the annual general meeting of the Company held on June 8, 2022. Under the General Mandate, a maximum of 154,292,436 Shares, representing 20% of the total number of Shares of the Company in issue as at June 8, 2022, may be allotted and issued by the Company. The Company has not issued any Shares pursuant to the General Mandate as at the date of this announcement.

Application will be made by the Company to the Stock Exchange for approval for the listing of, and permission to deal in, the Subscription Shares.

As the completion of the Vendor Placing and the Subscription is subject to the satisfaction of certain conditions precedent, it may or may not materialize as contemplated or at all, the Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On February 10, 2023, the Company, the Top-up Vendor and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which, (i) the Top-up Vendor agreed to sell, and the Placing Agent agreed, as agent of the Top-up Vendor, to procure on a best effort basis purchasers to purchase, 22,100,100 Placing Shares held by the Top-up Vendor at a price of HK\$7.26 per Placing Share; and (ii) the Company agreed to issue to the Top-up Vendor and the Top-up Vendor agreed to subscribe for, 22,100,100 Subscription Shares at the Subscription Price, which is equivalent to the Placing Price.

The principal terms of the Placing and Subscription Agreement are summarized below:

THE PLACING AND SUBSCRIPTION AGREEMENT

Date

February 10, 2023

Parties

- (1) the Company;
- (2) Yakovpharma Ltd as the Top-up Vendor; and
- (3) Goldman Sachs (Asia) L.L.C. as the Placing Agent.

Top-up Vendor

The Top-up Vendor is a limited liability company incorporated under the laws of the British Virgin Islands. The Vendor is interested in 62,855,000 Shares, representing approximately 8.15% of the existing issued share capital of the Company as at the date of this announcement, and is owned as to 100% by Dr. Wang (the chairman, executive Director and the chief executive officer of the Company).

Vendor Placing

Placing Shares

The total number of Placing Shares is 22,100,100 Shares, representing approximately 2.86% of the issued share capital of the Company as of the date of this announcement and approximately 2.78% of the issued share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Vendor Placing and the Subscription save for the issue of the Subscription Shares). The aggregate nominal value of the Placing Shares is approximately HK\$160.4 million.

Placing Price

The Placing Price of HK\$7.26 per Placing Share represents:

- (1) a discount of approximately 6.9% to the closing price of HK\$7.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 1.1% to the average closing price of approximately HK\$7.34 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and
- (3) a premium of approximately 4.0% to the average closing price of approximately HK\$6.98 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day.

The Placing Price of HK\$7.26 per Placing Share was arrived at after arm's length negotiations among the Company, the Top-up Vendor and the Placing Agent with reference to the market condition and the recent closing prices per Share. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

The Placing Shares will be sold free of all pledges, liens, charges and other encumbrances, third party rights or other claims binding upon the Top-up Vendor and have the same rights as, and rank *pari passu* with, all of the other Shares of the same class.

Independence of the Placing Agent and Purchasers

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of, and not connected with, the Company and its connected persons.

It is expected that the Placing Shares will be placed by the Placing Agent to not less than six professional, institutional and/or individual investors who, together with their respective ultimate beneficial owners, are third parties independent of and not connected with the Top-up Vendor, the Company and connected persons of the Company. It is not expected that any such investor will become a substantial shareholder of the Company as a result of the Vendor Placing.

Closing of the Vendor Placing

The closing of the Vendor Placing shall take place on the second business day after the date of the Placing and Subscription Agreement or at such other time and/or date as the Top-up Vendor and the Placing Agent may agree.

Conditions of the Vendor Placing

The closing of the Vendor Placing is conditional upon fulfillment of the following conditions: (i) the customary termination events as set out in the Placing and Subscription Agreement not having occurred before the closing of the Vendor Placing; (ii) the representations and warranties made by any of the Company and the Top-up Vendor pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Placing Closing Date; and (iii) each of the Company and the Top-up Vendor having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Placing Closing Date.

Subscription

Subscriber

The Top-up Vendor

Issuer

The Company

Subscription Shares

The number of Subscription Shares is 22,100,100 Shares in aggregate, representing approximately 2.86% of the issued share capital of the Company as of the date of this announcement and approximately 2.78% of the issued share capital of the Company as enlarged by the Subscription on a fully diluted basis (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Vendor Placing and the Subscription save for the issue of the Subscription Shares). The number of Subscription Shares is equivalent to the number of the Placing Shares.

