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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)**

### **CONNECTED TRANSACTION VARIATION OF TERMS TO PURCHASE OF SERIES A SHARES IN HEBECCELL (AS SUPPLEMENTED AND AMENDED BY THE SUPPLEMENTAL AGREEMENT)**

The Board announces that after trading hours on March 10, 2023, the parties to the Share Purchase Agreement entered into a supplemental agreement (the “**Supplemental Agreement**”) to amend and supplement certain terms of the Share Purchase Agreement and the Shareholders Agreement, pursuant to which the parties have agreed not to proceed with the second closing and the third closing of the Share Purchase Agreement.

#### **LISTING RULES IMPLICATIONS**

Certain other investors to the Supplemental Agreement, namely Wordspharma Ltd., Ultimate Estate Limited, Treasure Partner International Limited and Olive Rise Holdings Limited, are associates of our executive Directors, namely Dr. Yinxiang WANG, Ms. Xiaojie WANG, Ms. Yunyan HU and Mr. Weidong LIN (a former director of Beijing Jacobio), respectively, and therefore each a connected person of the Company. Besides, Centerlab Investment Holding Limited is an associate of the substantial shareholder of the Company, namely Center Laboratories, Inc., and therefore is a connected person of the Company. Accordingly, the entering into of the Supplemental Agreement constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules. This announcement is made by the Company pursuant to Rule 14A.35 of the Listing Rules to provide its shareholders and potential investors with updates on the Series A Investment.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Series A Investment (as supplemented and amended by the Supplemental Agreement) exceed 0.1% but all the applicable percentage ratios are less than 5%, the Series A Investment (as supplemented and amended by the Supplemental Agreement) is subject to the reporting and announcement requirements but is exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Dr. Yinxiang WANG, Ms. Xiaojie WANG and Ms. Yunyan HU, being our executive Directors, have abstained from voting on the relevant Board resolution approving the Supplemental Agreement. Save as aforementioned, none of the other Directors has material interest in the Share Purchase Agreement and/or the Supplemental Agreement as well as the transactions contemplated thereunder.

## **BACKGROUND**

Reference is made to the announcement of the Company dated August 31, 2021 in relation to the purchase of Series A Shares in Hebecell (the “**First Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the First Announcement.

On August 31, 2021, the Company, among other investors, entered into the Share Purchase Agreement with Hebecell, pursuant to which the Company has agreed to purchase and subscribe for, and Hebecell has agreed to allot and issue, 1,321,257 Series A Shares, which represents approximately 19.74% of the issued share capital of Hebecell on a fully-diluted and as-converted basis upon completion of the third closing of the Share Purchase Agreement, at the total consideration of US\$25,000,000.

As at the date of this announcement, the first closing of the Share Purchase Agreement was completed and a total of 401,660 Series A Shares have been allotted and issued to the Company, the Connected Co-investors and Other Investors. Accordingly, as of the date of this announcement, Hebecell is owned by the Company as to 3.28%, the Connected Co-investors as to 2.23% and Other Investors as to 4.46% on a fully-diluted and as-converted basis.

## **THE SUPPLEMENTAL AGREEMENT**

The Board hereby announces that after trading hours on March 10, 2023, the parties to the Share Purchase Agreement entered into the Supplemental Agreement to amend and supplement certain terms of the Share Purchase Agreement and the Shareholders Agreement after amicable discussion. Pursuant to the Supplemental Agreement, the parties have agreed not to proceed with the second closing and the third closing of the Share Purchase Agreement.

Saved as disclosed above, other terms and conditions of the Share Purchase Agreement and the Shareholders Agreement shall remain unchanged and continue to be in full force and effect in all respects.

## **REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT**

Hebecell, founded in Boston in 2016, is primarily engaged in developing universal, cost-effective and off-the-shelf NK cell therapeutics based on its proprietary 3D-induced pluripotent stem cell (iPSC) platform, which will be available to worldwide patients for the treatment of cancer, viral infectious and autoimmune diseases. Considering (i) due to the COVID-19 pandemic, the conditions for the second closing were not met and the parties agreed not to proceed with the second and third closings as described in the Share Purchase Agreement; and (ii) the strategic realignment of the Company, the Company decided to enter into the Supplemental Agreement to re-allocate more resources for prioritizing the clinical development of JAB-21822 (an oral, small molecule KRAS G12C inhibitor independently developed by the Company) and other ongoing and planned early-stage drug discovery and development. The Directors (including the independent non-executive Directors) consider the terms of the Supplemental Agreement are executed on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) are of the view that entering into the Supplemental Agreement will not have any material adverse effect on the operation, business and financial position of the Group.

The Series A Shares held by the Company under the Share Purchase Agreement is recognized as financial assets at fair value through profit or loss and Hebecell will not be consolidated into the Company's financial statement.

## LISTING RULES IMPLICATIONS

Certain other investors to the Supplemental Agreement, namely Wordspharma Ltd., Ultimate Estate Limited, Treasure Partner International Limited and Olive Rise Holdings Limited, are associates of our executive Directors, namely Dr. Yinxiang WANG, Ms. Xiaojie WANG, Ms. Yunyan HU and Mr. Weidong LIN (a former director of Beijing Jacobio), respectively, and therefore each a connected person of the Company. Besides, Centerlab Investment Holding Limited is an associate of the substantial shareholder of the Company, namely Center Laboratories, Inc., and therefore is a connected person of the Company. Accordingly, the entering into of the Supplemental Agreement constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules. This announcement is made by the Company pursuant to Rule 14A.35 of the Listing Rules to provide its shareholders and potential investors with updates on the Series A Investment.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Series A Investment (as supplemented and amended by the Supplemental Agreement) exceed 0.1% but all the applicable percentage ratios are less than 5%, the Series A Investment (as supplemented and amended by the Supplemental Agreement) is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Dr. Yinxiang WANG, Ms. Xiaojie WANG and Ms. Yunyan HU, being our executive Directors, have abstained from voting on the relevant Board resolution approving the Supplemental Agreement. Save as aforementioned, none of the other Directors has material interest in the Share Purchase Agreement and/or the Supplemental Agreement as well as the transactions contemplated thereunder.

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

Hong Kong, March 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.*