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, 2021, RESIGNATION OF DIRECTORS, AND CHANGE IN THE COMPOSITION OF NOMINATION COMMITTEE

HIGHLIGHTS

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

SHP2 Inhibitors

Our lead drug development programs include two clinical-stage, oral, small-molecule allosteric SHP2 inhibitors (JAB-3312 and JAB-3068), for the potential treatment of cancers driven by RAS signaling pathway and immune checkpoint pathway.

JAB-3312 (SHP2 inhibitor)

- In both the U.S. and China, we had completed Phase I dose finding portion in patients with solid tumors. The interim results identified the maximum tolerated dose and recommended Phase II dose (RP2D).
- We had completed Phase I dose finding portion trial of JAB-3312 in combination with a PD-1 antibody and initiated the dose expansion phase with the RP2D.
- We have completed the protocol development for JAB-3312 in combination with either a KRAS G12C inhibitor Sotorasib or an EGFR inhibitor Osimertinib. The first two patients were enrolled in the U.S. of the global trial in January 2022.

JAB-3068 (SHP2 inhibitor)

- The enrollment of Phase IIa monotherapy trial in China has been completed.
- The study of JAB-3068 in combination with a PD-1 antibody is in the dose escalation stage.

JAB-21822 (KRAS G12C inhibitor)

JAB-21822 is a clinical-stage, potent, selective and oral small molecule drug candidate targeting mutant KRAS G12C protein.

- In China, the monotherapy dose escalation phase of JAB-21822 in patients with tumors harboring KRAS G12C was completed with RP2D identified. We have initiated the dose expansion phase in China.

- In the U.S., the first patient was dosed in patients with tumors harboring KRAS G12C in September 2021. Dose expansion is expected to be initiated in the second quarter of 2022. The Phase I trial of JAB-21822 is expected to be expanded to Europe and Israel in 2022.

- The first patient of JAB-21822 in combination with EGFR antibody Cetuximab was dosed in advanced colorectal cancer with KRAS G12C mutation in February 2022.

- We have received the IND approval of JAB-21822 in combination with our SHP2 inhibitor JAB-3312 and we expect to dose the first patient in the second quarter of 2022.

JAB-8263 (BET inhibitor)

JAB-8263 is a clinical-stage, innovative, selective and potent small molecule inhibitor of BET family proteins regulating MYC transcription.

- Phase I dose escalation trial of JAB-8263 is ongoing in China and the U.S. To date, JAB-8263 has demonstrated superior safety and tolerability and has showed favorable pharmacokinetics profile.

- The expansion plan is expected to be initiated in the second half of 2022 after RP2D is determined.

JAB-2485 (Aurora A inhibitor)

JAB-2485 is a clinical-stage, highly selective Aurora A kinase inhibitor. JAB-2485 can inhibit Aurora A activity at the cellular level, induce apoptosis and inhibit tumor growth.

- The IND application of JAB-2485 was approved by the U.S. FDA in January 2022.

- In China, the IND application with NMPA is expected to be submitted in the second quarter of 2022.

JAB-BX102 (CD73 inhibitor)

JAB-BX102 is a clinical-stage humanized antibody against human CD73 for the treatment of PD-1 resistant cancer, such as CRC.

- The IND application of JAB-BX102 was approved by the U.S. FDA in October 2021. We expect to dose the first patient in the first half of 2022 in the U.S.

- In China, the IND application with NMPA was submitted in January 2022.

IND-Enabling Stage Drug Candidates

- **JAB-24114** – a small-molecule drug candidate targeting tumor metabolic pathway. The candidate was nominated in March 2021 and is currently at the IND-enabling stage. We remain on track to submit an IND application for JAB-24114 in the second half of 2022.

- **JAB-BX300** – a large molecule antibody targeting RAS pathway. The candidate was nominated in March 2021 and is currently at the IND-enabling stage. We remain on track to submit an IND application for JAB-BX300 in the second half of 2022.

- **JAB-26766** – an orally bioavailable small-molecule drug targeting immuno-oncology pathway. The candidate was nominated in January 2022 and is currently at the IND-enabling stage. We remain on track to submit an IND application for JAB-26766 during 2022 to 2023.

- **JAB-23400** – a first-in-class, orally bioavailable, small-molecule $KRAS^{multi}$ inhibitor. It can potently inhibit the activity of multiple KRAS mutants in both active and inactive states, including G12V, G12D and G13D. The candidate was nominated in February 2022. The IND application is expected to be submitted in 2023.

Other Key Selected Pre-clinical Programs

- **JAB-22000** – a small-molecule KRAS G12D inhibitor. It is currently in the lead optimization stage, targeting to file an IND application in 2023.

- **JAB-23000** – a small-molecule KRAS G12V inhibitor. It is currently in the hit-to-lead stage, targeting to file an IND application during 2023 to 2024.

- **JAB-30000** – an orally available small molecule for the treatment of patients with locally advanced or metastatic solid tumors that have a P53 Y220C mutation. It is currently in the lead optimization stage, targeting to file an IND application during 2023 to 2024.

Other Events

In August 2021, our Company entered into a share purchase agreement with Hebecell, pursuant to which our Company has agreed to purchase and subscribe, and Hebecell has agreed to allot and issue, 1,321,257 series A preferred shares of Hebecell with the consideration of US$25,000,000, which represents approximately 19.74% of the issued share capital of Hebecell on a fully-diluted and as converted basis upon completion of the closings of the share purchase agreement.

While our Company is primarily focused on small-molecule cancer drugs, it opportunistically develops and seeks collaboration and strategic investment opportunities for compelling biological technologies where our Company can leverage its existing expertise in cancer biology to treat diseases with unmet needs and enhance our innovative portfolio with new modalities.

FINANCIAL HIGHLIGHTS

Revenue

Our revenue was RMB152.8 million for the year ended December 31, 2021, which was attributable to reimbursement of R&D costs generated from the license and collaboration agreement with AbbVie regarding the R&D, manufacture and commercialization of our SHP2 inhibitors.

Research and Development Expenses

Our research and development expenses increased by RMB94.9 million from RMB186.0 million for the year ended December 31, 2020 to RMB280.8 million for the year ended December 31, 2021, primarily due to the advancement to our clinical candidates, the expansion of pre-clinical research portfolio and the increased staff costs accompanied with expanding of relative R&D departments.

Administrative Expenses

Our administrative expenses decreased by RMB9.3 million from RMB53.8 million for the year ended December 31, 2020 to RMB44.6 million for the year ended December 31, 2021. This was primarily attributable to combined result of the decrease in listing expenses in connection with the IPO and the increase of employee benefits expenses and other administrative expenses in line with our business expansion.

Loss for the Year

As a result of the above factors and taking into account our fair value changes of financial instruments with preferred rights from a loss of RMB1,694.4 million for the year ended December 31, 2020 to nil for the year ended December 31, 2021, the loss for the year decreased from RMB1,513.7 million for the year ended December 31, 2020 to RMB301.2 million for year ended December 31, 2021.

The Board is pleased to announce the audited consolidated results of our Group for the year ended December 31, 2021, together with comparative figures for the year ended December 31, 2020. 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

We are a clinical-stage pharmaceutical company focusing on the in-house discovery and development of innovative oncology therapies. Established in July 2015, we are an explorer in developing clinical-stage small-molecule drug candidates to modulate enzymes by binding to their allosteric sites, i.e., sites other than the active site that catalyzes the chemical reaction, in order to address targets which are lack of easy-to-drug pockets where drugs can bind, such as protein tyrosine phosphatases ("**PTPs**") and Kirsten rat sarcoma 2 viral oncogene homolog ("**KRAS**"). We intend to proactively explore and enter into strategic and synergistic partnerships with leading multinational corporations (MNCs), as exemplified by the collaboration with AbbVie Ireland Unlimited Company ("**AbbVie**"), a wholly-owned subsidiary of AbbVie Inc. (NYSE: ABBV), for our innovative, allosteric Src homology region 2 domain-containing phosphatase-2 ("**SHP2**") inhibitors. Such partnerships pool complementary expertise and resources to increase the chances of success for our drug candidates and ensure maximization of their clinical and commercial value on a global scale.

