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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

HIGHLIGHTS

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

Progress of Core Pipeline Products

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

  NSCLC

  ≥2L NSCLC - 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. Safety and efficacy data of pivotal trial patients will be published in the second half of 2024. Pre-NDA application of CMC portion has been submitted to CDE in September 2023. The clinical portion of pre-NDA application will be submitted in the first quarter of 2024. The NDA application of glecirasib monotherapy in ≥2L NSCLC is expected to be submitted to CDE in the second quarter of 2024.

  1L NSCLC (in combination with JAB-3312, Jacobio's SHP2 inhibitor) - 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. The emerging safety and efficacy data of 144 patients were reported at the 2023 European Society for Medical Oncology (ESMO) congress as an oral presentation in Madrid, Spain in October 2023. As of the date of this announcement, around 200 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 combination therapy, around 100 patients were 1L NSCLC patients. Long term safety and efficacy data were submitted to the 2024 American Society of Clinical Oncology (ASCO) Annual Meeting.

Glecirasib in combination with JAB-3312 has demonstrated better safety and efficacy than current standard of care "anti-PD-1 +chemotherapy" in 1L NSCLC. CDE has 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 is expected to be initiated in the third quarter of 2024. JAB-3312 is the very first SHP2 inhibitor entering a Phase III registrational trial worldwide.

PDAC

In July 2023, the pivotal trial of glecirasib monotherapy in ≥2L PDAC patients with KRAS G12C mutation was approved by the CDE. Gleciraisb is the very first KRAS G2C inhibitor which has entered a registrational trial in ≥2L pancreatic cancer worldwide. The first patient was enrolled in October 2023. Clinical activity and safety results of glecirasib in patients with pancreatic cancer and other solid tumors from Phase I and Phase IIa studies were presented as an oral presentation at the 2024 American Society of Clinical Oncology (ASCO) GI Annual Meeting in San Francisco, CA in January 2024. Global development plan of glecirasib in ≥2L PDAC patients is under consultation with the U.S. FDA.

In August 2023, glecirasib was granted BTD for KRAS G12C mutant pancreatic cancer patients who have progressed on front-line standard of care treatment by China CDE.

CRC

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 glecirasib monotherapy and glecirasib combined with cetuximab in advanced colorectal cancer with KRAS G12C mutation were presented at the 2023 Japanese Cancer Association (JCA)-American Association for Cancer Research (AACR) Precision Cancer Medicine International Conference in June 2023. Phase III pivotal trial design of glecirasib monotherapy or glecirasib in combination with cetuximab to treat advanced colorectal cancer patients is under communication with China CDE and is expected to get approval by CDE in the second quarter of 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 presented at the 2024 American Society of Clinical Oncology (ASCO) GI Annual Meeting in San Francisco, CA in January 2024. Impressive clinical outcome was observed. The clinical trial is still ongoing. A Phase II single arm pivotal trial is under communication with regulatory agencies.

Progress of Other Key Selected Programs

Clinical Stage Products

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

  A Phase II trial of JAB-8263 monotherapy or combination therapies 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 the clinical development. Active therapeutic signals were observed during dose escalation. Improvement in total symptom score (TSS) and spleen volume reduction (SVR) was observed in myelofibrosis patients treated with JAB-8263 monotherapy. Clinical data of JAB-8263 dose escalation/expansion in hematologic malignancies have been submitted to the 2024 European Hematology Association Congress.

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

  We launched a Phase I/IIa global trial of JAB-2485 in the U.S. and China. The first patient was dosed in January 2023. Encouraging clinical efficacy signals were observed. The dose escalation/expansion trial in U.S. and China is ongoing. RP2D is anticipated in the second quarter of 2024.

  The preclinical study of JAB-2485 was presented in the form of a poster at the AACR Annual Meeting 2023 ("**2023 AACR**") in April 2023 in the U.S.

- ***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. IND application of JAB-30355 has been approved by the U.S. FDA in March 2024. IND application of JAB-30355 to China CDE has been submitted. Phase I clinical trial is expected to be initiated in the second half of 2024.

  Preclinical data will be presented at the AACR Annual Meeting 2024 as a poster.

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

  A Phase I/IIa dose escalation trial is ongoing in China. RP2D is anticipated in the second quarter of 2024.

- **IND approved programs**

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

  Preclinical of JAB-26766 will be presented at the AACR Annual Meeting 2024 (to be held from April 5, 2024 to April 10, 2024 in San Diego) as a poster.

IND-Enabling Stage Product

- ***JAB-23E73 (KRAS^{multi} inhibitor)***

  JAB-23E73 is a novel, first-in-class, orally bioavailable KRAS^{multi} inhibitor. It can potently inhibit the activity of multiple KRAS mutations in both active (GTP-bound) state and inactive (GDP-bound) state at single digit nano molar and sub nano molar level, with good selectivity over HRAS and NRAS which are tumor suppression genes in KRAS-driven lung cancer growth. We plan to submit the IND application for JAB-23E73 in the second quarter of 2024. To date, no small-molecule inhibitors selectively targeting multiple KRAS mutations in both KRAS activate and inactive states have entered clinical trials globally. Therefore, JAB-23E73 has the potential to rank among the first few market entrants.

  Preclinical results of a leading compound for our KRAS^{multi} inhibitor series were presented in the form of a poster during 2023 AACR Annual Meeting.

Our iADC Programs

We have leveraged our strength in small-molecule drug discovery and development in designing innovative payloads and built our immunostimulatory antibody-drug conjugate (iADC) platform. Immune checkpoint inhibitors (ICIs) have dramatically changed the landscape of cancer treatment. However, ICI response rates remain modest with only a minority of patients deriving clinical benefits. By conjugating our STING agonist (payload) with different TAA targeting antibodies, we can targeted deliver STING agonists into tumor cells, which enhances anti-tumor 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 preclinical study, JAB-BX400 was effective in the SK-OV-3 xenograft model, which belongs to cold tumors. Clinical candidate for JAB-BX400 will be nominated in the second half of 2024. iADCs targeting other TAAs (tumor-associated antigens) are being developed as well.

Preclinical results of CD73-STING iADC were presented in the form of a poster during 2023 AACR.

FINANCIAL HIGHLIGHTS

Revenue

We recorded revenue of RMB63.5 million for the year ended December 31, 2023 which was attributable to the R&D costs reimbursement generated from the license and collaboration agreement with AbbVie regarding the R&D, manufacture and commercialization of our SHP2 inhibitors.

Research and Development Expenses

Our research and development expenses decreased by RMB73.3 million or 16.4% from RMB445.6 million for the year ended December 31, 2022 to RMB372.3 million for the year ended December 31, 2023, primarily due to the combined impact of the decrease in raw materials and consumables used and the increases in R&D staff costs and testing fee for clinical development of our drug candidates.

Administrative Expenses

Our administrative expenses increased by RMB4.0 million or 9.4% from RMB42.6 million for the year ended December 31, 2022 to RMB46.6 million for the year ended December 31, 2023. This is mainly attributable to the increased depreciation and amortisation expenses in connection with our newly leased headquarters in Beijing.

Loss for the Year

As a result of the above factors, the loss for the year decreased from RMB371.9 million for the year ended December 31, 2022 to RMB359.1 million for the year ended December 31, 2023.

The Board is pleased to announce the audited consolidated results of our Group for the year ended December 31, 2023, together with comparative figures for the year ended December 31, 2022. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Prospectus.

