This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Ascletis Pharma Inc.
歌禮製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 1672

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2023 ANNUAL REPORT

The Board hereby announces the unaudited consolidated interim results of the Group for the six months ended June 30, 2024, together with the comparative figures for the corresponding period in 2023 as follows.

FINANCIAL HIGHLIGHTS

	Unaudited Six months ended June 30,		
	2024	2023	Changes
	RMB'000	*RMB'000*	*%*
Revenue	**–**	46,506	(100.0)
Cost of sales	**–**	(7,886)	(100.0)
Gross profit	**–**	38,620	(100.0)
Other income and gains	**49,004**	75,041	(34.7)
Selling and distribution expenses	**–**	(744)	(100.0)
Research and development costs	**(132,382)**	(92,258)	43.5
Administrative expenses	**(41,356)**	(25,948)	59.4
Other expenses	**(199)**	(502)	(60.4)
Finance costs	**(112)**	(70)	60.0
Share of loss of an associate	**(5,273)**	(10,698)	(50.7)
Loss before tax	**(130,318)**	(16,559)	687.0
Income tax	**–**	–	–
Loss for the period	**(130,318)**	(16,559)	687.0
Attributable to:			
Equity shareholders of the Company	**(130,318)**	(16,559)	687.0
	RMB	*RMB*	
Loss per share			
Basic and diluted	**(12.82) cents**	(1.52) cents	743.4

CORPORATE PROFILE

Our Vision

Ascletis' vision is to become the most innovative world-class biomedical company addressing global unmet medical needs in the areas of viral diseases, metabolic diseases and oncology.

Overview

As at June 30, 2024, the Group had cash and cash equivalent, time deposits, transferable certificate of deposit, structured deposits, wealth management products and bank deposit in transit of approximately RMB2,117.2 million (June 30, 2023: approximately RMB2,516.4 million), which is expected to be sufficient to support its research and development activities and operations until 2028.

The research and development expenses of the Group increased by 43.5% from approximately RMB92.3 million for the six months ended June 30, 2023 to approximately RMB132.4 million for the six months ended June 30, 2024.

The loss for the period of the Group increased by 687.0% from approximately RMB16.6 million for the six months ended June 30, 2023 to approximately RMB130.3 million for the six months ended June 30, 2024, mainly due to an increase in the research and development costs as compared to those for the six months ended June 30, 2023.

The revenue of the Group decreased by 100% from approximately RMB46.5 million for the six months ended June 30, 2023 to nil for the six months ended June 30, 2024 due to the effective control of COVID-19 pandemic in Mainland China, resulting in a contraction of the market demand for ritonavir product and thereby the Company did not record revenue generated from sales of ritonavir product in the first half of 2024. Other income and gains decreased by 34.7% from approximately RMB75.0 million for the six months ended June 30, 2023 to approximately RMB49.0 million for the six months ended June 30, 2024. The total income of the Group decreased by 59.7% from approximately RMB121.5 million for the six months ended June 30, 2023 to approximately RMB49.0 million for the six months ended June 30, 2024.

During the Reporting Period and up to the date of this announcement, the Group has made the following progress:

(i) Gannex announced positive interim results from the 52-week Phase II clinical trial of THRβ agonist ASC41 tablet for treatment of patients with biopsy-confirmed NASH;

(ii) Gannex's strategic partner Sagimet announced positive topline results from Phase IIb FASCINATE-2 clinical trial of ASC40 (denifanstat) in biopsy-confirmed F2/F3 NASH;

(iii) completed the dosing of the first patient in the Phase III clinical trial of FASN inhibitor ASC40 (denifanstat) for treatment of moderate to severe acne vulgaris at Huashan Hospital, Fudan University;

(iv) made significant progress on in-house drug discovery for metabolic diseases;

(v) presented the positive final results of the Phase II clinical trial of FASN inhibitor ASC40 (denifanstat) for treatment of acne at the poster session of the 2024 AAD annual meeting; and

(vi) presented the positive interim 12-week results from ongoing 52-week Phase II clinical trial of once-daily ASC41 in patients with biopsy-confirmed MASH at EASL Congress 2024.

Viral disease Pipeline

Product (Modality)	Target	Indication	Commercial Rights	Pre-IND	IND	Phase I	Phase II	Phase III
ASC22 (Subcutaneous mAb)	PD-L1	CHB functional cure	Global[1]					
ASC22 (Subcutaneous mAb)	PD-L1	HIV functional cure	Global[1]					
ASC10 (Oral small molecule)	RdRp	COVID-19	Global					
ASC10 (Oral small molecule)	Viral polymerase	Respiratory syncytial virus	Global					
ASC11 (Oral small molecule)	3CLPro	COVID-19	Global					

Note:

1. ASC22 is licensed from Suzhou Alphamab Co., Ltd. for the worldwide exclusive rights.

Abbreviations:

mAb: Monoclonal antibody; PD-L1: Programmed death ligand 1; CHB: Chronic hepatitis B; HIV: Human immunodeficiency virus; RdRp: RNA-dependent RNA polymerase; COVID-19: Coronavirus Disease 2019; 3CLPro: 3-chymotrypsin like protease.