Tremendous progress in cancer biology in the past several decades has elucidated several critical cellular pathways involved in cancer, including KRAS, MYC proto-oncogene ("**MYC**") and Retinoblastoma ("**RB**"), as well as certain immune checkpoints such as programmed cell death protein-1 or its ligand (PD-(L)1) checkpoint, that are implicated in more than 50% of total cancer incidence. However, many known targets in these pathways including PTPs like 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.

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

Our Products and Product Pipeline

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

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

Clinical stage candidates:

	Asset	Regimen	Indications	IND	Phase I	Phase IIa	Recent development	Upcoming Milestone (expected)
Clinical	**JAB-3068** SHP2 abbvie	Mono	Solid tumors	*US trial*				
		Mono	ESCC, HNSCC, NSCLC	*China trial*				
		Combo w/PD-1 mAb	ESCC, HNSCC, NSCLC	*China trial*				
	JAB-3312 SHP2 abbvie	Mono	Solid tumors	*US trial*				
		Mono	Solid tumors	*China trial*			Phase IIa initiated with FPI in Jan 2022	
		Mono	BRAF class 3/ NF1 LOF mutant solid tumors	*US trial* *			Phase IIa initiated with FPI in Dec 2021	
		Combo w/PD-1 mAb	NSCLC, HNSCC, ESCC	*Global trial* +			Phase IIa initiated in Feb 2022	
		Combo w/MEKi	KRAS mut CRC, Pancreatic cancer	*Global trial* +				
		Combo w/KRAS G12Ci	KRAS G12C mut NSCLC	*Global trial* +			FPI in Jan 2022	
		Combo w/EGFRi	Osimertinib progressed NSCLC	*Global trial* +			FPI in Jan 2022	
	JAB-8263 BET (MYC pathway)	Mono	Solid tumors	*US trial*				RP2D to be determined in 2022 2H
		Mono	Solid tumors	*China trial*			FPI in Feb 2022	
		Mono Combo w/JAKi	Solid tumors MF and AML	*China trial*			FPI in Apr 2021	
	JAB-21822 KRAS G12C (RAS pathway)	Mono	NSCLC, CRC	*US trial*			FPI in Sep 2021	
		Mono	NSCLC, CRC	*China trial*			Phase IIa initiated with FPI in Mar 2022	Pivot trial to be initiated in 2022 2H
		Mono	NSCLC with STK-11 co-mutation	*Global trial* *			IND approved in Oct 2021	FPI (2022 2H)
		Combo w/PD-1 mAb	NSCLC	*China trial* +			IND approved in Oct 2021	
		Combo w/SHP2i	NSCLC, CRC	*China trial* +			IND approved in Feb 2022	FPI (2022 Q2)
		Combo w/EGFR mAb	CRC	*China trial* +			FPI in Feb 2022	
	JAB-BX102 CD73 mAb (I/O)	Mono Combo w/PD-1 mAb	Solid tumors	*US trial*			IND approved in Oct 2021	FPI (2022 1H)
		Mono	Solid tumors	*China trial*			IND submitted in Jan 2022	
	JAB-2485 Aurora A (RB pathway)	Mono	Solid tumors	*US trial*			IND approved in Jan 2022	FPI (2022 2H)

Notes:

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

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

IND-enabling stage candidates:

	Asset	Target	Lead optimization	Candidate IND-enabling	IND Schedule	Indications	Recent development
IND-Enabling	JAB-24114	Undisclosed (Tumor metabolic pathway)			2022 2H	NSCLC, HNSCC	Candidate nominated, entering into IND-enabling studies in Mar 2021
	JAB-BX300	Undisclosed (RAS pathway)			2022 2H	PDAC, CRC	Candidate nominated, entering into IND-enabling studies in Mar 2021
	JAB-26766	Undisclosed (I/O)			2022-2023	SCLC, HNSCC, ESCC	Candidate nominated, entering into IND-enabling studies in Jan 2022
	JAB-23400	KRAS^{MULTI} (RAS pathway)			2023	PDAC, CRC, NSCLC	Candidate nominated, entering into IND-enabling studies in Feb 2022
Lead Optimization	JAB-22000	KRAS G12D (RAS pathway)			2023	PDAC, CRC, NSCLC	Lead series identified and patent filed in Nov 2020
	JAB-30000	P53 (P53 pathway)			2023-2024	Solid tumor	Lead series identified and patent filed in 2021

We believe there is tremendous potential for combinatorial strategy among our in-house pipeline assets. For instance, KRAS inhibitors alone can trigger adaptive resistance mechanisms. Based on our pre-clinical studies and other publications, SHP2 inhibitors (upstream of the RAS pathway) may potentially be the best combination therapy partners for KRAS inhibitors to address the adaptive drug resistance. The first patient's dosage in the U.S. of the combination of our SHP2 and Sotorasib (KRAS G12C inhibitor) global trial was achieved in January 2022. We also plan to explore the combination of our SHP2 inhibitor JAB-3312 and our KRAS inhibitor JAB-21822 for which the first patient's dosage in China is expected to complete in the second quarter of 2022.

Business Review

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

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

  JAB-3068 and JAB-3312 have different chemical features and potency in our pre-clinical and clinical studies, and their clinical development plans are designed to focus on different indications and different combination strategies.

  JAB-3068 Monotherapy:

  Our Phase I trial in the U.S. is in the close-out process.

  In the U.S. Phase I trial, the interim results identified the maximum tolerated dose and RP2D.

  The dose escalation phase of Phase I/IIa trial in China showed similar safety profile of JAB-3068 to the U.S. study. The tolerability of JAB-3068 further supported the development of JAB-3068 in the Phase IIa stage.

  We are currently evaluating the clinical efficacy of JAB-3068 in three solid tumor types. The enrollment of the Phase IIa trial in China has been completed. The Phase IIa trial is expected to be closed out in the second half of 2022.

  JAB-3068 in combination with PD-1 mAb study in China:

  We have initiated a Phase I/IIa trial of JAB-3068 in combination with a PD-1 antibody for the treatment of advanced solid tumors in China after NMPA approval in December 2020. The first patient for this clinical trial was dosed in April 2021 and the trial is in the dose escalation stage.

JAB-3312 Monotherapy:

We are evaluating the safety and efficacy profiles of JAB-3312 as monotherapy in two ongoing clinical trials in advanced solid tumor, including a Phase I trial in the U.S. and a Phase I/IIa trial in China.

In both the U.S. and China, we had completed Phase I dose finding portion in patients with solid tumors. The interim results identified the maximum tolerated dose and RP2D.

We have also initiated the further exploration of JAB-3312 as monotherapy in biomarker driven solid tumors such as BRAF class 3 and NF1 LOF mutant solid tumors in expansion phase. The first patient's dosage was achieved in December 2021.

JAB-3312 in combination with PD-1 mAb/MEK inhibitor/KRAS G12C inhibitor/EGFR inhibitor global study:

We have initiated a global Phase Ib/IIa trial to evaluate our JAB-3312 in combination with either a PD-1 antibody or a MEK inhibitor for patients with advanced solid tumors. The IND approval was granted by the U.S. FDA in December 2020. The IND application with the NMPA was also approved in May 2021.