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 immuno-oncology, such as immune checkpoints programmed cell death protein-1 (PD-1) and its ligand (PD-L1). However, many well-studied targets in these pathways including protein tyrosine phosphatases (PTPs) like Src homology region 2 domain-containing phosphatase-2 (SHP2) and GTPases like KRAS, among others, that play crucial roles in tumorigenesis, have until recently been deemed "undruggable", owing to a variety of drug discovery challenges.

We are a clinical-stage pharmaceutical company focusing on 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 antibodies to iADCs (immunostimulatory antibody-drug conjugates).

We intend to proactively explore and enter into strategic and synergistic partnerships with leading multinational corporations (MNCs). 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 8 and a half 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 asset in pre-NDA stage, eight assets in the clinical stage, and several others at the IND-enabling stage. These drug candidates may have broad applicability across various tumor types and demonstrate combinatorial potential among themselves.

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

Clinical stage candidates:

	Asset	Regimen	Indications	IND	Phase I	Phase IIa	Pivotal	Recent development & Expected Milestone
Clinical	**JAB-21822** **Glecirasib** KRAS G12C (RAS pathway)	Mono	≥2L NSCLC	*China trial (pivotal trial)*				• Pivotal trial enrollment completed in Sep 2023 • NDA submission expected in Q2 2024 • BTD granted in Dec 2022 by CDE
		Mono	≥2L PDAC	*China trial (pivotal trial)*				• Pivotal trial enrollment ongoing • BTD granted in Aug 2023 by CDE • Data presented at the 2024 ASCO GI as an oral presentation
		Combo w/SHP 2i JAB-3312	1L NSCLC	*China trial*				• Phase III trial to start in Q3 2024 • Data presented at 2023 ESMO as an oral presentation • Long term safety and efficacy data submitted to 2024 ASCO
		Mono	Multi-tumors basket	*China trial*				• Phase II single arm pivotal trial under communication with regulatory agencies. • Data presented at the 2024 ASCO GI as an oral presentation
		Combo w/EGFR mAb	≥3L CRC	*China trial*				• In communication with CDE for a Phase III registrational trial • Data presented at 2023 JAC-AACR
		Mono	NSCLC with STK-11 co-mutation	*China trial*				
		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 trial to start in Q3 2024 • Data presented at 2023 ESMO as an oral presentation • Long term safety and efficacy data submitted to 2024 ASCO
		Combo w/PD-1 mAb	NSCLC, HNSCC, ESCC	*Global trial*				
		Combo w/EGFRi	Osimertinib progressed NSCLC	*Global trial*				
	JAB-8263 BET (MYC pathway)	Mono	Solid tumors	*US trial*				
		Mono	Solid tumors	*China trial*				• Phase II trial to start in H2 2024 • Data submitted to the 2024 EHA Congress
		Mono Combo w/JAKi	MF and AML	*China trial*				
	JAB-2485 Aurora A (MYC pathway)	Mono	Solid tumors	*Global trial*				• RP2D to be determined in Q2 2024
	JAB-30355 P53 Y220C (P53 pathway)	Mono	Solid tumors	*Global trial*				• IND approved in March 2024 • Phase I trial to start in H2 2024 • Preclinical data will be presented at 2024 AACR
	JAB-BX102 CD73 mAb (I/O)	Mono Combo w/PD-1 mAb	Solid tumors	*Global trial*				• RP2D to be determined in Q2 2024
	JAB-26766 PARP 7 (I/O)	Mono	Solid tumors	*China trial*				• Preclinical data will be presented at 2024 AACR
	JAB-24114 Glutamine-utilizing enzyme (MYC pathway)	Mono	Solid tumors, Hematological malignancies	*China trial*				
	JAB-BX300 LIF mAb (RAS pathway)	Mono	Solid tumors	*China trial*				

Pre-clinical stage candidates:

	Asset	Target	Modality	Lead optimization	Candidate IND-enabling	IND Schedule	Indications
pre-Clinical	JAB-23E73	KRAS^{multi} (RAS pathway)	Small molecule			Q2 2024	Solid tumors
	JAB-BX400 (iADC)	HER2-STING (I/O)	iADC			Clinical candidate expected in H2 2024	Solid tumors
	JAB-BX500 (iADC)	CD73-STING (I/O)	iADC			-	Solid tumors
	JAB-22000	KRAS G12D (RAS pathway)	Small molecule			-	Solid tumors

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 pivotal trail of JAB-3312 in combination with glecirasib in 1L NSCLC patients has been approved by China CDE in February 2024 and is planned to be initiated in the third quarter of 2024. The short-term safety and efficacy results were presented as an oral presentation at 2023 ESMO in October 2023 in Spain. Long-term safety and efficacy data have been submitted to 2024 ASCO, which will be held in June 2024 in Chicago, IL.

Business Review

Our Clinical Stage Drug Candidates

We have made tremendous progress in the clinical development of our assets in 2023. Among all clinical stage candidates, glecirasib (JAB-21822), our leading asset, will be submitted for NDA approval in the second quarter of 2024 in China to treat advanced or metastatic ≥ 2L NSCLC with KRAS G12C mutation as monotherapy. 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 has been approved by China CDE in February 2024 and the Phase III pivotal trial is planned to be initiated in the third quarter of 2024. In CRC, a Phase III trial design of glecirasib monotherapy and glecirasib in combination with cetuximab in ≥3L CRC patients with KRAS G12C mutation has been submitted to China CDE and is expected to get approval in the second quarter of 2024.

- ***JAB-21822 (Glecirasib, 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, anti-EGFR antibody. Based on our internal head-to-head pre-clinical animal studies, glecirasib has shown a favorable pharmacokinetics (PK) profile and tolerability dosing profile 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 Phase I dose escalation of glecirasib in patients with solid tumors harboring a KRAS G12C mutation in China has been completed. 800mg QD was deemed to be RP2D. A total of 40 ≥2L NSCLC patients treated with 800mg QD have been enrolled in the Phase IIa dose expansion part. Data from these 40 patients revealed that glecirasib is well tolerated. The incidence of grade 3 or 4 TRAEs is 23%. No grade 5 TRAE was seen. Common TRAEs with other KRAS G12C inhibitors, such as nausea ,vomiting and other GI toxicities, are relatively low in this study.

Glecirasib monotherapy in ≥2L NSCLC achieved confirmed overall response rate (cORR) of 42.5% (17/40), disease control rate (DCR) of 95% (38/40), and median progression-free survival (mPFS) of 9.6 months.

The pivotal trial in patients with ≥2L NSCLC harboring KRAS G12C mutation has enrolled patients from around 60 sites in China. We have completed the patient enrollment in September 2023. Safety and efficacy data of pivotal trial patients will be published in the second half of 2024. The quality and non-clinical portion of pre-NDA application, including CMC, have been submitted to the CDE in September 2023. The clinical portion of pre-NDA application will be submitted in the first quarter of 2024. The NDA application of glecirasib monotherapy in ≥2L NSCLC patients harboring KRAS G12C mutation is expected to be submitted to CDE in the second quarter of 2024.

Glecirasib has been granted BTD for the second-line and above treatment of advanced or metastatic NSCLC patients with KRAS G12C mutation by the CDE in December 2022 and is expected to receive the accelerated approval.