NASH Pipeline[1]

Product (Modality)	Target	Indication	Commercial Rights	Pre-IND	IND	Phase I	Phase II	Phase III
ASC40 (Oral small molecule)	FASN	NASH	Greater China[2]		***U.S. FDA Fast Track***			
ASC41 (Oral small molecule)	THRβ	NASH	Global					

Notes:

1. NASH pipeline is owned by Gannex, an independent biotech which is currently wholly-owned by the Company.

2. ASC40 is licensed from Sagimet for the exclusive rights in the Greater China.

Abbreviations:

FASN: Fatty acid synthase; THRβ: Thyroid hormone receptor beta; NASH: Non-alcoholic steatohepatitis.

Oncology Pipeline (Lipid Metabolism and Oral Checkpoint Inhibitors)

Product (Modality)	Target	Indication	Commercial Rights	Pre-IND	IND	Phase I	POC	Pivotal
ASC40 (Oral small molecule) +Bevacizumab	FASN + VEGF	Recurrent glioblastoma	Greater China[1]					
ASC61 (Oral small molecule)	PD-L1	Advanced solid tumors	Global					

Note:

1. ASC40 is licensed from Sagimet for the exclusive rights in the Greater China.

Abbreviations:

FASN: Fatty acid synthase; VEGF: Vascular endothelial growth factor; PD-L1: Programmed death ligand 1.

Exploratory Indication Pipeline

Product (Modality)	Target	Indication	Commercial Rights	Pre-IND	IND	Phase I	Phase II	Phase III
ASC40 (Oral small molecule)	FASN	ACNE	Greater China[1]					

Note:

1. ASC40 is licensed from Sagimet for the exclusive rights in the Greater China.

Abbreviation:

FASN: Fatty acid synthase.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Reporting Period and up to the date of this announcement, the Group has made the following progresses with respect to its business.

Viral Diseases

ASC22 for CHB Functional Cure

During the Reporting Period, the Group completed the enrollment of 49 patients with baseline HBsAg ≤ 100 IU/mL of ASC22 expansion cohort and 24-week follow-up.

ASC22 expansion cohort enrolled 49 patients with baseline HBsAg≤100 IU/mL. At a ratio of approximately 4:1, patients are subcutaneously administered with 1.0 mg/kg ASC22 once every two weeks (Q2W) (ASC22 cohort, n=40) or placebo (n=9) for a 24-week treatment in background NAs. After treatment, the follow-up period is 24 weeks. Patients who achieve HBsAg loss at completion of 24-week treatment of ASC22 are expected to discontinue background NAs for the follow-up. The primary efficacy endpoint is HBsAg reduction. Interim analysis was conducted when approximately 50% of enrolled patients completed 24-week treatment of ASC22 or placebo. ASC22 monotherapy with background NAs showed statistically significant HBsAg reduction and 21.1% (4/19) HBsAg loss after 24-week treatment. Together with the acceptable safety profile and convenient subcutaneous injections, ASC22 demonstrated potential as a promising immune-therapy for CHB.

CHB remains to be a significantly unmet medical need globally, with approximately 86 million people in China and 1.59 million people in the U.S. infected with HBV[1]. NAs inhibit only reverse transcription of HBV RNA into HBV DNA and do not inhibit the transcription of HBV cccDNA into HBV RNA, and thus have no inhibitory effect on HBsAg. ASC22 is the most advanced clinical stage immunotherapy in the world for CHB functional cure, i.e. HBsAg loss, through blocking PD-1/PD-L1 pathway.

Anticipated 2024 Milestone: Make a strategic decision for the next step of ASC22 for CHB functional cure.

Note:

1. Lim J K, Nguyen M H, Kim W R, et al. Prevalence of Chronic Hepatitis B Virus Infection in the United States J. The American journal of gastroenterology 2020, 115(9): 1429-38.

ASC10 for RSV

The Group has obtained approval of conducting Phase IIa clinical trial for ASC10 to treat RSV infection from FDA and NMPA in January 2023 and May 2023, respectively.

ASC10 is an oral double prodrug. After oral administration, ASC10 is rapidly and completely converted *in vivo* into the active metabolite ASC10-A, also known as NHC or EIDD-1931. Preclinical research[1] showed that ASC10-A (NHC) is a potent inhibitor with EC_{50} of 0.51 to 0.6 uM against two RSV clinical isolates using *in vitro* infection assay in HEp-2 cells. Furthermore, preclinical research[1] also demonstrated that ASC10-A (NHC) is efficacious in a mouse RSV infection model.