Subscription Price

The Subscription Price is equivalent to the Placing Price. The net share price for the Subscription (after deduction of the relevant expenses) is estimated to be approximately HK\$7.19 per Subscription Share.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors pursuant to the ordinary resolution passed at the annual general meeting of the Company held on June 8, 2022. Under the General Mandate, a maximum of 154,292,436 Shares, representing 20% of the total number of Shares of the Company in issue as at June 8, 2022, may be allotted and issued by the Company. The Company has not issued any Shares pursuant to the General Mandate as at the date of this announcement.

As such, no further approval from Shareholders is required for the allotment and issue of the Subscription Shares.

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment.

Conditions of the Subscription

The closing of the Subscription is conditional upon the fulfilment of the following conditions:

- (1) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares;
- (2) the closing of the Vendor Placing having occurred pursuant to the terms of the Placing and Subscription Agreement; and
- (3) the Company having explicitly consented to the Vendor Placing, taking into account the Lock-up Undertakings (as defined below) made in favor of the Company by Dr. Wang, who holds 100% of the interest in the Vendor, pursuant to an announcement published by the Company on the Stock Exchange dated June 30, 2022.

Closing of the Subscription

The closing of the Subscription shall take place on the second business day after the date upon which the last of the conditions to completion of the Subscription to be satisfied shall have been so satisfied provided that it shall take place on a date no later than 14 days after the date of the Placing and Subscription Agreement, or at such other time and/or date as the Company, the Top-up Vendor and the Placing Agent may agree in writing and in compliance with the Listing Rules. In the event that the conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement (or such later date as may be agreed among the Company, the Top-up Vendor and the Placing Agent), the obligations and liabilities of the Top-up Vendor and the Company under the Subscription shall be null and void and neither the Company nor the Top-up Vendor shall have any claim against the other for costs, damages, compensation or otherwise. Notwithstanding any provisions contained in the Placing and Subscription Agreement, the Placing Agent shall not be liable whatsoever in connection with the Subscription.

As the Top-up Vendor is a controlling shareholder and thus a connected person of the Company, the Subscription constitutes a connected transaction of the Company. If the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement, the Subscription will not be exempt from, among others, the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, unless otherwise waived by the Stock Exchange. Further announcement will be made by the Company if this occurs.

Application for Listing

Application will be made by the Company to the Stock Exchange for approval for the listing of, and permission to deal in, the Subscription Shares.

CONSENT OF THE VENDOR PLACING BY THE COMPANY

Reference is made to the announcement of the Company dated June 30, 2022 pursuant to which, Dr. Wang, the chairman of the Board and chief executive officer of the Company, and his spouse, Ms. Zhu SHEN (“**Ms. Shen**”), have undertaken on a voluntary basis to be subject to lock-up undertakings (the “**Lock-up Undertakings**”) made in favor of the Company only, with respect to their direct and indirect interest in the Shares on June 30, 2022, for a period beginning on June 30, 2022 to June 30, 2023. As (i) the number of Shares held by Dr. Wang and Ms. Shen remain the same before and after the Vendor Placing and the Subscription; (ii) the Subscription Price is the same as the Placing Price; (iii) the net effect on the shareholders of the Company is nil and (iv) the Vendor Placing and the Subscription was conducted to facilitate the Company to raise funds expeditiously, Dr. Wang and Ms. Shen consider that the Placing and Subscription shall not constitute a breach of the Lock-up Undertakings.

LOCK-UP UNDERTAKINGS BY THE TOP-UP VENDOR AND THE COMPANY

The Top-up Vendor has undertaken to the Placing Agent that it shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Placing Agent, (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Top-up Vendor or any Affiliate (as defined below) of the Top-up Vendor or any person in privity with the Top-up Vendor or any Affiliate of the Top-up Vendor), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 45 days after the Placing Closing Date. The foregoing shall not apply to the sale of the Shares under the Placing and Subscription Agreement.

The Company has undertaken to the Placing Agent that it, and the Top-up Vendor undertakes to the Placing Agent that it shall procure the Company that the Company, will not, without the prior written consent of the Placing Agent, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 45 days after the Placing Closing Date. The foregoing shall not apply to the issue of the Subscription Shares under the Placing and Subscription Agreement.

USE OF PROCEEDS

The gross proceeds from the Subscription are expected to be approximately HK\$160.4 million. The net proceeds from the Subscription are estimated to be approximately HK\$158.9 million, net of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses. The Company intends to apply (i) approximately 35% of the net proceeds to advance the clinical trials of its KRAS G12C inhibitor JAB-21822 (including confirmatory clinical trials); and (ii) approximately 65% of the net proceeds to advance the research and development of its pre-clinical pipeline products, including the development of programs such as JAB-23400 (multi-KRAS inhibitor) and its iADC platform.