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

A Phase I/IIa trial of glecirasib in combination with JAB-3312 to locally advanced or metastatic advanced solid tumors harboring KRAS G12C mutation is ongoing. Seven dose regimens with different dose level and frequency were explored. The emerging safety and efficacy data of 144 patients were reported at the 2023 ESMO congress as an oral presentation in Madrid, Spain in October 2023. Glecirasib plus JAB-3312 have a manageable safety profile and demonstrate promising efficacy. The incidence of grade 3 or 4 TRAEs is 39.6% 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. In frontline NSCLC, the ORR (overall response rate) of all dose cohorts was 65.5% (38/58) and DCR (disease control rate) was 100%. Glecirasib (800mg QD) + JAB-3312 2mg [1/1] dosage yielded ORR of 86.7% (13/15) and DCR of 100%. Final mPFS results are pending and will be reported at a later date.

As of the date of this announcement, around 200 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 combination therapy, around 100 patients were 1L NSCLC patients. Long term safety and efficacy data have been submitted to the 2024 ASCO Annual Meeting.

Glecirasib in combination with JAB-3312 has demonstrated better safety and efficacy than current standard of care "anti-PD-1 +chemotherapy" in 1L NSCLC. CDE has 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 is planned to be initiated in the third quarter of 2024. JAB-3312 is the very first SHP2 inhibitor entering a Phase III registrational trial worldwide.

- **PDAC**

In July 2023, with the favorable efficacy and safety profile, the pivotal trial of using glecirasib monotherapy in patients with PDAC harboring KRAS G12C mutation was approved by the CDE. The pivotal study sites have been activated in September 2023. The first patient was treated in October 2023. Gleciraisb is the very first KRAS G2C inhibitor entered a registrational trial in ≥2L pancreatic cancer worldwide.

In August 2023, glecirasib was granted BTD for KRAS G12C mutant pancreatic cancer patients who have progressed on front-line standard of care treatment by China CDE, providing opportunities for more rigorous CDE interactions clinical trials and development strategy and for priority review.

Clinical activity and safety results of glecirasib in patients with pancreatic cancer and other solid tumors from Phase I and Phase IIa studies were presented as an oral presentation at the 2024 ASCO GI Annual Meeting, which was held in San Francisco, CA in January 2024. Data from 31 PDAC patients revealed that glecirasib monotherapy in ≥2L PDAC achieved confirmed overall response rate (cORR) of 41.9% (13/31), disease control rate (DCR) of 93.5% (29/31), median progression-free survival (mPFS) of 5.6 months, and median overall survival (mOS) of 10.7 months.

The potential global development plan in PDAC and other solid tumors is under consultation with U.S. regulatory authorities.

- **CRC**

Monotherapy and in 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. 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 of May 29, 2023, monotherapy yielded overall response rate (ORR) of 33.3% (11/33), disease control rate (DCR) of 90.9% (30/33) and median progression-free survival (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 and 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 gleciraisb 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 of May 29, 2023, 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 of the data cut-off. In terms of safety, the majority of TRAEs in monotherapies and combinations are grades 1-2.

A Phase III registrational trial plan of glecirasib monotherapy and glecirasib in combination with cetuximab in third-line and above CRC patients is under communication with CDE and expected to get approval from CDE in the second quarter of 2024.

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.

o 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 presented as an oral presentation at the 2024 American Society of Clinical Oncology (ASCO) GI Annual Meeting in San Francisco, CA in January 2024. Among 19 multi-tumors basket patients received gleciraisb monotherapy, confirmed ORR was 57.9% (11/19), 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 is under communication with regulatory agencies.

- **Monotherapy in Patients with STK 11 Co-mutation in China**

  A Phase I/IIa, open-label, multi-center, dose-escalation and expansion clinical trial in China was initiated aiming to explore the safety, tolerability and preliminary efficacy. The clinical trial focuses on the first line NSCLC patients who have KRAS G12C and STK 11 co-mutation. The clinical trial is still ongoing and remains open to enrollment.

- **Monotherapy 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 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 of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

- ***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.

Jacobio's SHP2 inhibitors received the IND approval from the U.S. FDA for clinical development in May 2018, which ranked the second SHP2 program in the clinic globally. JAB-3312 is a second generation SHP2 inhibitor and it is the most potent SHP2 inhibitor of its class. In preclinical studies, the IC_{50} for JAB-3312 in cell proliferation is 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.

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

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

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".

JAB-3312 in combination with other agents

The clinical trials for JAB-3312 in combination with other agents, including osimertinib and anti-PD-1 antibody are ongoing. Early clinical response was observed in patients with certain tumor types. We are optimizing the clinical development strategy for JAB-3312 in combination with other agents considering the current treatment landscape and our resources available.

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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 a highly potent BET inhibitor, which binds to BRD2, BRD3, BRD4, and BRDT with biochemical IC_{50} ranging from 0.20 to 0.99 nM. Preclinical 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 such as MF and AML. To date, JAB-8263 has demonstrated favorable safety and tolerability compared with other BET inhibitors under the clinical development. Active therapeutic signals were observed during dose escalation. Improvement in total symptom score (TSS) and spleen volume reduction (SVR) was observed in myelofibrosis patients treated with JAB-8263 monotherapy.

A Phase II trial of JAB-8263 monotherapy or combination therapies is planned to be initiated in the second half of 2024. Clinical data of JAB-8263 dose escalation/expansion in hematologic malignancies have been submitted to the 2024 European Hematology Association Congress.

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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 small cell lung cancer and triple negative breast cancer. JAB-2485 is one of the top two orally bioavailable small molecules in clinical stage which selectively inhibit Aurora kinasa A over Aurora kinases B and C. Preclinical studies showed that JAB-2485 features a 1500-fold selectivity on Aurora kinase A over Aurora kinase B and Aurora kinase C. JAB-2485 induces minimal myelosuppression and displays favorable PK properties. As of the date of this announcement, there is no commercialized Aurora A inhibitor globally.

  We launched a Phase I/IIa global trial of JAB-2485 in the U.S. and China to treat patients with solid tumors. The first patient was dosed in January 2023. Encouraging clinical efficacy signals were observed. The dose escalation portion of the study is ongoing. RP2D is anticipated in the second quarter of 2024.

  Preclinical data of JAB-2485 were presented in the form of a poster at the AACR Annual Meeting 2023 ("**2023 AACR**") in April 2023 in the U.S.

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

- ***JAB-30355***

  JAB-30355 is an 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 species give good *in vitro-in vivo* correlation and low human clearance prediction.

  IND application of JAB-30355 has been approved by the U.S. FDA in March 2024. IND application of JAB-30355 to China CDE has been submitted. Phase I clinical trial is expected to be initiated in the second half of 2024. Currently, there is only one program which just entered a Phase II single arm registrational trial in respective drug classes globally. 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.

Preclinical data will be presented at the AACR Annual Meeting 2024 as a poster.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that the JAB-30355 will ultimately be successfully developed and marketed by our Company. Shareholders of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

- ***JAB-BX102***

JAB-BX102 is a humanized monoclonal antibody against CD73, a key protein involved in the adenosine pathway. JAB-BX102 binds to an 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 immune checkpoint inhibitor such as anti-PD-(L)1 antibodies can result in synergistic anti-tumor effect. JAB-BX102 is our first large molecule program that entered into the 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. RP2D is anticipated in the second quarter of 2024.