The first two patients' dosage in the U.S. of the global trial was completed in May 2021. Our Group received a milestone payment of US$20 million pursuant to the license and collaboration agreement with AbbVie in July 2021. For details, please refer to the below "Collaboration with AbbVie" in this announcement.

We had completed Phase I dose finding portion trial of JAB-3312 in combination with a PD-1 antibody and initiated the dose expansion phase with the RP2D.

The MEK inhibitor combo dose escalation is ongoing.

During the second half of 2021, we have completed the protocol development for JAB-3312 in combination with either a KRAS G12C inhibitor Sotorasib or an EGFR inhibitor Osimertinib. The first two patients were enrolled in the U.S. of the global trial in January 2022.

Collaboration with AbbVie:

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

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

Our Group has completed the first two patients' dosage in the U.S. of the global trial which is a Phase Ib/IIa study of JAB-3312 in combination with the PD-1 antibody Pembrolizumab and MEK inhibitor Binimetinib for the treatment of advanced solid tumors. This progress in clinical development has qualified our Group for a milestone payment according to the license and collaboration agreement. Pursuant to the terms of the license and collaboration agreement with AbbVie, our Group has received a milestone payment of US$20 million in July 2021.

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

- ***JAB-21822***

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

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

- The IND application for JAB-21822 in patients with tumors harboring a KRAS G12C mutation from the NMPA was approved in May 2021. The first patient enrollment was completed in China in July 2021.

  To date, the monotherapy dose escalation phase in China was completed and we have initiated the dose expansion phase.

- The IND application for JAB-21822 in patients with tumors harboring a KRAS G12C mutation from the U.S. FDA was approved in May 2021. The first patient has been successfully dosed in September 2021 in the U.S. and dose expansion phase is expected to be initiated in the second quarter of 2022.

  Regulatory submission in three European countries and Israel were completed in 2021. JAB-21822 U.S. phase I trial will expand to Europe and Israel in the first half of 2022.

- The IND application for JAB-21822 in combination with EGFR antibody Cetuximab was approved in China in December 2021. A phase I/II, open-label, multi-center, dose-escalation and expansion clinical trial in China was initiated aiming to explore the safety, tolerability and preliminary efficacy of the combination therapy of JAB-21822 and Cetuximab in advanced colorectal cancer with KRAS G12C mutation. The first patient was successfully dosed in February 2022.

- IND applications for the following clinical trials were approved in the second half of 2021 or the first quarter of 2022 in China and the study startup activities are ongoing.

  - JAB-21822 in combination with SHP2 inhibitor JAB-3312. First patient dosage is expected to be completed in the second quarter of 2022

  - JAB-21822 in combination with PD-1 antibody Pembrolizumab

  - JAB-21822 monotherapy in patients with NSCLC with STK-11 co-mutation

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 orphan drug or breakthrough therapies. In addition, we will also actively explore synergistic opportunities to work with potential, value-adding collaborators, and to maximize the clinical and commercial value of our drug candidates on a global scale.

- ***JAB-8263***

Our JAB-8263 is an innovative, selective and potent small molecule inhibitor of BET family proteins regulating MYC transcription. We are evaluating JAB-8263 for the treatment of various cancer types associated with elevated MYC expression including both solid tumors (such as NMC, NSCLC, SCLC, CRPC, ESCC and ovarian cancer) and blood cancers such as myelofibrosis (MF) and acute myeloid leukemia (AML).

In July 2020, we received the IND approval for JAB-8263 in the U.S. from the U.S. FDA for the treatment of solid tumors. We also received the IND approval from the NMPA for JAB-8263 in China for the treatment of solid tumors, MF and AML in November 2020. The first patient enrollment was completed in the U.S. in November 2020 and the enrollment of the first patient in China was completed in April 2021.

The dose escalation phase is ongoing in the U.S. and China. To date, JAB-8263 has demonstrated superior safety and tolerability comparing with other BET inhibitors. RP2D is expected to be determined in the second half of 2022. We will further initiate the expansion phase on solid tumors and blood tumors after RP2D is determined.

- ***JAB-2485***

JAB-2485 is highly selective small molecule Aurora A kinase inhibitor. JAB-2485 can inhibit Aurora A activity at the cellular level, induce apoptosis and inhibit tumor growth. At present, there is no commercialized Aurora A inhibitor globally. Preclinical data show that JAB-2485 is highly selective at biochemical and cellular levels. The inhibitory activity of Aurora A is one thousand times higher than that of Aurora B, and has potential to benefit patients with small cell lung cancer and triple negative breast cancer.

We received the IND approval of JAB-2485 from the U.S. FDA in January 2022. Study startup activities are ongoing, and we expect to dose the first patient in the second half of 2022 in the U.S.

In China, the IND application with the NMPA is expected to be submitted in the second quarter of 2022.

- ***JAB-BX102***

  JAB-BX102 is a humanized inhibitory antibody against human CD73 for the treatment of PD-1 resistant cancer, such as CRC.

  We received the IND approval of JAB-BX102 in adult patients with advanced solid tumors from the U.S. FDA in October 2021. JAB-BX102 is our first large molecule program entered into clinical stage. Study startup activities are ongoing and we expect to dose the first patient in the first half of 2022 in the U.S.

  In China, the IND application with the NMPA was submitted in January 2022.

- ***IND-Enabling Stage Drug Candidates***

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

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

    JAB-24114 is currently at the IND-enabling stage. We remain on track to submit an IND application for JAB-24114 in the second half of 2022

  - ***JAB-BX300*** – JAB-BX300 is a large molecule antibody targeting RAS pathway for the treatment of pancreatic and other solid tumors with KRAS mutations. The first patent filing was in September 2019. Currently there is only one program in the Phase I clinical stage in respective drug classes globally, therefore JAB-BX300 has the potential to be among the first few market entrants.

    JAB-BX300 is currently at the IND-enabling stage. We remain on track to submit an IND application for JAB-BX300 in the second half of 2022.

  - ***JAB-26766*** – JAB-26766 is an orally bioavailable small molecule, targeting immuno-oncology pathway for the treatment of a variety of solid tumors such as SCLC, HNSCC and ESCC. The first patent filing was in January 2021. Currently, there is only one program in the Phase I clinical stage in respective drug classes globally, therefore JAB-26766 has the potential to be among the first few market entrants.

The drug candidate was nominated in January 2022 and is currently at the IND-enabling stage. We remain on track to submit an IND application for JAB-26766 during 2022 to 2023.

- ***JAB-23400*** – JAB-23400 is a first-in-class, orally bioavailable, $KRAS^{multi}$ inhibitor. It can potently inhibit the activity of multiple KRAS mutants in both active and inactive states, including G12V, G12D and G13D. In preclinical studies, JAB-23400 exhibited an acceptable oral bioavailability both in rodents and non-rodents. JAB-23400 also showed an excellent anti-tumor effect in KRAS G12X tumor xenografts. The drug candidate was nominated in February 2022.

  To date, there is no clinical-stage small-molecule $KRAS^{multi}$ program globally, therefore JAB-23400 has the potential to be among the first few market entrants.

  The IND application is expected to be submitted in 2023.

- ***JAB-6343*** – JAB-6343 is a potent and highly selective inhibitor that targets fibroblast growth factor receptor 4 (FGFR4), a kinase that is aberrantly activated in a defined subset of patients with hepatocellular carcinoma (HCC). We are developing JAB-6343 for the treatment of advanced HCC with FGF19 overexpression.

  IND application in monotherapy was submitted to the NMPA in December 2021 and is expected to be approved in the first half of 2022.

- ***Our Selected Preclinical Programs***

  - ***JAB-22000*** – JAB-22000 is a small-molecule KRAS G12D inhibitor. Lead series with high potency and selectivity have been identified and our first patent filing was made in November 2020. Subsequent patent filings have covered multiple directions. It is currently in lead optimization stage, targeting to submit an IND in 2023. Currently there is no clinical stage small molecule KRAS G12D programs globally, therefore JAB-22000 has the potential to be among the first few market entrants.