Globally, RSV affects an estimated 64 million people and causes 160,000 deaths each year[2]. RSV infection treatment remains huge unmet medical needs and there is no effective drug for treatment so far. According to the report from Astute Analytica, the global market of RSV therapies is expected to grow at a compound annual growth rate of 14.9% from 2022 to 2027 and reach revenue of US$4.2 billion by 2027[3].

Anticipated 2024 Milestone: Continue to seek external partnering opportunities to advance Phase IIa clinical trial of ASC10 for RSV in the U.S. or China.

ASC22 for HIV Functional Cure

The Phase II study of ASC22 (Envafolimab) in combination with Chidamide for functional cure of HIV infection (ClinicalTrials.gov: NCT05129189) enrolled 15 subjects in total living with HIV who had achieved virological suppression to receive a subcutaneous injection of ASC22 (1 mg/kg) once every four weeks in combination with 10 mg Chidamide administered orally twice a week during the 12-week treatment while maintaining ART. This Phase II study showed that combination treatment with ASC22 and Chidamide is well tolerated and effectively activated latent HIV reservoirs. There was a significant increase in CA HIV RNA at week 8 and week 12 compared to the baseline, with an average rise of 4.27-fold and 3.41-fold, respectively (P=0.001, P=0.006) in the subjects. The CA HIV RNA to total DNA ratios also showed the same trend (P=0.038, P=0.017, respectively). Further investigations are warranted.

Another Phase II study is a randomized, single-blind, placebo-controlled, multi-center clinical trial in China to evaluate the safety and efficacy of ASC22 for treatment of HIV-1 infection at the dosages of 1 mg/kg or 2.5 mg/kg or placebo in combination with ART once every four weeks (Q4W) during 12-week treatment and 12-week follow-up. This Phase II study has been completed.

Notes:

1. Jeong-Joong Yoon, Mart Toots, Sujin Lee, et al. Orally Efficacious Broad-Spectrum Ribonucleoside Analog Inhibitor of Influenza and Respiratory Syncytial Viruses. Antimicrob Agents Chemother. 2018; 62(8): e00766-18.

2. https://www.niaid.nih.gov/diseases-conditions/respiratory-syncytial-virus-rsv

3. https://www.astuteanalytica.com/industry-report/respiratory-syncytial-virus-market

It was estimated that there were approximately 39 million people living with HIV globally with approximately 0.63 million deaths caused by AIDS-related illnesses and approximately 1.3 million new HIV infections in 2022[1].

Anticipated 2024 Milestone: Make a strategic decision for the next step of ASC22 for HIV functional cure.

ASC10 and ASC11 for COVID-19

Considering the recent development of COVID-19 infections and market demand in China, the Phase III study of ASC10 for COVID-19 and the Phase II/III study of ASC11 for COVID-19 have not yet been initiated by the Group. Assuming COVID-19 continues in China and market demand for additional oral treatments for COVID-19 remains strong, the Phase III study of ASC10 for COVID-19 and the Phase II/III study of ASC11 for COVID-19 may be initiated.

Anticipated 2024 Milestone: Make strategic decisions for the next step of ASC10 and ASC11 for COVID-19.

NASH

ASC40 for NASH

During the Reporting Period, Gannex's strategic partner Sagimet announced positive topline results from Phase IIb FASCINATE-2 clinical trial of ASC40 (denifanstat) in biopsy-confirmed F2/F3 NASH. ASC40 (denifanstat) achieved statistically significant results on primary and multiple secondary endpoints in a 52-week clinical trial of 168 NASH patients with stage 2 or 3 fibrosis. Primary efficacy endpoints include: NASH resolution without worsening of fibrosis with ≥2-point reduction in NAS in 36% of denifanstat-treated patients vs 13% with placebo (p=0.002); and ≥2-point reduction in NAS without worsening of fibrosis in 52% of denifanstat-treated patients vs 20% with placebo (p=0.0001). ASC40 (denifanstat) was generally well-tolerated.

The Phase 2b FASCINATE-2 clinical trial was a 52-week randomized, double-blind, placebo-controlled trial that evaluated the safety and histological impact of denifanstat compared to placebo in 168 biopsy-confirmed NASH patients with moderate-to-severe fibrosis (stage F2 or F3) with NAS ≥ 4.

Patients were randomized at the ratio of 2:1 to receive either 50 mg denifanstat or placebo, taken orally once daily. An end-of-trial biopsy was assessed by a central pathologist for histological endpoints. Liver biopsies were also analyzed using artificial intelligence-based digital pathology.

Anticipated 2024 Milestone: Submit the Phase 2b data from U.S. and initiate discussion with NMPA for registrational trials of ASC40 for treatment of NASH patients with moderate-to-severe fibrosis (stage F2 or F3).

Note:

1. UNAIDS. Global HIV & AIDS statistics — FACT SHEET. 2022.

   https://www.unaids.org/en/resources/fact-sheet

ASC41 for NASH

During the Reporting Period, the Group continued to advance the Phase II clinical trial of ASC41 for biopsy-confirmed NASH patients and announced the interim results on January 2, 2024.