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

- **Other IND approved projects**

JAB-26766 – JAB-26766 is an orally bioavailable small-molecule PARP7 inhibitor, targeting immuno-oncology pathway for the treatment of a variety of solid tumors such as sqNSCLC, ovarian cancer and cervical cancer etc. PARP7 acts as a brake in type I interferon (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 good 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.

Preclinical data of JAB-26766 will be presented at the AACR Annual Meeting 2024 as a poster.

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

JAB-24114 – JAB-24114 is a prodrug of 6-Diazo-5-oxo-l-norleucine (DON), an inhibitor of glutamine-utilizing enzymes (GUE) which serves vital roles in the tricarboxylic acid (TCA) cycle, purine, lipid, and amino acid synthetic pathways. Different from GLS 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 anti-tumor effect. JAB-24114 can also be used in combination with SHP2 inhibitors or KRAS inhibitors.

The IND application of JAB-24114 was approved by China 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 the JAB-24114 will ultimately be successfully developed and marketed by our Company. Shareholders of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

JAB-BX300 – JAB-BX300 is a monoclonal antibody that binds to leukemia inhibitory factor (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 (CTLs). 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 China CDE in April 2023.

We are optimizing the clinical development strategy for JAB-26766, JAB-24114, and JAB-BX300 considering the current treatment landscape and our resources available.

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 of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

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

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

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

  JAB-23E73 – JAB-23E73 is a novel, first-in-class, orally bioavailable, $KRAS^{multi}$ inhibitor. It can potently inhibit the activity of multiple KRAS mutants in both RAS (ON) and RAS (OFF) states at single digit nano molar and sub nano molar level, including KRAS G12X (G12D, G12V, G12R, G12S and G12A), G13D and Q61H, with good 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 WT KRAS, and has no inhibitory effect on KRAS-independent cells, indicating favorable therapeutic window.

  In pre-clinical studies, JAB-23E73 exhibited good oral bioavailability both in rodent and non-rodent species. JAB-23E73 also showed an excellent anti-tumor 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. At the same time, JAB-23E73 is well tolerated in animal models. According to the pre-clinical data, it is predicted that JAB-23E73 will have a good exposure on human.

  The IND application is expected to be submitted in the second quarter of 2024. To date, there is no small-molecule $KRAS^{multi}$ inhibitor that targets both RAS (ON) and RAS (OFF) states in clinical stage globally. Therefore, JAB-23E73 has the potential to be among first-to-market players.

  The preclinical result of a leading compound of our $KRAS^{multi}$ inhibitor series was presented in the form of a poster during 2023 AACR.

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

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

  JAB-22000 – JAB-22000 is an orally available small-molecule KRAS G12D inhibitor. Lead series with high potency and selectivity have been identified. Multiple patent filings have been submitted covering multiple optimization directions. It is currently in lead optimization stage, IND schedule will be adjusted according to the progress and the clinical efficacy and safety data of JAB-23E73, our $KRAS^{multi}$ inhibitor.

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

Our iADC Programs

Immune checkpoint inhibitors (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". Immuno-stimulators can enhance 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 targeted deliver STING agonists into tumor cells, which enhances anti-tumor immunity and turns PD-1 unresponsive cold tumors into PD-1 responsive hot tumors.

A growing body of antibody-drug conjugates (ADCs) are currently in the clinical development, some of which had been approved by the U.S. FDA, verifying the concept of "magic bullet". However, these conventional ADCs, which use toxins as payloads, have demonstrated obvious toxicity because the toxin molecules can be delivered to the normal tissues. These safety concerns limit the application of conventional ADCs.

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

For iADC, good 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 anti-tumor immune responses. One of such novel targets is STING, an endoplasmic protein that stimulates innate immune system and turns "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 anti-tumor activity, the therapeutic window was limited by immune-related toxicity, such as cytokine release syndrome (CRS).

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

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 preclinical 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 will be nominated in the second half of 2024. We are developing other TAAs targeting iADCs as well.

Preclinical data of CD73-STING iADC were presented as a poster during 2023 AACR.

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 of our Company and potential investors are advised to exercise caution when dealing in the shares of our Company.

Corporate Development during the Reporting Period

We have a solid patent portfolio to protect our drug candidates and technologies. As of December 31, 2023, we owned 340 patents or patent applications that are filed globally, of which 82 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 ($KRAS^{multi}$ 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. Currently, 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 single 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 mutations.

  At the same time, projects targeting P53 mutations other than Y220C are also under development to provide more effective treatment options.

In the field of immuno-oncology:

Immuno-oncology (I/O) 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 I/O 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 ADCs. 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' 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 collaborations**

  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.

- **Manufacture and commercialization in China**

  We have established a leading product department and a comprehensive QA system and are in progress of applying the marketing authorization holder ("**MAH**") qualification in China. At the current stage, in order to optimize the utilization of our resources, we will collaborate with a reputable CDMO for production under MAH system. We are open to seeking diverse ways of cooperation for marketing, academic promotion and market access.

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 the Shares.

FINANCIAL REVIEW

Revenue

	Year ended December 31,			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Revenue from the license and collaboration agreement	**63,520**	**100**	95,746	100

For the years ended December 31, 2023 and 2022, our Group recorded revenue of RMB63.5 million and RMB95.7 million, respectively, which are in connection with the R&D costs reimbursement generated from the license and collaboration agreement with AbbVie regarding the R&D, manufacture and commercialization of our SHP2 inhibitors. For the year ended December 31, 2023, our largest customer accounts for 100% of our Group's revenue.

Cost of Revenue

	Year ended December 31,			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Clinical trial expenses of our SHP2 inhibitors	**60,317**	**100**	83,112	100

Our cost of revenue consists of research and development expenses related to our SHP2 inhibitors. For the year ended December 31, 2023, we recorded cost of revenue of RMB60.3 million, mainly attributable to the clinical trial expenses of our SHP2 inhibitors, as compared with RMB83.1 million for year ended December 31, 2022.

Gross Profit

	Year ended December 31,			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Gross profit from the license and collaboration agreement	**3,203**	**100**	12,634	100

As a result of the foregoing, our gross profit decreased from RMB12.6 million for the year ended December 31, 2022 to RMB3.2 million for the year ended December 31, 2023.

Other Income

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Government grants	**7,504**	830
Other income from a related party	**–**	1,024
Total	**7,504**	1,854

Our other income increased from RMB1.9 million for the year ended December 31, 2022 to RMB7.5 million during the year ended December 31, 2023, primarily attributable to the increase of government grants associated with the progression of our R&D programs.

Other Gains – Net

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Net foreign exchange gains	**20,688**	82,531
Net fair value changes on derivative financial instruments	**(3,726)**	(7,215)
Net fair value changes on long-term investments measured at fair value through profit or loss	**(7,240)**	4,193
Net gains on disposal of property, plant and equipment	**628**	–
Total	**10,350**	79,509

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 2023 as compared to 2022.

Our net other gains primarily consisted 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 RMB61.8 million from RMB82.5 million for the year ended December 31, 2022 to RMB20.7 million for the year ended December 31, 2023, 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 year ended December 31, 2023 compared to that for the year ended December 31, 2022.

Our business mainly operates in the PRC, and most of our Group's transactions are settled in RMB. Since our inception, we have financed our business 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. Conversion of our USD and HKD denominated monetary items will expose us to currency exchange risk.