  - ***JAB-23000*** – JAB-23000 is a small-molecule KRAS G12V inhibitor. JAB-23000 project is in the hit-to-lead stage, targeting to file IND during 2023 to 2024.

  - ***JAB-30000*** – JAB-30000 is an orally available small molecule for the treatment of patients with locally advanced or metastatic solid tumors harboring with P53 Y220C mutation. Our first patent filing was made in 2021. Subsequent patent filings have covered multiple directions. JAB-30000 is in the lead optimization stage, targeting to file an IND application during 2023 to 2024. Currently, there is only one program in the Phase I clinical stage in respective drug classes globally, therefore JAB-30000 has the potential to be among the first few market entrants.

Corporate Development

- In March 2021, our Company was selected as a constituent of each of the Hang Seng Composite Index, Hang Seng Composite Hong Kong-Listed Biotech Index and Hang Seng Healthcare Index.

- We launched our third R&D center in April 2021 in Shanghai, China, to attract and recruit the well-trained scientists and physicians across the world.

- In August 2021, our Company entered into a share purchase agreement with Hebecell, pursuant to which our Company has agreed to purchase and subscribe, and Hebecell has agreed to allot and issue, 1,321,257 series A preferred shares of Hebecell with the consideration of US$25,000,000, which represents approximately 19.74% of the issued share capital of Hebecell on a fully-diluted and as converted basis upon completion of the closings of the share purchase agreement. While our Company is primarily focused on small molecule cancer drugs, it opportunistically develops and seeks collaboration and strategic investment opportunities for compelling biological technologies where our Company can leverage its existing expertise in cancer biology to treat diseases with unmet needs and enhance our innovative portfolio with new modalities. Through the strategic investment in Hebecell, our Group expects to pool complementary expertise and resources to further improve its layout in the fields of oncology and immunology, and extend our capability to explore clinical value of combination therapies between our current programs and allogeneic cell therapy. As at the date of this announcement, the first closing of the share purchase agreement has been achieved. For details, please refer to the announcement published on the websites of the Stock Exchange and our Company dated August 31, 2021.

- We have adopted a Plan on August 31, 2021. The purposes of the Plan are to attract and retain the best available personnel, to provide additional incentives to Employees and to promote the success of our Company's business. An offer to grant a RSU, Restricted Share or other right or benefit granted under the Plan will be made to a Grantee, who is an Employee, in such form as the Administrator may determine. Pursuant to the Plan, Awards may be granted in the form of Shares, according to the instructions from the Administrator, to a Grantee. The maximum aggregate number of Shares underlying the Plan is (i) 10,000,000 Shares plus (ii) Shares purchased on the open market from time to time. Subject to early termination by the Board, the Plan shall be valid and effective for ten (10) years commencing on its adoption date. Our Company has engaged KASTLE LIMITED, a company incorporated under the laws of Hong Kong, as the trustee of employee benefit trusts to administer certain Awards representing ordinary shares of Blesspharma Ltd. As at the date of this announcement, no share has been granted under the Plan. For details of the Plan, please refer to the announcements dated August 31, 2021 and October 8, 2021.

- We have a solid patent portfolio to protect our drug candidates and technologies. As of December 31, 2021, we owned 172 patents or patent applications that are filed globally, in which 30 patents have been issued or allowed in major markets including China, U.S., Europe, Japan, South Korea, Southeast Asia, South America, South Africa, Taiwan (China) etc.

Impact of the COVID-19 Outbreak

An outbreak of a novel strain of coronavirus causing coronavirus disease 2019 ("**COVID-19**") emerged in late 2019, which has materially and adversely affected the global economy.

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

Future and Outlook

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

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

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

  We are one of the early movers globally in developing allosteric drugs, including two lead assets-SHP2 inhibitors and KRAS G12C inhibitor, which we expect to be the key revenue drivers.

  We are evaluating JAB-3068 and JAB-3312 in both monotherapy and in combination therapies to maximize the clinical benefits. By executing the global clinical development plan in an efficient and timely manner, we believe that we can establish our SHP2 inhibitors as monotherapy and the backbone drugs for combination therapies for multiple solid tumors. In addition, as we have both SHP2 and KRAS assets in our pipeline, we are well-positioned to explore the clinical benefits of this combination therapy.

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

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

  The dose escalation phase of our lead KRAS program, KRAS G12C inhibitor (JAB-21822), was completed in China with RP2D identified. The expansion phase of monotherapy trial in the U.S. is expected to be initiated in the second half of 2022 as well. We plan to initiate the pivotal registrational trial in the second half of 2022 in China and expect to complete a NDA submission to the NMPA during 2023 to 2024.

Other than JAB-21822, JAB-23400, a $KRAS^{multi}$ inhibitor, was nominated in February 2022. It can potently inhibit the activity of multiple KRAS mutants in both active and inactive states, including G12V, G12D and G13D. We have two discovery programs of small molecule KRAS inhibitors targeting G12D (JAB-22000) and G12V (JAB-23000) mutations. In addition to small molecules, we also discovered a large molecule antibody (JAB-BX300) targeting RAS pathway.

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

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

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

  Leveraging our strong internal research capabilities, we have advanced our JAB-8263 in MYC pathway and JAB-2485 in RB pathway to clinical stage, who also have strong combination potential with each other.

  The rest of our novel pipeline continues to progress rapidly, which includes programs in P53 pathway (JAB-30000), tumor metabolic pathway (JAB-24114) and immune-oncology pathway (JAB-26766). We will continue to explore possible combinations amongst our own pipeline drug candidates.

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

  On the coattails of our landmark collaboration with AbbVie for our SHP2 portfolio inhibitors, we plan to continue exploring partnerships around the world to fulfill people's shared dream of curing cancer and living a better life. We intend to find the most suitable and resourceful partners for collaboration to expand our footprint of global development and the commercialization of our drug candidates. Through our recent collaboration with Hebecell, we are expanding our pipeline of novel medicines from small molecule and antibody therapeutics to off-the-shelf cell therapies. We will continue exploring partnerships around the world to look for compelling areas of research that have been primarily out of reach for many of the world's patients.

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

  In order to execute our global development strategy, we have established dual R&D centers in both Beijing, China and Massachusetts, the U.S. as our two main global R&D hubs. Besides, we launched our third R&D center in April 2021 in Shanghai, China, to attract and recruit well-trained scientists and physicians across the world.

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

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

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

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

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

- **Expand our manufacturing capabilities in China**

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

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

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,			
	2021		2020	
	RMB'000	*%*	*RMB'000*	*%*
Revenue from the license and collaboration agreement	**152,809**	**100**	486,286	100

For the year ended December 31, 2021 and 2020, our Group recorded revenue of RMB152.8 million and RMB486.3 million, respectively, which are in connection with receipt of upfront payment, milestone payment and R&D costs reimbursement generated from the license and collaboration agreement with AbbVie regarding the R&D, manufacture and commercialization of our SHP2 inhibitors.

Cost of Revenue

	Year ended December 31,			
	2021		2020	
	RMB'000	*%*	*RMB'000*	*%*
Clinical trial expenses of our SHP2 inhibitors	**139,979**	**100**	44,115	100

Our cost of revenue consists of research and development expenses related to our SHP2 inhibitors. For the year ended December 31, 2021, we recorded cost of revenue of RMB140.0 million, mainly attributable to the clinical trial expenses of our SHP2 inhibitors, as compared with RMB44.1 million for year ended December 31, 2020. Before the license and collaboration agreement that we have entered into with AbbVie became effective in July 2020, the research and development expenses related to our SHP2 inhibitors was recorded in research and development expenses.