Patients receiving ASC41 tablet treatment achieved statistically significant reductions in liver fat content, as assessed by MRI-PDFF, relative to placebo. Up to 93.3% patients receiving ASC41 tablet treatment experienced at least a 30% relative reduction from baseline in liver fat content, a level of reduction which is associated, especially for THRβ agonist class, with higher likelihood of histologic improvement in NASH. Up to 68.2% mean relative reduction in liver fat content from baseline in biopsy-confirmed NASH patients receiving 12-week treatment of ASC41 tablet. At Week 12, placebo-adjusted mean relative reductions in alanine aminotransferase (ALT) and aspartate aminotransferase (AST) from baseline were up to 37.8% and 41.5%, respectively. At Week 12, placebo-adjusted mean relative reductions from baseline in LDL-C, total cholesterol (TC) and triglyceride (TG) were up to 27.7%, 23.4% and 46.5%, respectively. Adverse events (AEs), including gastrointestinal (GI)-related AEs, were similar among patients receiving ASC41 tablet treatment versus placebo.

ASC41 is liver-targeting and highly THRβ-selective. Once-daily ASC41 tablet was developed by using Ascletis' proprietary formulation technology. The patent of ASC41 tablet formulation has been granted in the U.S.

The Phase II clinical trial is a randomized, double-blind, placebo-controlled and multi-center clinical trial (ClinicalTrials.gov: NCT05462353) being conducted in China and expected to enroll approximately 180 liver biopsy-confirmed NASH patients to be randomized into two treatment cohorts of ASC41 tablet (2 mg or 4 mg), once-daily and one placebo control cohort at the ratio of 1:1:1 for 52-week treatment and 4-week follow-up period. The pre-specified interim analysis was conducted when 42 enrolled patients completed 12-week treatment of ASC41 tablet or placebo.

Anticipated 2024 Milestone: Complete patient enrollment of the Phase II clinical study of ASC41 for NASH.

Oncology (Lipid Metabolism and Oral Checkpoint Inhibitors)

ASC40 for rGBM

During the Reporting Period, the Group completed the patient enrollment of the Phase III registration study for ASC40 for rGBM.

ASC40 is an oral, selective small molecule inhibitor of FASN, a key enzyme which regulates DNL. ASC40 inhibits energy supply and disturbs membrane phospholipid composition of tumor cells by blocking DNL[1].

The Phase III registration study (ClinicalTrials.gov: NCT05118776) is a randomized, double-blind, placebo-controlled and multi-center clinical trial in China to evaluate PFS, overall survival and safety of patients with rGBM. Approximately 180 patients will be randomized at the ratio of 1:1 to Cohort 1 (oral ASC40 tablet, once daily + Bevacizumab) and Cohort 2 (matching placebo tablet, once daily + Bevacizumab). Based on pre-specified interim analysis condition, 120 patients are likely to lead sufficient events for interim analysis of PFS. The interim analysis will be conducted after 93 PFS events are observed.

GBM is the most aggressive diffuse glioma of astrocytic lineage and is considered a grade IV glioma based on the World Health Organization classification[2]. Research shows that GBM accounts for 57% of gliomas and has an incidence rate of approximately 2.85 to 4.56 per 100,000 population in China per year, suggesting approximately 40,000 to 64,000 new cases of GBM per year[3]. In the U.S., GBM represents 56.6% of gliomas and has an incidence rate of approximately 3.21 per 100,000 population per year[4]. Over 90% GBM patients will relapse after surgery, radiation and chemotherapies. Effective treatments are extremely limited for patients with rGBM.

Anticipated 2024 Milestone: Complete Phase III registrational study of ASC40 for rGBM.

ASC61 for solid tumors

During the Reporting Period, the Group has completed the patient enrollment of Phase I clinical trial of ASC61 for advanced solid tumors.

Notes:

1. Fhu CW, Ali A. Fatty Acid Synthase: An Emerging Target in Cancer. Molecules. 2020;25(17):3935. doi:10.3390/molecules 25173935.

2. Louis N, Perry A, Reifenberge RG, von Deimling A, Figarella-Branger D, Cavenee WK, et al. The 2016 World Health Organization classification of tumors of the central nervous system: A summary. Acta Neuropathol. 2016;131:803-20.

3. 2017 China Cancer Registry Annual Report.

4. Ostrom Q T, Gittleman H, Truitt G, et al. CBTRUS Statistical Report: Primary Brain and Other Central Nervous System Tumors Diagnosed in the United States in 2011-2015 [J]. Neuro Oncol 2018, 20 (suppl_4): iv1-iv86. DOI: 10.1093/neuonc/noy131.

The ASC61 Phase I clinical trial in the U.S. is a dose escalation study in patients with advanced solid tumors. The objectives of such study are to find a recommended dose for Phase II clinical trial and obtain preliminary efficacy in patients with advanced solid tumors. This Phase I clinical trial is currently ongoing.