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

Research and Development Expenses

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Testing fees	**143,110**	138,951
Employee benefits expenses	**140,842**	124,134
Raw materials and consumables used	**44,737**	145,356
Depreciation and amortization	**21,272**	11,236
Others	**22,359**	25,970
Total	**372,320**	445,647

Our research and development expenses decreased by RMB73.3 million from RMB445.6 million for the year ended December 31, 2022 to RMB372.3 million for the year ended December 31, 2023, primarily due to the combined impact of decrease in raw materials and consumables used and the increases in R&D staff costs and testing fee for clinical development of our drug candidates. Such decrease in research and development expenses was resulted from the following factors:

- RMB100.6 million decrease in raw materials and consumables used, including the manufacture of clinical candidates;
- RMB16.7 million increase in employee benefits expenses primarily due to an increase in the average number of research and development employees and their salary level; and
- RMB4.2 million increase in testing fees mainly due to the rapid progress of the clinical trials and advancement of our pre-clinical drug candidates.

Administrative Expenses

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Employee benefits expenses	**27,831**	26,447
Professional services expenses	**4,967**	5,855
Depreciation and amortization	**3,072**	1,344
Others	**10,745**	8,905
Total	**46,615**	42,551

Our administrative expenses increased by RMB4.0 million from RMB42.6 million for the year ended December 31, 2022 to RMB46.6 million for the year ended December 31, 2023, which was mainly caused by the increase of depreciation and amortization expenses in connection with our newly leased headquarter in Beijing in 2023.

Finance Income and Finance Expenses

Our finance income increased by RMB22.5 million from RMB24.6 million for the year ended December 31, 2022 to RMB47.1 million for the year ended December 31, 2023, which was mainly attributable to the combined impact of (i) increased average interest rate of time deposit during the year ended December 31, 2023 compared to that for the year ended December 31, 2022; and (ii) decreased interest income due to the decreased bank balances in line with our business progress. Our finance expenses increased by RMB6.0 million from RMB2.3 million for the year ended December 31, 2022 to RMB8.3 million for the year ended December 31, 2023, due to an increase in interest costs on lease liabilities and interest costs on borrowings.

Income Tax Expense

We recognized no income tax expenses for the years ended December 31, 2023 and 2022 as the Group has no estimated assessable profits for the year.

Non-IFRS Measure

To supplement the consolidated financial statements, which are presented in accordance with the IFRS Accounting Standards ("**IFRS**"), our Company also uses adjusted loss for the Reporting Period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. Our Company believes that these adjusted measures provide useful information to 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, fair value changes in derivative financial instruments arising from the commitment of investments and fair value changes in long-term investments measured at fair value through profit or loss. The term adjusted loss for the Reporting Period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and should not consider it in isolation from, or as substitute for analysis of, our Group's results of operations or financial condition as reported under IFRS. Our Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, our Company believes that this and other non-IFRS measures are reflections of our Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of our Group's operating performance, and thus, facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

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

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(359,119)**	(371,861)
Added:		
Share-based payment expenses	**14,857**	16,993
Fair value losses in derivative financial instruments arising from the commitment of investments	**–**	2,856
Fair value losses in long-term investments measured at fair value through profit or loss	**7,240**	–
Subtracted:		
Fair value gains in long-term investments measured at fair value through profit or loss	**–**	(4,193)
Adjusted loss for the year	**(337,022)**	(356,205)

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

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Research and development expenses for the year	**(372,320)**	(445,647)
Research and development expenses in relation to our SHP2 inhibitors which was recorded in Cost of Revenue for the year	**(60,317)**	(83,112)
Added:		
Share-based payment expenses	**12,645**	13,734
Adjusted research and development expenses for the year	**(419,992)**	(515,025)

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

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Administrative expenses for the year	**(46,615)**	(42,551)
Added:		
Share-based payment expenses	**2,212**	3,259
Adjusted administrative expenses for the year	**(44,403)**	(39,292)

Cash Flows

During the year ended December 31, 2023, net cash used in operating activities of our Group amounted to RMB364.2 million, representing an increase of RMB71.8 million compared to the net cash used in operating activities of RMB292.4 million during the year ended December 31, 2022. The increase was in line with the progression of our research and development activities.

During the year ended December 31, 2023, net cash flows used in investing activities of our Group amounted to RMB48.0 million, representing a decrease of RMB638.3 million over the net cash used in investing activities of RMB686.3 million during the year ended December 31, 2022. The decrease was mainly due to the combined impact of (i) proceeds received from the maturity of deposits with initial terms over 3 months of RMB786.5 million during the year ended December 31, 2023 while no such proceeds received during the year ended December 31, 2022; and (ii) the placement of deposits with original maturities over 3 months of RMB825.0 million during the year ended December 31, 2023 compared to that of RMB662.5 million during the year ended December 31, 2022.

During the year ended December 31, 2023, net cash flows generated from financing activities of our Group amounted to RMB246.3 million, representing an increase of RMB256.2 million over the net cash flows used in financing activities of RMB9.9 million during the year ended December 31, 2022. The increase was mainly due to the combined impact of (i) fund raised from the placing of existing shares and subscription of new shares of RMB139.1 million during the year ended December 31, 2023; (ii) the proceeds from bank borrowings of RMB73.6 million during the year ended December 31, 2023; and (iii) the proceeds from contribution in Beijing Jacobio of RMB60.0 million.

Significant Investments, Material Acquisitions and Disposals

On August 31, 2021, the Company, among other investors, entered into the series A preferred share purchase agreement (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 preferred shares of Hebecell to the Company. The first closing of the Share Purchase Agreement was completed. On March 10, 2023, the parties to the Share Purchase Agreement entered into a supplemental agreement, pursuant to which the parties have agreed not to proceed with the second closing and the third closing of the Share Purchase Agreement. For details of the supplemental agreement, please refer to the announcement published on the websites of the Stock Exchange and our Company dated March 10, 2023.

In June 2023, JACOBIO (HK) PHARMACEUTICALS CO., LIMITED, Beijing Jacobio and Dr. Wang entered into a capital increase agreement with Beijing E-town International Investment & Development Co., Ltd. (北京亦莊國際投資發展有限公司), pursuant to which Beijing E-town proposed to make a capital contribution in cash in the amount of RMB150 million to subscribe for the additional registered capital of Beijing Jacobio (the "**Capital Increase**"). As of December 31, 2023, the Capital Increase was completed. Beijing Jacobio was owned as to approximately 96.97% by Jacobio HK and as to approximately 3.03% by Beijing E-town. For details, please refer to the announcement published on the websites of the Stock Exchange and our Company dated July 6, 2023.

Saved as disclosed above, during the year ended December 31, 2023, 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 unutilised net proceeds from the initial public offering of the Company.

We currently are available to access to bank loan facilities with a total amount of RMB270.0 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 of December 31, 2023, our cash and cash equivalents and other bank deposits were RMB1,197.9 million, as compared to RMB1,298.7 million as of December 31, 2022.

The decrease is primarily due to net cash used in our operating activities. However, it was partially offset by cash inflow from the placing of exiting shares and subscription of new share in February 2023 of RMB139.1 million, proceeds from bank borrowings of RMB73.6 million and proceeds from contribution in Beijing Jacobio. Our primary uses of cash are to fund research and development efforts of new drug candidates, working capital and other general corporate purposes. Our cash and cash equivalents are held in USD, RMB and HKD.

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

As of December 31, 2023, cash and cash equivalents are more than total borrowings of our Group, and therefore, there is no net debt, and the gearing ratio calculated as net debt divided by equities is not applicable.