Gross Profit

	Year ended December 31,			
	2021		2020	
	RMB'000	*%*	*RMB'000*	*%*
Gross profit from the license and collaboration agreement	**12,830**	**100**	442,171	100

As a result of the foregoing, our gross profit decreased from RMB442.2 million for the year ended December 31, 2020 to RMB12.8 million for the year ended December 31, 2021.

Other Income

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Government grants	**10,262**	7,009
Other income from a related party	**735**	–
Investment income on wealth management products	**–**	686
Total	**10,997**	7,695

Our other income increased from RMB7.7 million for the year ended December 31, 2020 to RMB11.0 million for the year ended December 31, 2021, primarily attributable to an increase in government grants of RMB3.3 million. Our income from a related party of RMB0.7 million was generated from the consulting services provided to Hebecell during the Reporting Period.

Other Losses – Net

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Net foreign exchange losses	**(27,263)**	(31,749)
Net fair value gains on derivative financial instruments	**9,275**	784
Fair value changes on long-term investments measured at fair value through profit or loss	**193**	–
Total	**(17,795)**	(30,965)

The decrease in other losses was primarily attributable to the USD and the HKD depreciation against RMB for the year ended December 31, 2021 which has resulted in net foreign exchange losses of RMB27.3 million for the year ended December 31, 2021.

Our other losses consisted primarily of losses due to fluctuations in the exchange rates between the RMB and the USD and between the RMB and the HKD. Our net foreign exchange loss decreased by RMB4.5 million from RMB31.7 million for the year ended December 31, 2020 to RMB27.3 million for the year ended December 31, 2021, which was mainly attributable to less bank balances and cash held by our Group denominated in USD and HKD for the year ended December 31, 2021 compared to that for the year ended December 31, 2020.

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

Our foreign exchange hedging related activity has resulted in a gain of RMB6.5 million for the year ended December 31, 2021. 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,	
	2021	2020
	RMB'000	*RMB'000*
Testing fee	**110,550**	68,566
Employee benefits expenses	**82,950**	61,526
Raw material and consumables used	**63,866**	35,382
Depreciation and amortization	**8,044**	6,701
Others	**15,428**	13,777
Total	**280,838**	185,952

Our research and development expenses increased by RMB94.9 million from RMB186.0 million for the year ended December 31, 2020 to RMB280.8 million for the year ended December 31, 2021, primarily due to (i) the advancement to our clinical candidates, (ii) the expansion of pre-clinical research portfolio associated R&D activities, and (iii) the increased staff costs accompanied with expanding of relative R&D departments. Such increase in research and development expenses was resulted from the following factors:

- RMB42.0 million increase in testing fee mainly due to the advancement of our clinical and pre-clinical drug candidates;
- RMB28.5 million increase in raw material and consumables used due to the development of our drug candidates; and
- RMB21.4 million increase in employee benefits expenses primarily due to an increase in the number of research and development employees and their salary level.

Administrative Expenses

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Employee benefits expenses	**27,048**	16,152
Professional services expenses	**7,392**	2,943
Depreciation and amortization	**650**	1,031
Listing expenses	**–**	26,630
Others	**9,488**	7,082
Total	**44,578**	53,838

Our administrative expenses decreased by RMB9.3 million from RMB53.8 million for the year ended December 31, 2020 to RMB44.6 million for the year ended December 31, 2021, which was mainly caused by (i) the decrease in listing expenses in connection with the IPO from RMB26.6 million to nil and (ii) the increase of employee benefits expenses and other administrative expenses in line with our business expansion.

Finance Income

Our finance income increased by RMB15.6 million from RMB3.1 million for the year ended December 31, 2020 to RMB18.8 million for the year ended December 31, 2021, which was mainly attributable to an increase of bank interest income earned on the proceed form the Global Offering.

Income Tax Expense

We recognized no income tax expenses for the years ended December 31, 2021 and 2020.

Non-IFRS Measure

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

Adjusted loss for the Reporting Period represents the loss for the Reporting Period excluding the effect of certain noncash items and one-time events, namely the fair value losses in financial instruments with preferred shares, listing expenses, share-based payment expenses, fair value gains in derivative financial instruments arising from the commitment of investments and fair value gains in long-term investments measured at fair value through profit or loss. The term adjusted loss for the Reporting Period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and should not consider it in isolation from, or as substitute for analysis of, our Group's results of operations or financial condition as reported under IFRS. Our Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, our Company believes that this and other non-IFRS measures are reflections of our Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of our Group's operating performance, and thus, facilitate comparisons of operating performance from period to period and 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,	
	2021	2020
	RMB'000	*RMB'000*
Loss for the year	**(301,187)**	(1,513,677)
Added:		
Share-based payment expenses	**19,449**	19,656
Fair value losses in financial instruments with preferred rights	**–**	1,694,435
Listing expenses	**–**	26,630
Subtracted:		
Fair value gains in long-term investments measured at fair value through profit or loss	**(193)**	**–**
Fair value gains in derivative financial instruments arising from the commitment of investments	**(2,747)**	**–**
Adjusted profit/(loss) for the year	**(284,678)**	227,044

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,	
	2021	2020
	RMB'000	*RMB'000*
Research and development expenses for the year	**(280,838)**	(185,952)
Added:		
Share-based payment expenses	**11,845**	14,696
Adjusted research and development expenses for the year	**(268,993)**	(171,256)

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

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Administrative expenses for the year	**(44,578)**	(53,838)
Added:		
Share-based payment expenses	**5,805**	3,436
Listing expenses	**–**	26,630
Adjusted administrative expenses for the year	**(38,773)**	(23,772)

Cash Flows

During the year ended December 31, 2021, net cash used in operating activities of our Group amounted to RMB147.5 million, representing an increase of RMB226.3 million compared to the net cash generated from operating activities during the year ended December 31, 2020. The increase was mainly due to the increase of research and development expenses.

During the year ended December 31, 2021, net cash flows generated from investing activities of our Group amounted to RMB161.7 million, representing an increase of RMB377.2 million over the year ended December 31, 2020. The increase was mainly due to the settlement of deposits with original maturities over 3 months during the year ended December 31, 2021.

During the year ended December 31, 2021, net cash flows generated from financing activities of our Group amounted to RMB109.1 million, representing a decrease of RMB1,166.3 million over the year ended December 31, 2020. The decrease was mainly due to the combined impact of (i) fund raised from the exercise of over-allotments option of RMB132.8 million during the year ended December 31, 2021, (ii) fund raised from the Global Offering of RMB1,103.5 million during the year ended December 31, 2020, and (iii) fund raised from the issuance of series C+ preferred Shares of RMB182.5 million during the year ended December 31, 2020.

Significant Investments, Material Acquisitions and Disposals

In August 2021, our Company entered into a share purchase agreement with Hebecell, pursuant to which our Company has agreed to purchase and subscribe, and Hebecell has agreed to allot and issue, 1,321,257 series A preferred shares of Hebecell with the consideration of US$25,000,000, which represents approximately 19.74% of the issued share capital of Hebecell on a fully-diluted and as converted basis upon completion of the closings of the share purchase agreement. Hebecell, founded in Boston in 2016, is primarily engaged in developing universal, cost effective and off-the-shelf NK cell therapeutics based on its proprietary 3D-induced pluripotent stem cell (iPSC) platform, which will be available to worldwide patients for the treatment of cancer, viral infectious and autoimmune diseases. For details, please refer to the announcement published on the websites of the Stock Exchange and our Company dated August 31, 2021.

Other than the investment in Hebecell, 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, other funds raised from the capital markets from time to time and the net proceeds from the initial public offering.