ASC61 is an oral potent and highly selective PD-L1 small molecule inhibitor and blocks PD-1/PD-L1 interaction through inducing PD-L1 dimerization and internalization. Preclinical studies showed that ASC61 demonstrated significant antitumor efficacies and was well-tolerated in both syngeneic and humanized tumor mouse models. ASC61 was found to have favorably comparable antitumor activities as the FDA approved PD-L1 therapeutic monoclonal antibody, Atezolizumab.

Compared with PD-1/PD-L1 antibody injections, the oral PD-L1 inhibitor ASC61 has the following benefits: (1) higher patient compliance with easy and safe administration with no need of hospital visits for injections; (2) ease of all oral combination therapies with other oral anti-tumor drugs; (3) increased ease to manage immune-related adverse effects with dose adjustment; (4) relatively lower cost; and (5) higher permeability to distribute into targeted tissues.

Anticipated 2024 Milestone: Complete Phase I multiple ascending dose clinical trial of ASC61 in the U.S.

Exploratory Indication Pipeline

ASC40 for moderate to severe acne

During the Reporting Period and up to the date of this announcement, the Group made prompt progress in patient enrollment of the Phase III clinical trial of ASC40 (denifanstat) for treatment of moderate to severe acne vulgaris, which demonstrates the strong execution of the Group. The Group also presented the positive final results of the Phase II clinical trial of FASN inhibitor ASC40 (denifanstat) for treatment of acne at the poster session of the 2024 AAD annual meeting.

This Phase III clinical trial is a randomized, double-blind, placebo-controlled, multicenter clinical trial in China to evaluate the safety and efficacy of ASC40 for the treatment of moderate to severe acne vulgaris. 480 subjects with moderate to severe acne vulgaris will be enrolled and randomized into one active treatment arm and one placebo control arm at the ratio of 1:1 to receive 50 mg ASC40 or matching placebo orally, once daily for 12 weeks.

ASC40 is an oral, selective small molecule inhibitor of FASN. Mechanisms of ASC40 for treatment of acne are (1) direct inhibition of facial sebum production, through inhibition of DNL in human sebocytes; and (2) inhibition of inflammation, through decreasing cytokine secretion and Th17 differentiation. Ascletis holds the rights to develop, manufacture and commercialize ASC40 in Greater China under an exclusive license from Sagimet.

Acne is the eighth most prevalent disease in the world and affects more than 640 million people globally[1]. Adherence to topical therapies is worse when compared with that for oral agents: an estimated 30% to 40% of patients do not adhere to their topical treatments[2]. Currently, effective oral treatments for acne are mainly isotretinoin which can cause a lot of severe adverse events such as hepatotoxicity, hearing impairment and depression, etc. ASC40 has the potential to be a first-in-class, once-daily oral acne therapeutic with high patient compliance.

Anticipated 2024 Milestone: Complete patient enrollment for the Phase III clinical trial of ASC40 for acne.

Cautionary statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that we will be able to ultimately develop, market and/or commercialize the drug candidates in our pipeline successfully.

THE GROUP'S FACILITIES

The Group has manufacturing facilities located in Shaoxing, Zhejiang Province with a total gross floor area of approximately 17,000 square meters. Our manufacturing facilities are equipped with state-of-the-art production equipment with cutting-edge technology capabilities such as hot-melt extrusion and high speed press to ensure the high quality of our products.

As at June 30, 2024, the Group had 11 wholly-owned subsidiaries. The Group's business was mainly conducted through three operating subsidiaries in China, namely Ascletis BioScience, Ascletis Pharmaceuticals and Gannex.

OTHER UPDATES

The Group is continuing to seek opportunities to license out its multiple assets.

Notes:

1. Tan J K, Bhate K. A global perspective on the epidemiology of acne [J]. Br J Dermatol 2015, 172 Suppl 1(3-12). DOI: 10.1111/bjd.13462.

2. Purvis CG, Balogh EA, Feldman SR. Clascoterone: How the Novel Androgen Receptor Inhibitor Fits Into the Acne Treatment Paradigm. Ann Pharmacother. 2021;55(10):1297-1299. doi:10.1177/1060028021992055.

FUTURE AND OUTLOOK

The Group has established a comprehensive pipeline with 10 key clinical stage assets focused on viral diseases, metabolic diseases and oncology. The following are strategies and outlook for the second half-year of 2024:

1. Complete patient enrollment of Phase II clinical trial of ASC41 for NASH;

2. Initiate discussion with NMPA for registrational trials of ASC40 for treatment of NASH patients with moderate-to-severe fibrosis (stage F2 or F3);

3. Complete patient enrollment of Phase III clinical trial of ASC40 for acne;

4. Complete Phase III registration study of ASC40 for rGBM;

5. Accelerate in-house drug discovery for global first-in-class or best-in-class drug candidates in metabolic diseases to enhance the Group's competitiveness on a global basis;

6. Continue to explore license-out opportunities of various preclinical and clinical stage assets; and

7. Continue to evaluate and optimize the R&D pipeline to increase efficiency and preserve cash.

FINANCIAL REVIEW

Cash, Cash Equivalent and Other Capital Resources

As at June 30, 2024, the Group had cash and cash equivalent, time deposits, transferable certificate of deposit, structured deposits, wealth management products and bank deposit in transit of approximately RMB2,117.2 million (June 30, 2023: approximately RMB2,516.4 million), which is expected to be sufficient to support its research and development activities and operations until 2028.