Lease Liabilities

IFRS 16 has been consistently applied to our Group's consolidated financial statements for the years ended December 31, 2022 and 2023. As at December 31, 2023, our lease liabilities amounted to RMB136.3 million.

Capital Commitments

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 purchases of property, plant and equipment.

As at December 31, 2022, our Group had capital commitments contracted for but not yet provided of RMB51.4 million, which was in relation to the capital expenditure of the construction of our new facilities for R&D, manufacturing and general administration with a total gross floor area of around 20,000 sq.m. in Beijing, China.

Contingent Liabilities

As at December 31, 2023, our Group did not have any significant contingent liabilities (2022: Nil).

Pledge of Assets

There was no pledge of our Group's assets as of December 31, 2023 (2022: Nil).

Foreign Exchange Exposure

As of December 31, 2023, 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, contract assets, other receivables and trade payables are denominated in foreign currencies, and are exposed to foreign currency risk (primarily with respect to USD). Management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Liquidity Risk

As of December 31, 2023 and 2022, we recorded net current assets of RMB963.3 million and RMB1,182.9 million, respectively. In managing the liquidity risk, our Company monitors and maintains a level of cash and cash equivalents that management considered as adequate to finance the operations and mitigate the effects of fluctuations in cash flows.

Employees and Remuneration Policies

As at December 31, 2023, our Group had 301 employees in total (2022: 303 employees). The total remuneration costs amounted to RMB174.1 million for the year ended December 31, 2023, as compared to RMB163.0 million for the year ended December 31, 2022. The increase reflected the increased salary level of our employees.

In order to maintain the quality, knowledge and skill levels of our workforce, our Group provides continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. Our Group also provides 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 published on the websites of the Stock Exchange and the Company dated August 31, 2021 and October 8, 2021.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in elsewhere of this announcement and the above, there was no event which has occurred after the year ended December 31, 2023 that would cause material impact on the Group.

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended December 31, 2023. (2022: Nil)

ANNUAL GENERAL MEETING

The AGM of our Company will be held on Friday, June 7, 2024. The notice of the AGM will be published and dispatched to the Shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of our Company will be closed from Tuesday, June 4, 2024 to Friday, June 7, 2024, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of our Company accompanied by the relevant share certificates must be lodged with the branch share registrar of our Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Monday, June 3, 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Group is committed to implementing high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value as well as the responsibility commitments. Our Company has adopted the CG Code set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Board is of the view that our Company has complied with all applicable code provisions of the CG Code for the year ended December 31, 2023 and up to the date of this announcement, except for a deviation from the code provision C.2.1 of the CG Code as described below.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code for dealing in securities in our Company by the Directors. The Directors have confirmed compliance with the required standard set out in the Model Code for the year ended December 31, 2023. No incident of non-compliance by the Directors was noted by our Company during the Reporting Period.

As required by the Company, relevant officers and employees of the Company are also bound by the Model Code, which prohibits them from dealing in securities of the Company at any time when he or she possesses insider information in relation to those securities. No incident of non-compliance with the Model Code by the relevant officers and employees was noted by the Company.

PROCEDURES PERFORMED BY AUDITOR ON THIS RESULTS ANNOUNCEMENT

The figures in respect of our Group's consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in this results announcement have been agreed by our Group's auditor, PricewaterhouseCoopers, to the amounts set out in our Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this results announcement.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

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

The Audit Committee has reviewed our Group's annual results for the year ended December 31, 2023 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF OUR COMPANY

Vendor Placing and Subscription

On February 10, 2023, the Company, Yakovpharma Ltd (the "**Top-up Vendor**") and Goldman Sachs (Asia) L.L.C. (the "**Placing Agent**") entered into the placing and subscription agreement (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 purchasers on a best effort basis to purchase, 22,100,100 Placing Shares held by the Top-up Vendor at a price of HK$7.26 per Placing Share (the "**Vendor Placing**"); 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 "**Subscription**"). The closing price as quoted on the Stock Exchange on the last trading day prior to the signing of the Placing and Subscription Agreement was HK$7.80 per Share. On February 14, 2023 and February 17, 2023, the Vendor Placing and the Subscription have been completed, respectively. A total of 22,100,100 Placing Shares have been successfully placed at the Placing Price of HK$7.26 per Placing Share to not less than six professional, institutional and/or individual investors (the "**Purchasers**"). To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchasers, 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. None of such Purchasers and their respective ultimate beneficial owners has become a substantial shareholder of the Company upon taking up the Placing Shares. The Top-up Vendor was not involved in screening and selecting the Purchasers in connection with the Vendor Placing.

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 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 Company received total net proceeds of approximately HK$158.9 million from the Subscription, net of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses. For details, please refer to the announcements of the Company published on the websites of the Stock Exchange and our Company dated February 10, 2023 and February 17, 2023.

Repurchase of Shares

During the Reporting Period, the Company repurchased a total of 1,807,200 Shares of the Company at an aggregate consideration (before all the relevant expenses) of HK$6,121,110 on the Stock Exchange. As of the date of this announcement, all such repurchased Shares have been cancelled. Particulars of the repurchases made by the 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**
		Highest price *(HK$)*	**Lowest price** *(HK$)*	*(HK$)*
July 2023	139,800	4.13	3.72	530,244
August 2023	499,800	3.84	3.73	1,899,402
September 2023	1,167,600	3.24	3.06	3,691,464
Total	**1,807,200**			**6,121,110**

Save for the Vendor Placing and Subscription and the repurchase of Shares as mentioned above, neither our Company nor any of its subsidiaries had purchased, sold or redeemed any of our Company's listed securities during the year ended December 31, 2023.

USE OF PROCEEDS

Net proceeds from the Global Offering

Our Company's Shares were listed on the Main Board of the Stock Exchange on the Listing Date. Our Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from its Global Offering of approximately HK$1,421.8 million, equivalent to approximately RMB1,183.1 million including shares issued as a result of the partial exercise of the over-allotment option (the "**Net Proceeds**"). All unutilized Net Proceeds as at December 31, 2023 are expected to be utilized by the end of 2025.

As at December 31, 2023, approximately RMB450.7 million of the Net Proceeds had been utilized as follows:

	Percentage of Net Proceeds	Allocation of Net Proceeds *RMB million*	Unutilized Net Proceeds as at December 31, 2022 *RMB million*	Utilized Net Proceeds in 2023 *RMB million*	Unutilized Net Proceeds as at December 31, 2023 *RMB million*
Fund the clinical trials of JAB-3312 in combination with JAB-21822 and clinical trials and preparation for registration filings of JAB-3312[(1)]	18%	213.0	193.6	118.8	74.8
Fund the set-up of our sales and marketing team and commercialization activities of JAB-3312 and JAB-21822 in China	4%	47.3	47.3	–	47.3
Fund ongoing and planned clinical trials of JAB-8263	10%	118.3	62.9	9.7	53.2
Fund clinical development of JAB-21822, including registrational clinical trials and preparation for NDA	38%	454.6	201.9	161.7	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	18%	207.9	100.6	100.6	–
Fund the planned decoration of our R&D center and construction of our in-house GMP-compliant manufacturing facility	8%	94.6	80.1	59.9	20.2
For working capital and general corporate purposes	4%	47.4	–	–	–
Total	**100%**	**1,183.1**	**686.4**	**450.7**	**235.7**

Notes

(1) Following the termination of the AbbVie Agreement, Jacobio regains the global rights previously granted to AbbVie to such SHP2 inhibitors, including decision-making authority over all development, commercialization, manufacturing, and regulatory activities relating to SHP2 inhibitors globally. For details, please refer to the announcement of the Company dated July 4, 2023.