We currently do not have any plan for material additional external debt or equity financing. We will continue to evaluate potential financing opportunities based on our need for capital resources and market conditions.

As of December 31, 2021, our cash and bank balances were RMB1,537.6 million, as compared to RMB1,627.4 million as of December 31, 2020. The decrease was mainly due to net cash used in our operating activities. Our primary uses of cash are to fund research and development efforts of new drug candidates, working capital and other general corporate purposes. Our cash and cash equivalents are held in USD, RMB and HKD.

On January 13, 2021, the international underwriters of the Global Offering partially exercised the over-allotment option, pursuant to which our Company is required to allot and issue the option shares, being 11,808,300 Shares, representing approximately 12.24% of the maximum number of shares initially available under the Global Offering, at the offer price under the Global Offering. The net proceeds from the exercise of the over-allotment option were approximately HK$158.7 million (after deducting the commissions and other offering expenses payable by our Company in relation to the partial exercise of the over-allotment option).

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, 2021, our Group did not have any interest-bearing bank and other borrowings. Thus, neither the gearing ratio nor the debt-to-equity ratio was applicable to our Group.

Lease Liabilities

IFRS 16 Leases is effective for annual periods beginning on or after January 1, 2019 and earlier application is permitted. IFRS 16 has been consistently applied to our Group's consolidated financial statements for the year ended December 31, 2020 and 2021. As at December 31, 2021, our lease liabilities amounted to RMB6.8 million.

Capital Commitments

As at December 31 2021, our Group had capital commitments contracted for but not yet provided of RMB152.2 million, among which RMB3.8 million was in relation to contracts for purchase of property, plant and equipment and RMB148.4 million was primarily in relation to the capital commitments for the share purchase agreement entered into with Hebecell in August 2021. As at December 31, 2020, our capital commitments for purchase of property, plant and equipment was RMB0.5 million.

Contingent Liabilities

As at December 31, 2021, our Group did not have any contingent liabilities (2020: Nil).

Pledge of Assets

There was no pledge of our Group's assets as of December 31, 2021.

Foreign Exchange Exposure

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

Liquidity Risk

As of December 31, 2021 and 2020, we recorded net current assets of RMB1,558.9 million and RMB1,741.5 million, respectively. In the management of the liquidity risk, our Company monitors and maintains a level of cash and cash equivalents deemed adequate by its management to finance the operations and mitigate the effects of fluctuations in cash flows.

Employees and Remuneration Policies

As at December 31, 2021, our Group had 262 employees in total. The total remuneration costs amounted to RMB128.7 million for the year ended December 31, 2021, as compared to RMB83.1 million for the year ended December 31, 2020. The increase reflected the increased number of employees and their salary level which is in line with our business expansion strategy.

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 trainings 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 a 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 Plan, please refer to the announcement published on the websites of the Stock Exchange and the Company dated August 31, 2021 and October 8, 2021.

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended December 31, 2021 (2020: Nil).

ANNUAL GENERAL MEETING

The AGM of our Company will be held on Wednesday, June 8, 2022. 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 Thursday, June 2, 2022 to Wednesday, June 8, 2022, 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, Wednesday, June 1, 2022.

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 14 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, 2021 and up to the date of this announcement, except for a deviation from the code provision A.2.1 of the CG Code (which has been re-numbered as code provision C.2.1 of the CG Code since 1 January 2022) as described below.

Under code provision A.2.1 of the CG Code (which has been re-numbered as code provision C.2.1 of the CG Code since 1 January 2022), 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. During the year ended December 31, 2021, the Board comprised four executive Directors, four non-executive Directors and four independent non-executive Directors, and therefore has a strong independence element in its composition.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code for dealing in securities in our Company by the Directors. The Directors have confirmed compliance with the required standard set out in the Model Code for the year ended December 31, 2021. No incident of non-compliance by the Directors was noted by our Company during the Reporting Period.

PROCEDURES PERFORMED BY AUDITOR ON THIS RESULTS ANNOUNCEMENT

The figures in respect of our Group's consolidated balance sheet, consolidated statement of loss and consolidated statement of comprehensive loss and the related notes thereto for the year ended December 31, 2021 as set out in this 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 in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers in this 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 C.3 of the CG Code (which has been re-numbered as principle of D.3 of the CG Code since 1 January 2022), and has adopted written terms of reference. The Audit Committee consists of one non-executive Director, Dr. Te-li Chen, and two independent non-executive Directors, Dr. Ge Wu and Dr. Daqing Cai. The Audit Committee is currently chaired by Dr. Daqing Cai, who possesses suitable professional qualifications.

The Audit Committee has reviewed our Group's annual results for the year ended December 31, 2021 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 THE COMPANY

Save for allotment and the issuance of 11,808,300 ordinary shares on January 18, 2021 pursuant to the partial exercise of the over-allotment option as disclosed in the announcement of our Company dated January 13, 2021, 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, 2021.

USE OF PROCEEDS FROM 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 RMB1,183.1 million including shares issued as a result of the partial exercise of the over-allotment option. Our Company intends to use the net proceeds in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" in the Prospectus and will gradually utilize the residual amount of the net proceeds in accordance with such intended purposes by the end of 2025. This expected timeline is based on the best estimation of future market conditions and our business operations, and remains subject to change based on our current and future development of market conditions and actual business needs.

As at December 31, 2021, approximately RMB220.6 million of the net proceeds of the Global Offering had been utilized as follows:

	Percentage of net proceeds	**Allocation of net proceeds from the Global Offering in the proportion disclosed in the Prospectus** *RMB million*	**Utilization as at December 31, 2021** *RMB million*	**Unutilized as at December 31, 2021** *RMB million*
Fund registrational clinical trials and preparation for registration filings of JAB-3068 in the Territory	44%	520.6	–	520.6
Fund registrational clinical trials and preparation for registration filings of JAB-3312 in the Territory	18%	213.0	–	213.0
Fund the set-up of our sales and marketing team and commercialization activities of JAB-3068 and JAB-3312 in the Territory	4%	47.3	–	47.3
Fund ongoing and planned clinical trials of JAB-8263	10%	118.3	31.5	86.8
Fund ongoing pre-clinical and clinical development of JAB-21822 and the preparation of its IND filing	8%	94.6	93.8	0.8
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	4%	47.3	47.3	–
Fund the planned construction of our in-house GMP-compliant manufacturing facility	8%	94.6	0.6	94.0
For working capital and general corporate purposes	4%	47.4	47.4	–
Total	**100%**	**1,183.1**	**220.6**	**962.5**

CONSOLIDATED STATEMENT OF LOSS

		Year ended 31 December	
		2021	2020
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**152,809**	486,286
Cost of revenue	*4*	**(139,979)**	(44,115)
Gross profit		**12,830**	442,171
Research and development expenses	*4*	**(280,838)**	(185,952)
Administrative expenses	*4*	**(44,578)**	(53,838)
Other income		**10,997**	7,695
Other losses – net		**(17,795)**	(30,965)
Operating (loss)/profit		**(319,384)**	179,111
Finance income		**18,765**	3,144
Finance expenses		**(568)**	(1,497)
Finance income – net		**18,197**	1,647
Fair value losses in financial instruments with preferred rights		**–**	(1,694,435)
Loss before income tax		**(301,187)**	(1,513,677)
Income tax expense	*5*	**–**	–
Loss for the year		**(301,187)**	(1,513,677)
Loss attributable to:			
Owners of the Company		**(301,187)**	(1,513,655)
Non-controlling interests		**–**	(22)
		(301,187)	(1,513,677)
Loss per share attributable to owners of the Company:			
– Basic and diluted (in RMB per share)	*6*	**(0.40)**	(3.97)