Revenue and Cost of Sales

The total revenue of the Group decreased by 100.0% from approximately RMB46.5 million for the six months ended June 30, 2023 to nil for the six months ended June 30, 2024 due to the effective control of COVID-19 pandemic in Mainland China, resulting in a contraction of the market demand for ritonavir product and thereby the Company did not record revenue generated from sales of ritonavir product in the first half of 2024.

There was no cost of sales for the first half of 2024.

Other Income and Gains

The other income and gains of the Group decreased by 34.7% from approximately RMB75.0 million for the six months ended June 30, 2023 to approximately RMB49.0 million for the six months ended June 30, 2024, primarily attributable to (i) a significant increase in net loss arising from fair value remeasurement of interest in a former associate from nil for the six months ended June 30, 2023 to approximately RMB24.5 million for the six months ended June 30, 2024, because the Group ceased to account for its equity interest in Sagimet under equity method and recognized a loss of approximately RMB24.5 million following the Group's loss of significant influence on Sagimet on June 5, 2024. Please refer to Note 5 to the consolidated financial statements for more details; (ii) a significant increase in net unrealized loss of interest in Sagimet measured at FVPL from nil for the six months ended June 30, 2023 to approximately RMB14.4 million for the six months ended June 30, 2024; and (iii) a 87.0% decrease in foreign exchange gain from approximately RMB17.9 million for the six months ended June 30, 2023 to approximately RMB2.3 million for the six months ended June 30, 2024 due to slower appreciation of U.S. Dollar, in which our Group conducts business, against RMB compared to the same period last year, offset by a significant increase in gain on dilution of interest in associate from nil for the six months ended June 30, 2023 to approximately RMB21.1 million for the six months ended June 30, 2024, which represents the decrease in interest of Sagimet resulting from the dilution due to its post-IPO financing completed on January 30, 2024.

Government grants mainly represented the subsidies we received from the local governments for the purpose of compensating our expenses arising from research activities and clinical trials and capital expenditure incurred on certain projects, and awarding our new drug development.

The following table sets forth the components of our other income and gains for the periods indicated:

	Unaudited Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
Bank interest income	**48,076**	48,964
Investment income from wealth management products	**3,634**	3,865
Investment income from transferable certificate of deposit	**510**	–
Government grants	**12,226**	4,359
Foreign exchange gain, net	**2,326**	17,853
Gain on dilution of interest in associate	**21,147**	–
Net loss arising from fair value remeasurement of interest in a former associate	**(24,546)**	–
Net unrealized loss of interest in Sagimet measured at FVPL	**(14,369)**	–
Total	**49,004**	75,041

Administrative Expenses

The administrative expenses of the Group increased by 59.4% from approximately RMB25.9 million for the six months ended June 30, 2023 to approximately RMB41.4 million for the six months ended June 30, 2024, primarily due to the increase in staff related costs and consulting fees.

Our administrative expenses primarily consisted of (i) staff salary and welfare costs for non-R&D personnel; (ii) utilities, rent and general office expenses; and (iii) agency and consulting fees.

The following table sets forth the components of our administrative expenses for the periods indicated:

	Unaudited Six months ended June 30,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Agency and consulting fees	**21,945**	**53.1**	7,334	28.3
Staff salary and welfare	**12,187**	**29.5**	11,721	45.2
Utilities, rent and general office expenses	**6,730**	**16.3**	6,777	26.1
Others	**494**	**1.1**	116	0.4
Total	**41,356**	**100.0**	25,948	100.0

Research and Development Expenses

The Group's research and development expenses primarily consisted of staff costs, preclinical and clinical trial expenses and depreciation and amortization costs.

The research and development expenses of the Group increased by 43.5% from approximately RMB92.3 million for the six months ended June 30, 2023 to approximately RMB132.4 million for the six months ended June 30, 2024, primarily because the Group continued to increase the investment (including R&D staff remuneration) in research and development of its pipeline drug candidates.

The following table sets forth the components of our research and development costs for the periods indicated:

	Unaudited Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
Staff costs	**64,599**	41,693
Preclinical and clinical trial expenses	**57,556**	37,490
Depreciation and amortization	**5,911**	5,395
Others	**4,316**	7,680
Total	**132,382**	92,258

The following table sets forth the components of our research and development costs by product pipeline for the periods indicated:

	Unaudited Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
Exploratory indications	**70,127**	11,000
NASH/PBC	**20,621**	22,865
Others[1]	**18,578**	12,006
Oncology	**15,807**	20,207
Viral diseases	**7,249**	26,180
Total	**132,382**	92,258

1. "Others" includes costs of pre-clinical programs other than exploratory indications, NASH/PBC, oncology and viral diseases.