Net Proceeds from the Placing of existing Shares and Top-up subscription of new Shares under general mandate

For the details regarding the placing and the top-up subscription, please refer to the section headed "Purchase, Sale or Redemption of Listed Securities of our Company". The Company received total net proceeds of approximately HK$158.9 million, equivalent to approximately RMB139.1 million from the Subscription, net of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses. All unutilized net proceeds from the Subscription as at December 31, 2023 are expected to be utilized by the end of 2025. There has been no change in the intended use of the net proceeds as previously disclosed in the announcements of the Company published on the websites of the Stock Exchange and the Company dated February 10, 2023 and February 17, 2023.

As at December 31, 2023, approximately RMB46.1 million of the Net Proceeds had been utilized as follows:

	Percentage of Net Proceeds	**Allocation of Net Proceeds** *RMB million*	**Utilized Net Proceeds in 2023** *RMB million*	**Unutilized Net Proceeds as at December 31, 2023** *RMB million*
Advancing the clinical trials of the Company's KRAS G12C inhibitor JAB-21822 (including confirmatory clinical trials)	35%	48.7	–	48.7
Advancing the research and development of the Company's pre-clinical pipeline products, including the development of programs such as JAB-23E73 ($KRAS^{multi}$ inhibitor) and its iADC platforms	65%	90.4	46.1	44.3
Total	100%	139.1	46.1	93.0

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December	
		2023	2022
		RMB'000	*RMB'000*
Revenue	*3*	**63,520**	95,746
Cost of revenue	*4*	**(60,317)**	(83,112)
Gross profit		**3,203**	12,634
Research and development expenses	*4*	**(372,320)**	(445,647)
Administrative expenses	*4*	**(46,615)**	(42,551)
Other income		**7,504**	1,854
Other gains – net		**10,350**	79,509
Operating loss		**(397,878)**	(394,201)
Finance income		**47,071**	24,610
Finance expenses		**(8,312)**	(2,270)
Finance income – net		**38,759**	22,340
Loss before income tax		**(359,119)**	(371,861)
Income tax expense	*5*	**–**	–
Loss for the year		**(359,119)**	(371,861)
Loss for the year attributable to owners of the Company		**(359,119)**	(371,861)
Loss per share attributable to owners of the Company:			
– Basic and diluted (in RMB per share)	*6*	**(0.46)**	(0.49)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2023	2022
		RMB'000	*RMB'000*
Loss for the year		**(359,119)**	(371,861)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**73**	304
Other comprehensive income for the year, net of tax		**73**	304
Total comprehensive loss for the year		**(359,046)**	(371,557)
Total comprehensive loss for the year attributable to owners of the Company		**(359,046)**	(371,557)

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**88,797**	58,744
Right-of-use assets		**130,806**	146,484
Intangible assets		**1,366**	1,019
Long-term investments measured at fair value through profit or loss	*8*	**18,181**	25,421
Other receivables and prepayments	*9*	**2,908**	4,232
Long-term bank deposits	*10*	**50,013**	–
Total non-current assets		**292,071**	235,900
Current assets			
Contract assets	*3*	**9,339**	15,033
Other receivables and prepayments	*9*	**11,224**	25,026
Cash and bank balances	*10*	**1,147,847**	1,298,688
Total current assets		**1,168,410**	1,338,747
Total assets		**1,460,481**	1,574,647
EQUITY			
Equity attributable to owners of the Company			
Share capital		**523**	510
Other reserves		**4,114,620**	3,979,524
Share-based compensation reserve		**152,027**	137,170
Accumulated losses		**(3,193,799)**	(2,834,680)
Total equity		**1,073,371**	1,282,524

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
LIABILITIES			
Non-current liabilities			
Redemption liability		**58,817**	–
Lease liabilities		**121,969**	134,663
Deferred income		**1,194**	1,609
Total non-current liabilities		**181,980**	136,272
Current liabilities			
Lease liabilities		**14,329**	13,131
Borrowings	*11*	**73,616**	–
Trade payables	*12*	**81,191**	96,551
Other payables and accruals	*13*	**35,994**	44,361
Derivative financial instruments		**–**	1,808
Total current liabilities		**205,130**	155,851
Total liabilities		**387,110**	292,123
Total equity and liabilities		**1,460,481**	1,574,647

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated financial statements are presented in Renminbi ("**RMB**") and rounded to nearest thousand of RMB, unless otherwise stated.

2 BASIS OF PREPARATION

(a) Compliance with IFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance Cap.622

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards ("**IFRS**")
- IAS Standards ("**IAS**")
- Interpretations developed by the IFRS Interpretations Committee ("**IFRIC Interpretations**") or its predecessor body, the Standing Interpretations Committee ("**SIC Interpretations**").

(b) Historical cost convention

The consolidated financial statements have been prepared under a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

(c) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for its annual reporting period commencing 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2 –Disclosure of accounting policies
- IFRS 17 –Insurance contracts
- Amendments to IAS 8 –Definition of accounting estimates
- Amendments to IAS 12 –Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 12 –International Tax Reform – Pillar Two Model Rules

The adoption of these new and amended standards does not have material impact on the financial performance and position of the Group and also the material accounting policies of the Group.

(d) New and amended standards not yet adopted

Certain amended standards have been published by IASB that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These amended standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 SEGMENT AND REVENUE INFORMATION

Management has determined the operating segments based on the reports reviewed by chief operating decision-maker ("**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

For the year ended 31 December 2023, all of the Group's revenue of RMB63,520,000 (2022: RMB95,746,000) 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 will 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 would collaborate to orderly transition the responsibilities under the Agreement for a period no longer than 180 days from the date of the Termination Notice (the "**Transition Period**"). The Transition Period finally ended at 24 December 2023 and during the Transition Period, the Group has continued to provide research and development services under the Agreement and the customer has reimbursed all the costs incurred by the Group under the pre-approved development plan.

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

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Revenue from the Agreement recognized:		
Over time	**63,520**	95,746
At a point in time	**–**	–
	63,520	95,746

(d) Assets related to contracts with customers

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current		
Contract assets relating to the Agreement	**9,339**	15,033
Less: loss allowance	**–**	–
	9,339	15,033

4 EXPENSES BY NATURE

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Testing fees	**184,418**	202,589
Employee benefits expenses	**174,097**	163,034
Raw materials and consumables used	**55,735**	149,540
Depreciation and amortisation	**25,080**	13,795
Professional services expenses	**7,453**	13,072
Short-term leases expenses	**4,050**	10,030
Auditor's remuneration	**2,473**	2,768
– Audit services	**2,393**	2,588
– Non-audit services	**80**	180
Others	**25,946**	16,482
Total	**479,252**	571,310

5 INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current income tax	**–**	–
Deferred income tax	**–**	–
	–	–

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

Cayman Islands

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

Hong Kong

The subsidiary as incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5%. No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the years ended 31 December 2023 and 2022.

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 income tax in Massachusetts at a rate of 8.00% during the years ended 31 December 2023 and 2022. No federal and state corporate income tax was provided for as there was no estimated assessable profit that was subject to federal and state corporate income tax during the years ended 31 December 2023 and 2022.