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Loss for the year	**(301,187)**	(1,513,677)
Other comprehensive loss:		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**(205)**	31
Items that will not be reclassified to profit or loss:		
Changes in fair value of financial instruments with preferred rights due to own credit risk	**–**	(5,474)
Other comprehensive loss for the year, net of tax	**(205)**	(5,443)
Total comprehensive loss	**(301,392)**	(1,519,120)
Total comprehensive loss attributable to:		
Owners of the Company	**(301,392)**	(1,519,098)
Non-controlling interests	**–**	(22)
	(301,392)	(1,519,120)

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2021 RMB'000	2020 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**34,066**	30,261
Right-of-use assets		**7,706**	3,868
Intangible assets		**1,548**	1,171
Long-term investments measured at fair value through profit or loss	*8*	**16,228**	–
Other receivables and prepayments	*9*	**19,703**	16,702
Derivative financial instruments		**2,856**	–
Total non-current assets		**82,107**	52,002
Current assets			
Contract assets	*3*	**64,919**	171,413
Other receivables and prepayments	*9*	**32,675**	15,743
Derivative financial instruments		**4,550**	784
Cash and bank balances	*10*	**1,537,583**	1,627,408
Total current assets		**1,639,727**	1,815,348
Total assets		**1,721,834**	1,867,350
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the Company			
Share capital		**510**	502
Other reserves		**3,979,220**	3,846,602
Share-based compensation reserve		**120,177**	100,728
Accumulated losses		**(2,462,819)**	(2,161,632)
		1,637,088	1,786,200
Non-controlling interests		**–**	–
Total shareholders' equity		**1,637,088**	1,786,200

	Note	As at 31 December 2021 RMB'000	2020 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		**1,889**	2,011
Deferred income		**2,024**	5,261
Total non-current liabilities		**3,913**	7,272
Current liabilities			
Trade payables	*11*	**51,047**	28,281
Other payables and accruals	*12*	**24,868**	37,376
Lease liabilities		**4,918**	8,221
Total current liabilities		**80,833**	73,878
Total liabilities		**84,746**	81,150
Total equity and liabilities		**1,721,834**	1,867,350

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 (the "**Listing**") on 21 December 2020.

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

2 BASIS OF PREPARATION

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

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("**IASB**").

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

(c) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

– Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

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

(d) New standards and interpretations not yet adopted

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

		Effective for accounting periods beginning on or after
Amendments to IAS 16	Property, Plant and Equipment – proceeds before intended use	1 January 2022
Amendments to IAS 37	Onerous contracts – cost of fulfilling a contract	1 January 2022
Amendments to IFRS 3	Reference to the conceptual framework	1 January 2022
Annual improvements to IFRS standards 2018 – 2020	Annual improvements to IFRS standards 2018 – 2020	1 January 2022
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2023
IFRS 17	Insurance contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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

3 SEGMENT AND REVENUE INFORMATION

Management has determined the operating segments based on the reports reviewed by the 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 Group.

(a) Description of segments

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

(b) license and collaboration agreement with a customer

The Group recognised revenue totalled RMB152,809,000 for the year ended 31 December 2021 (2020: RMB486,286,000) in relation to a license and collaboration agreement entered by the Group with a customer (the "**Agreement**"). Under the terms of the Agreement, the Group agreed to grant licenses of certain intellectual properties and to provide research and development services in relation to certain licensed products to this customer. The considerations of the Agreement consist of non-refundable upfront payment, reimbursements for research and development costs incurred, and variable considerations including milestone payments and royalties on net sales of the licensed products.

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

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Revenue from the Agreement	**152,809**	486,286

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

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Timing of revenue recognition:		
Over time	**152,809**	47,946
At a point in time	**–**	438,340
Revenue from contracts with customers	**152,809**	486,286

(d) Assets related to contracts with customers

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

	As at 31 December 2021	As at 31 December 2020
	RMB'000	*RMB'000*
Contract assets relating to the Agreement	**64,919**	171,413
Less: loss allowance	**–**	–
Current portion	**64,919**	171,413

4 EXPENSES BY NATURE

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Employee benefits expenses	**128,672**	83,102
Testing fee	**188,150**	102,570
Raw materials and consumables used	**99,050**	37,919
Depreciation and amortisation	**10,791**	8,388
Professional services expenses	**12,397**	10,587
Utilities and office expenses	**7,810**	5,400
Short-term leases expenses	**6,973**	4,010
Travelling and transportation expenses	**1,628**	861
Auditor's remuneration	**2,816**	1,666
– Audit services	**2,636**	1,666
– Non-audit services	**180**	–
Listing expenses	**–**	26,630
Others	**7,108**	2,772
Total	**465,395**	283,905

5 INCOME TAX EXPENSE

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Current income tax expense	**–**	–
Deferred income tax expense	**–**	–
	–	–

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

Cayman Islands

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

Hong Kong

Hong Kong profits tax rate is 8.25% for assessable profits on the first HKD2 million and 16.5% for any assessable profits in excess. No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the year ended 31 December 2021 and 2020.

United States

The subsidiary incorporated in Massachusetts, United States is subject to statutory United States federal corporate income tax at a rate of 21%. It is also subject to the state income tax in Massachusetts at a rate of 8.00% during the year ended 31 December 2021 and 2020.

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 year ended 31 December 2021 and 2020.

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

6 LOSS PER SHARE

(a) Basic loss per share

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

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

	Year ended 31 December	
	2021	2020
Loss attributable to owners of the Company for the year *(RMB'000)*	**(301,187)**	(1,513,655)
Weighted average number of fully paid ordinary shares in issue *(in thousands)*	**747,293**	381,028
Basic loss per share (in RMB per share) (i)	**(0.40)**	(3.97)

(i) The calculation of basic loss per share has not considered the shares which were issued but not fully paid as dividends shall be declared and paid according to the amounts paid on the shares.

(b) Diluted loss per share

The Group had potential dilutive shares throughout the year ended 31 December 2021 and 2020 related to the shares held for employee incentive plan. Due to the Group's negative financial results for the year ended 31 December 2021 and 2020, shares held for employee incentive plan has anti-dilutive effect on the Group's loss per share. Thus, diluted loss per share is equivalent to the basic loss per share.

7 DIVIDEND

No dividend has been declared by the Company for the year ended 31 December 2021 (2020: nil).

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

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Non-current assets		
Preferred shares investment (a)	**16,228**	–

(a) In August 2021, the Company, among other investors, entered into a share purchase agreement with Hebecell Holding Limited ("**Hebecell**") (the "**Share Purchase Agreement**"), pursuant to which the Company has agreed to purchase and subscribe for 1,321,257 series A preferred shares at the purchase price of USD18.9213 per share, which represents approximately 19.74% of the issued share capital of Hebecell on a fully-diluted and as-converted basis upon completion of the 3rd closing of the Share Purchase Agreement, at a total consideration of USD25,000,000.

In September 2021, according to the Share Purchase Agreement, the Company purchased and subscribed for 132,125 series A preferred shares of Hebecell upon the 1st closing of the transaction and nominated one director of Hebecell. The total consideration paid was USD2,500,000 (approximately equivalent to RMB16,144,000). Accordingly, the Company has significant influence on Hebecell and recognised its investment in Hebecell in the form of convertible redeemable preferred shares as financial assets measured at fair value through profit or loss.

9 OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Prepayments for goods and services	**21,678**	12,115
Value added tax recoverable	**21,426**	15,727
Retentions receivables	**3,491**	3,327
Prepayments to suppliers of property, plant and equipment	**587**	875
Other receivables from a related party	**708**	–
Other receivables	**4,488**	401
	52,378	32,445
Less: non-current portion (a)	**(19,703)**	(16,702)
Current portion	**32,675**	15,743

(a) The non-current portion of other receivables and prepayments includes value added tax recoverable that could not be utilised in the coming 12 months, prepayments to suppliers of property, plant and equipment and retentions receivables.