Finance Costs

The Group recorded approximately RMB0.1 million finance costs for the six months ended June 30, 2024 due to the interest on the lease liabilities (June 30, 2023: RMB0.07 million).

Other Expenses

The other expenses of the Group decreased by 60.4% from approximately RMB0.5 million for the six months ended June 30, 2023 to approximately RMB0.2 million for the six months ended June 30, 2024, mainly due to the decrease in donations.

The following table sets forth the components of other expenses for the periods indicated:

	Unaudited Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
Others	**199**	10
Donations	**–**	492
Total	**199**	502

Income Tax

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Group calculated the income tax expense by using the tax rate that would be applicable to the expected total annual earnings.

The Group did not incur any income tax expense as the Group did not generate taxable income for the six months ended June 30, 2023 and 2024.

Inventories

The inventories of the Group consisted of raw materials used in the commercial manufacturing and research and development, work in progress and finished goods. Our inventories increased by 6.8% from approximately RMB6.1 million as at December 31, 2023 to approximately RMB6.5 million as at June 30, 2024, mainly due to the increase in raw material for research and development projects. The following table sets forth the inventory balances as of the dates indicated:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Raw materials	**6,451**	5,667
Work in progress	**33**	404
Finished goods	**–**	–
Total	**6,484**	6,071

Trade Receivables

The Group's trade receivables decreased by 100.0% from approximately RMB5.4 million as at December 31, 2023 to nil as at June 30, 2024, mainly due to the Group's receipt of promotion service fee for Pegasys® in China from Shanghai Roche.

The following table sets forth the trade receivables balances as of the dates indicated:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Trade receivables	**–**	5,434
Less: Impairment of trade receivables	**–**	2
Total	**–**	5,432

The Group's trading terms with its customers are mainly on credit. The credit period is generally from 30 days to 90 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are regularly reviewed by senior management. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the dates indicated, based on the invoice date and net of loss allowance, is as follows:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Within 3 months	**–**	–
3 to 6 months	**–**	–
6 to 12 months	**–**	5,432
Total	**–**	5,432

Prepayments, Other Receivables and Other Assets

The following table sets forth the components of prepayment, other receivables and other assets as at the dates indicated:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Deposits and other receivables	**12,934**	3,843
Value-added tax recoverable	**12,641**	14,277
Prepayments	**4,456**	4,131
Prepaid expenses	**606**	1,026
Impairment	**(1,427)**	(1,427)
Total	**29,210**	21,850

Deposits and other receivables are miscellaneous expenses including rental and other deposits and bank deposits in transit. Our deposits and other receivables significantly increased from approximately RMB3.8 million as at December 31, 2023 to approximately RMB12.9 million as at June 30, 2024, primarily due to the increase of bank deposits in transit.

Our value-added tax recoverable represented the value-added taxes paid with respect to our procurement that can be credited against future value-added tax payables. Our value-added tax recoverable decreased by 11.5% from approximately RMB14.3 million as at December 31, 2023 to approximately RMB12.6 million as at June 30, 2024, primarily due to the increase in tax rebate.

Our prepayments mainly represented the purchase of services which related to our expenses on clinical trials. Our prepayments increased by 7.9% from approximately RMB4.1 million as at December 31, 2023 to approximately RMB4.5 million as at June 30, 2024, primarily due to the increase in prepayments in relation to R&D.

Prepayments to suppliers as at June 30, 2024 are due within one year.

As at June 30, 2024, the Group's impairment of prepayment was approximately RMB1.4 million, which was due to the non-refundable royalty fee prepaid.

As of the date of this announcement, none of the above assets is past due.

Financial Assets at Fair Value through Profit and Loss – non-current

The non-current portion of financial assets at fair value through profit or loss of the Group increased from nil as at December 31, 2023 to approximately RMB40.3 million as at June 30, 2024, primarily due to the Group's non-current balances of financial assets at FVPL representing investments in equity securities listed on the NASDAQ transferred from investment in an associate due to the remeasurement of the interest in Sagimet following the Group's loss of significant influence on Sagimet on June 5, 2024. Please refer to Note 5 to the consolidated financial statements for more details.

Financial Assets at Fair Value through Profit and Loss – current

The current portion of financial assets at fair value through profit or loss of the Group decreased from approximately RMB24.8 million as at December 31, 2023 to approximately RMB5.0 million as at June 30, 2024, primarily due to the decreased investment in wealth management products in order to reduce financial risk.

