Ascletis Pharma Inc.
歌禮製藥有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1672)

INSIDE INFORMATION

INVESTMENT ESCALATION IN THE R&D OF CANCER LIPID METABOLISM AND ORAL CHECKPOINT INHIBITORS AND PROPOSED INITIATION OF A PIVOTAL PHASE II TRIAL OF ASC40 IN COMBINATION WITH BEVACIZUMAB IN CHINESE PATIENTS WITH FIRST RELAPSE OF HIGH-GRADE ASTROCYTOMA

This announcement is made by Ascletis Pharma Inc. (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Investment Escalation in the R&D of Cancer Lipid Metabolism and Oral Checkpoint Inhibitors

The board of directors (the "**Board**") of the Company is pleased to announce that the Board has resolved to deploy more resources and investment in the R&D of cancer lipid metabolism and oral checkpoint inhibitors, our pipeline of which is shown below:

Target	Product/Candidate	Indication	Commercial Rights	Pre-IND	IND	Phase I	POC	Pivotal	NDA	Marketed
FASN+VEGF	ASC40 (Oral) +Bevacizumab	Glioblastoma	Greater China[1]			*IST Phase II Completed*				
FASN	ASC40 (Oral)	Multiple Solid Tumors	Greater China[1]							
FASN	ASC60 (Oral)	Multiple Solid Tumors	Greater China[1]							
PD-L1	ASC61 (Oral)	Multiple Tumors	Global							
PD-L1	ASC63 (Oral)	Multiple Tumors	Global							

Note: 1. ASC40 and ASC60 are licensed from Sagimet Biosciences Inc. for the exclusive rights in the Greater China.

The Board believes that, the Company has made significant efforts and progress over the last few years through in-licensing and in-house R&D in the areas of cancer lipid metabolism and oral PD-L1 small molecule inhibitors, which has laid a solid foundation for the future development in our oncology pipeline and therefore the investment escalation is in the best interest of the Company and its shareholders as a whole. The Board will continue to monitor the development of our pipeline and will consider taking appropriate actions, including but not limited to the change of use of proceeds, should the need arises.

Proposed Initiation of a Pivotal Phase II Trial of ASC40 in Combination with Bevacizumab in Chinese Patients with First Relapse of High-grade Astrocytoma

The positive results were demonstrated from the investigator sponsored Phase II trial of ASC40 (TVB-2640) in combination with bevacizumab in patients with first relapse of high-grade astrocytoma, which was completed in the United States. The Company plans to initiate a pivotal randomized, double-blind, placebo-controlled Phase II trial of ASC40 (TVB-2640) in combination with bevacizumab in China for the same patient population (first relapse of high-grade astrocytoma) as in the United States.

The data from the investigator sponsored Phase II trial were presented at European Society for Medical Oncology 2020 and have shown that the overall response rate (ORR) for ASC40 (TVB-2640) plus bevacizumab was 65% including the complete response (CR) of 20% and partial response (PR) of 45%. Furthermore, the data indicate that the progression-free survival at six months (PFS6) observed for ASC40 (TVB-2640) plus bevacizumab was 47%, representing a statistically significant improvement in PFS6 over historical bevacizumab monotherapy (BELOB 16%, P=0.01). ASC40 (TVB-2640) in combination with bevacizumab was safe and well tolerated in such patient population.

Lipid metabolism has been reported to play a critical role in various cancers. Fatty acid synthase (FASN) is one of the most important proteins which regulate lipid metabolism. Many solid and hematopoietic tumors overexpress FASN, including glioblastoma (GBM, Grade IV astrocytoma), non-small cell lung, breast, ovarian, prostate, colon, pancreatic cancers, and non-Hodgkin lymphoma.

The Company is also considering additional clinical trials for (1) ASC40 in combination with chemotherapies for high-grade astrocytoma immediately followed by the surgery and radiation therapy; (2) ASC40 in combination with other therapies for various solid tumors.

ASC60 is a next generation oral FASN small molecule inhibitor which may be combined with other therapies for various solid tumors.

In addition to cancer lipid metabolism drug candidates targeting FASN, the Company's oral PD-L1 small molecule inhibitors discovered in-house have shown favorable anti-tumor activities in animal model compared to a marketed anti-PD-L1 antibody. The Company believes that oral PD-L1 small molecule inhibitors are next generation checkpoint inhibitors as cancer immune therapies and have potential to be combined with oral FASN small molecule inhibitors.

Cautionary Statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that we will be able to ultimately commercialize ASC40 successfully.

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

By order of the Board
Ascletis Pharma Inc.
歌禮製藥有限公司
Jinzi Jason WU
Chairman

Hangzhou, the People's Republic of China
March 30, 2021

As at the date of this announcement, the Board comprises Dr. Jinzi Jason WU and Mrs. Judy Hejingdao WU, as executive Directors; and Dr. Yizhen WEI, Mr. Jiong GU and Ms. Lin HUA, as independent non-executive Directors.