10 CASH AND BANK BALANCES

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Cash at bank		
– HKD	**762,599**	1,097,734
– USD	**388,582**	431,188
– RMB	**386,402**	98,486
	1,537,583	1,627,408

Reconciliation to consolidated statement of cash flows:

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Cash and bank balances	**1,537,583**	1,627,408
less: Deposits with original maturities of over 3 months	**–**	(195,747)
less: Restricted bank deposits (a)	**(10,379)**	(1,245)
Cash and cash equivalents	**1,527,204**	1,430,416

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

11 TRADE PAYABLES

The aging analysis of trade payables is as follows:

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Less than 1 year	**51,047**	28,004
Between 1 and 2 years	**–**	237
Between 2 and 3 years	**–**	40
	51,047	28,281

12 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2021	2020
	RMB'000	*RMB'000*
Payroll and welfare payables	**17,160**	13,087
Payables for purchase of property, plant and equipment and intangible assets	**2,985**	3,441
Tax payables	**1,967**	1,734
Accrued professional service fees	**1,989**	1,500
Accrued listing expenses	**–**	17,144
Short-term leases payables	**–**	416
Others	**767**	54
Total	**24,868**	37,376

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 2021 annual report of the Company will be despatched to the Shareholders and will be available on the above website of the Stock Exchange and that of the Company in due course.

RESIGNATION OF DIRECTORS

The Board hereby announces that each of Dr. Shaojing HU ("**Dr. Hu**"), Dr. Ting FENG ("**Dr. Feng**") and Dr. Xiaoming WU ("**Dr. Wu**") has resigned from their positions as an executive Director, a non-executive Director and an independent non-executive Director, respectively, with effect from March 22, 2022. Accordingly, Dr. WU will cease to be a member of the Nomination Committee since March 22, 2022. Such resignations are due to their intentions to pursue other personal affairs and will not render the Board falling short of the quorum pursuant to the Articles of Association. The number of independent non-executive Directors will not fall below the minimum number required by the Listing Rules. Each of Dr. Hu, Dr. Feng and Dr. Wu confirmed that there is no disagreement with the Board and there is no matter relating to their resignations that needs to be brought to the attention of the Stock Exchange and the Shareholders. The Board would like to express its sincere gratitude to Dr. Hu, Dr. Feng and Dr. Wu for their invaluable contribution to the Company during their tenure of service.

CHANGE IN THE COMPOSITION OF THE NOMINATION COMMITTEE

The Board further announces that Dr. Ge WU, an independent non-executive Director, has been appointed as a member of the Nomination Committee in place of Dr. Wu with effect from March 22, 2022.

"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
"Administrator"	Ms. Xiaojie WANG and Ms. Yunyan HU, directors of the Company, or a person designated by Ms. Xiaojie WANG and Ms. Yunyan HU
"AGM"	the 2021 annual general meeting of the Company to be held on Wednesday, June 8, 2022
"AML"	acute myeloid leukemia, a type of cancer that progresses rapidly and aggressively, and affects the bone marrow and blood
"Articles of Association"	articles of association of the Company
"Audit Committee"	the audit committee of the Board
"Award"	the grant of a RSU, Restricted Share or other right or benefit granted or sold under the Plan
"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
"Blesspharma Ltd"	a limited company incorporated in the BVI on July 27, 2020, which is an employee incentive platform of our Company
"Board"	the board of Directors
"CD73"	ecto-5'-nucleotidase, a surface-expressed enzyme that hydrolyzes AMP into adenosine. CD73 is an immunosuppressive molecule that can be therapeutically targeted to restore effector T-cell function
"CDE"	the Center for Drug Evaluation of China
"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
"Company" or "our Company"	JACOBIO PHARMACEUTICALS GROUP CO., LTD. (加科思藥業集團有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 1, 2018, which was formerly known as JACOBIO (CAY) PHARMACEUTICALS CO., LTD., the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1167)

"Core Product(s)"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules, which for purposes of this announcement, refers to JAB-3068
"Corporate Governance Code" or "CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"CRC"	colorectal cancer
"CRPC"	castration-resistant prostate cancer
"Director(s)"	director(s) of our Company
"EGFR"	epidermal growth factor receptor
"Employee"	any person, who is in the employ of our Company or any Related Entity and is manager level or above, or considered essential for our Company's development by the Company's management team, subject to the control and direction of our Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director's fee by our Company or a Related Entity shall not be sufficient to constitute "employment" by our Company
"ESCC"	esophageal squamous cell carcinoma, a high-mortality cancer with complex etiology and progression involving both genetic and environmental factors
"FPI"	First-Patient-In
"Global Offering"	the offer of Shares for subscription as described in the Prospectus
"GLP-tox"	GLP-compliant toxicity study
"GMP"	good manufacturing practice
"GMP API"	GMP-compliant active pharmaceutical ingredients
"Grantee"	an Employee who receives an Award under the Plan
"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
"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
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Independent Third Party"	a person or entity who is not a connected person of our Company under the Listing Rules
"KRAS G12X-mutant"	Multiple mutant forms at codon-12 of the KRAS protein
"Listing"	the listing of our Company on the Main Board of the Stock Exchange on 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
"MEK"	mitogen-activated protein kinase kinase (also known as MAPKK), a kinase enzyme which phosphorylates MAPK
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"NDA"	new drug application
"NF1"	a gene located on chromosome 17, which produces a protein called neurofibromin that helps regulate cell growth. The mutated NF1 gene causes a loss of neurofibromin, which allows uncontrolled cells grow
"NMC"	a rare type of cancer that forms in the respiratory tract and other places along the middle of the body, from the head to the abdomen
"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)
"NSCLC"	non-small cell lung cancer

"PD-1"	programmed cell death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages. The normal function of PD-1 is to turn off the T cell-mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body. When PD-1 on the surface of a T cell attaches to certain proteins on the surface of a normal cell or a cancer cell, the T cell turns off its ability to kill the cell
"PD-(L)1"	PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell that attaches to certain proteins on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"Phase I"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase Ib/IIa"	Phase Ib/IIa is the study that tests the safety, side effects, and best dose of a new treatment. It is conducted in target patient popular with selected dose levels. Phase Ib/IIa study also investigates how well a certain type of disease responds to a treatment. In the phase IIa part of the study, patients usually receive multiple dose levels and often include the highest dose of treatment that did not cause harmful side effects in the phase Ia part of the study. Positive results will be further confirmed in a Phase IIb or Phase III study
"Phase II"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Plan"	the 2021 Stock Incentive Plan adopted by the Board on August 31, 2021 in its present form or as amended from time to time
"Prospectus"	the prospectus of our Company dated December 9, 2020 being issued in connection with the Listing
"R&D"	research and development
"RAS"	a low-molecular-weight GDP/GTP-binding guanine triphosphatase, which is a prototypical member of the small-GTPase superfamily

"Related Entity"	any Parent or Subsidiary of the Company and any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent or a Subsidiary of the Company holds a substantial ownership interest, directly or indirectly
"Reporting Period"	the financial year ended December 31, 2021
"Restricted Share"	a Share awarded to a Grantee pursuant to an Award Agreement granted under the Plan
"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$0.0001 each in the share capital of our Company, which are listed on the Stock Exchange
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S."	the United States of America
"U.S. FDA"	U.S. Food and Drug Administration
"US$" or "USD"	U.S. dollars, the lawful currency of the United States

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

Hong Kong, March 22, 2022

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, Mr. Dong LYU and Dr. Te-li CHEN as non-executive Directors, and Dr. Ruilin SONG, Dr. Ge WU and Dr. Daqing CAI as independent non-executive Directors.