Mainland China

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

Pursuant to the relevant laws and regulations, a subsidiary of the Company has been eligible as a High/New Technology Enterprise ("**HNTE**") which is subject to a tax concession rate of 15% during the years ended 31 December 2023 and 2022.

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% (prior to 1 October 2022: 175%) 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 estimated assessable profit that was subject to PRC enterprise income tax during the years ended 31 December 2023 and 2022.

6 LOSS PER SHARE

(a) Basic loss per share

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

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective financial year.

	Year ended 31 December	
	2023	2022
Loss attributable to owners of the Company for the year *(RMB'000)*	**(359,119)**	(371,861)
Weighted average number of fully paid ordinary shares in issue *(in thousands)*	**772,842**	751,876
Basic loss per share (in RMB per share)	**(0.46)**	(0.49)

(b) Diluted loss per share

The Group had potential dilutive shares throughout the years ended 31 December 2023 and 2022 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 years ended 31 December 2023 and 2022, the inclusion of these potential dilutive shares in the calculation of diluted loss per share would be anti-dilutive. Hence, the Group's diluted loss per share equals to its basic loss per share for the years ended 31 December 2023 and 2022.

7 DIVIDEND

No dividend has been declared by the Company for the year ended 31 December 2023 (2022: Nil).

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Preferred shares investment in an associate	**11,339**	17,516
Preferred shares investment in an investee	**6,842**	7,905
	18,181	25,421

9 OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Prepayments for goods and services	**6,196**	12,074
Value-added tax recoverable	**3,457**	2,402
Retention receivables	**2,908**	3,383
Others	**1,571**	11,399
	14,132	29,258
Less: non-current portion (a)	**(2,908)**	(4,232)
Current portion	**11,224**	25,026

(a) The non-current portion of other receivables and prepayments includes retention receivables not expect to be recovered in the coming 12 months and prepayments to suppliers of property, plant and equipment.

10 CASH AND BANK BALANCES

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cash and cash equivalents	**469,155**	624,375
Bank deposits with original maturities of over 3 months	**723,984**	659,223
Restricted bank deposits (a)	**4,721**	15,090
	1,197,860	1,298,688
Less: Long-term bank deposits (non-current portion)	**(50,013)**	–
Cash and bank balances (current portion)	**1,147,847**	1,298,688

(a) As at 31 December 2023, restricted bank deposits are the deposits for performance guarantees of contracts (2022: deposits for performance guarantees and foreign currency exchange contracts).

11 BORROWINGS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Unsecured short-term bank loans	**73,616**	–

As at 31 December 2023, the unsecured bank loans are repayable within 1 year and bear interests at rates ranging from 3.10% to 3.90% per annum.

12 TRADE PAYABLES

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Less than 1 year	**81,191**	96,551

The carrying amounts of trade payables approximate their fair values.

13 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Payroll and welfare payables	**15,998**	23,583
Payables for purchases of property, plant and equipment and intangible assets	**14,113**	14,724
Tax payables	**1,936**	2,353
Accrued professional service fees	**1,960**	1,818
Others	**1,987**	1,883
Total	**35,994**	44,361

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

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

The 2023 annual report of the Company will be available on the above website of the Stock Exchange and that of the Company in due course.

DEFINITIONS

"2021 Plan"	the 2021 Stock Incentive Plan adopted by the Company on August 31, 2021
"AbbVie"	AbbVie Ireland Unlimited Company, incorporated on July 19, 2020 in Ireland, which is a wholly-owned subsidiary of AbbVie Inc. (NYSE: ABBV) and an Independent Third Party
"AGM"	the annual general meeting of the Company to be held on Friday, June 7, 2024
"AML"	acute myeloid leukemia, a type of cancer that progresses rapidly and aggressively, and affects the bone marrow and blood
"Audit Committee"	the 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; BET proteins interact with acetylated lysine residues in histone to regulate gene expression, and promote aberrant expression of many oncogenes such as MYC, CCND1, and BCL2L1
"Board"	the board of Directors
"BTD"	breakthrough therapy designations
"CD73"	ecto-5'-nucleotidase, a surface-expressed enzyme that hydrolyzes AMP into adenosine. CD73 is an immunosuppressive molecule that can be therapeutically targeted to restore effector T-cell function
"CDE"	the Center for Drug Evaluation of China
"CDMO"	Contract Development 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 tumor samples are cultured as cell lines and implanted into mouse models to test the efficacy of anti-tumor 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, which was formerly known as JACOBIO (CAY) PHARMACEUTICALS CO., LTD., the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1167)
"Core Product(s)"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules
"Corporate Governance Code" or "CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CRC"	colorectal cancer
"CRO"	contract research organization, a company provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research and development services outsourced on a contract basis
"CRPC"	castration-resistant prostate cancer
"Director(s)"	director(s) of our Company
"EGFR"	epidermal growth factor receptor
"ESCC"	esophageal squamous cell carcinoma, a high-mortality cancer with complex etiology and progression involving both genetic and environmental factors
"Global Offering"	the offer of Shares for subscription as described in the Prospectus
"GMP"	good manufacturing practice

"Group", "our Group", "we", "us" or "our"	our Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"GTPases"	a large family of hydrolase enzymes that bind to the nucleotide guanosine triphosphate (GTP) and hydrolyze it to guanosine diphosphate (GDP)
"Hebecell"	Hebecell Holding Limited, an exempted company incorporated with limited liability under the Laws of the Cayman Islands
"HK$" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HNSCC"	head and neck squamous cell carcinoma
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HRAS"	HRas proto-oncogene, a gene providing instructions for making a protein called H-Ras that is involved primarily in regulating cell division
"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
"Listing"	the listing of our Company on the Main Board of the Stock Exchange on the Listing Date
"Listing Date"	December 21, 2020, being the date on which the offer Shares were listed and dealings in the offer Shares first commenced on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market 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
"naïve"	not having received therapy
"NDA"	new drug application
"NMPA"	the National Medical Product Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"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
"P53"	a type of tumor suppressor gene
"PARP7"	a member of the poly ADP ribose polymerase (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, which is a protein on the surface of a normal cell or a cancer cell that attaches to certain proteins on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"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"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness

"Phase Ib/IIa"	Phase Ib/IIa is the study that tests the safety, side effects, and best dose of a new treatment. It is conducted in target patient popular with selected dose levels. Phase Ib/IIa study also investigates how well a certain type of disease responds to a treatment. In the phase IIa part of the study, patients usually receive multiple dose levels and often include the highest dose of treatment that did not cause harmful side effects in the Phase Ia part of the study. Positive results will be further confirmed in a Phase IIb or Phase III study
"Phase II"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Prospectus"	the prospectus of our Company dated December 9, 2020 being issued in connection with the Listing
"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
"Reporting Period"	the financial year ended December 31, 2023
"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, which are listed on the Stock Exchange
"Shareholder(s)"	holder(s) of the Shares
"SHP2"	Src homology region 2 domain-containing phosphatase-2, a protein tyrosine phosphatase acting as a key regulator in the RAS signaling pathway
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TRAE(s)"	treatment-related adverse events
"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 United States
"%"	per cent

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

Hong Kong, March 28, 2024

As at the date of this announcement, the Board 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, and Dr. Te-li CHEN as non-executive Directors, and Dr. Ruilin SONG, Dr. Ge WU and Dr. Bai LU as independent non-executive Directors.