REASONS FOR THE VENDOR PLACING AND THE SUBSCRIPTION

The Vendor Placing and the Subscription are beneficial to continuously developing the Company's pipeline of candidate products whilst broadening the shareholder base of the Company. The Directors consider that the Vendor Placing and the Subscription will also provide an opportunity to further strengthen the Company's financial position and provide additional working capital to the Company.

The Directors are of the view that the terms of the Placing and Subscription Agreement, including the Placing Price and the Subscription Price, are fair and reasonable and believe that the Vendor Placing and the Subscription are in the best interests of the Company and the Shareholders as a whole.

As the completion of the Vendor Placing and the Subscription is subject to the satisfaction of certain conditions precedent, it may or may not materialize as contemplated or at all, the Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and immediately after the Vendor Placing and the Subscription will be as follows:

Shareholder	As of the date of this announcement		Immediately after completion of the Vendor Placing but before completion of the Subscription		Immediately after completion of the Vendor Placing and the Subscription	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
Top-up Vendor Purchasers	62,855,000	8.15	40,754,900	5.28	62,855,000	7.92
	–	–	22,100,100	2.86	22,100,100	2.78
Other Shareholders	708,607,180	91.85	708,607,180	91.86	708,607,180	89.30
Total	<u>771,462,180</u>	<u>100.00</u>	<u>771,462,180</u>	<u>100.00</u>	<u>793,562,280</u>	<u>100.00</u>

The Directors confirm that, immediately after closing of the Vendor Placing and the Subscription, the public float of the Company will be no less than 25% of the Company's issued share capital as enlarged by the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Vendor Placing and the Subscription save for the issue of the Subscription Shares).

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund-raising activity involving issuing equity securities during the 12 months immediately before the date of this announcement.

INFORMATION ABOUT THE GROUP AND THE TOP-UP VENDOR

The Company is a leading clinical-stage pharmaceutical company in China focusing on the in-house discovery and development of innovative oncology therapies. In the past seven years, by leveraging proprietary technologies and know-how in drug discovery and development, the Company has discovered and developed an innovative pipeline of assets targeting various major and critical pathways involved in cancer (including RAS, MYC, P53, RB, immuno-oncology and tumor metabolic pathways) and have demonstrated the potential to be among the first few market entrants in their respective drug classes globally.

The Top-up Vendor is a limited liability company incorporated under the laws of the British Virgin Islands which is wholly owned by Dr. Wang.

DEFINITIONS

In this announcement, unless it is defined or the context requires otherwise, the following terms shall have the following meanings:

“Affiliate”	has the meaning specified in Rule 501(b) of Regulation D under the U.S. Securities Act
“Board”	the board of the Directors
“Company” or “our Company”	JACOBIO PHARMACEUTICALS GROUP CO., LTD. (加科思藥業集團有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 1, 2018, which was formerly known as JACOBIO (CAY) PHARMACEUTICALS CO., LTD., the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1167)
“Director(s)”	the director(s) of the Company
“Dr. Wang”	Dr. Yinxiang Wang (王印祥), the executive Director, chairman, and chief executive officer of the Company
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on June 8, 2022 to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the total number of Shares in issue as of June 8, 2022

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	February 9, 2023, being the last trading day prior to the signing of the Placing and Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agent”	Goldman Sachs (Asia) L.L.C.
“Placing and Subscription Agreement”	the placing and subscription agreement entered into among the Company, the Top-up Vendor and the Placing Agent in relation to the Vendor Placing and the Subscription on February 10, 2023
“Placing Closing Date”	the closing date of the Vendor Placing
“Placing Price”	HK\$7.26 per Placing Share
“Placing Shares”	22,100,100 Shares currently owned by the Top-up Vendor and to be placed by the Placing Agent pursuant to the Placing and Subscription Agreement
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, China
“Share(s)”	share(s) of par value of US\$0.0001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Top-up Vendor pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$7.26 per Share, which is equal to the Placing Price
“Subscription Shares”	22,100,100 Shares to be issued by the Company and to be subscribed by the Top-up Vendor pursuant to the Placing and Subscription Agreement

“Top-up Vendor”	Yakovpharma Ltd, a limited liability company incorporated in the British Virgin Islands and wholly-owned by Dr. Wang
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“Vendor Placing”	the placing of 22,100,100 existing Shares by the Top-up Vendor to independent professional, institutional and/or individual investors to be procured by the Placing Agent under the Placing and Subscription Agreement
“%”	per cent

In this announcement, the terms “associate”, “connected person”, “controlling shareholder” and “substantial shareholder” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

On behalf of the Board of Directors
JACOBIO PHARMACEUTICALS GROUP CO., LTD.
Yinxiang WANG
Chairman

Hong Kong, February 10, 2023

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