Cash and Bank Balances

The following table sets forth the components of the Group's time deposits and cash and cash equivalents as at the dates indicated:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Time deposits	**1,731,708**	1,944,457
Cash and cash equivalent	**342,994**	330,117
Total	**2,074,702**	2,274,574

Time deposits with original maturity over three months are made for varying periods depending on our immediate cash requirements, and earn interest at the respective time deposit rates. Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. The cash and cash equivalents and time deposits are deposited with creditworthy banks with no recent history of default.

Trade Payables

Trade payables of the Group primarily consisted of payments to raw materials suppliers. The following table sets forth the component of trade payables as at the dates indicated:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Trade payables	**464**	649
Total	**464**	649

The following table sets forth an ageing analysis of the trade payables as at the dates indicated, which is based on invoice date:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Within 3 months	**109**	644
3 to 12 months	**355**	5
1 to 2 years	**–**	–
Total	**464**	649

Other Payables and Accruals

The following table sets forth the components of other payables and accruals outstanding as at the dates indicated:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Accrued expenses	**37,238**	34,009
Other payables	**30,477**	40,860
Payroll payable	**12,006**	56,141
Taxes other than income tax	**402**	1,722
Total	**80,123**	132,732

The accrued expenses as at June 30, 2024 mainly represented the accrued research and development expenses actually incurred but not yet invoiced and increased by 9.5% from approximately RMB34.0 million as at December 31, 2023 to approximately RMB37.2 million as at June 30, 2024 due to the increase in research and development cost on both clinical and preclinical projects. The accrued expenses were non-interest-bearing and are due within one year.

Our other payables were approximately RMB40.9 million and approximately RMB30.5 million as at December 31, 2023 and June 30, 2024, respectively. The decrease was primarily attributable to payment of the pre-clinical trial expenses to suppliers during the Reporting Period. Other payables were non-interest-bearing and are due within one year.

The payroll payable represented the accrued salary and bonus for the first half year of 2024, which are due within one year. The decrease in our payroll payable from approximately RMB56.1 million as at December 31, 2023 to approximately RMB12.0 million as at June 30, 2024 was primarily attributable to payment of the bonus for the year of 2023 to employees during the Reporting Period.

Deferred Income

The deferred income of the Group represented government grants which have been awarded, but we have yet to meet the conditions of the grants as of the relevant dates. The following table sets forth the deferred income as of the dates indicated:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Government grants		
Current	**1,588**	1,588
Non-current	**4,764**	5,558
Total	**6,352**	7,146

The decrease in our deferred income from approximately RMB7.1 million as at December 31, 2023 to approximately RMB6.4 million as at June 30, 2024 was primarily attributable to the amortization of the government grants by year.

Liquidity and Capital Resources

The primary uses of cash of the Group are to fund its research and development activities, purchase of equipment and raw materials and other recurring expenses. During the Reporting Period, the Group funded its working capital and other capital expenditure requirements through capital injections from Shareholders at the Listing.

The following table sets forth a condensed summary of the Group's consolidated statement of cash flows for the periods indicated and analysis of balances of cash and cash equivalents for the periods indicated:

	For the six month ended June 30, 2024	For the six month ended June 30, 2023
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Net cash flows (used in) operating activities	**(203,415)**	(67,959)
Net cash flows generated from investing activities	**261,633**	141,685
Net cash flows (used in) financing activities	**(45,455)**	(11,398)
Net increase in cash and cash equivalents	**12,763**	62,328
Cash and cash equivalents at the beginning of the period	**330,117**	403,768
Effect of foreign exchange rate changes, net	**114**	3,598
Cash and cash equivalents at the end of the period	**342,994**	469,694

As at June 30, 2024, cash and cash equivalents were mainly denominated in Renminbi and United States dollars.

Operating Activities

Our cash inflows from operating activities mainly consisted of trade receivables received from customers, government grants and bank interest income. Our cash outflows for operating activities mainly consisted of payment of research and development costs and administrative expenses.

For the six months ended June 30, 2024, we had net cash flows used in operating activities of approximately RMB203.4 million, primarily as a result of operating loss before changes in working capital of approximately RMB149.1 million. The changes in working capital were mainly due to payment of research and development costs.

Investing Activities

Our cash used in investing activities mainly consisted of our cash in time deposits with original maturity of over three months, purchase of property, plant and equipment, purchase of intangible assets and purchase of financial assets at fair value through profit or loss.

For the six months ended June 30, 2024, our net cash flows generated from investing activities was approximately RMB261.6 million, primarily because we redeemed time deposits with original maturity of over three months of approximately RMB243.0 million.

Financing Activities

Our cash used in financing activities primarily related to repurchase of Shares during the Reporting Period.

For the six months ended June 30, 2024, our net cash flows used in financing activities was approximately RMB45.5 million, primarily because we repurchased Shares during the Reporting Period.

Capital Expenditures

The principal capital expenditures of the Group primarily consisted of purchase of plant and machinery, the purchase of office equipment and expenditures for construction in progress. The following table sets forth our net capital expenditures as at the dates indicated:

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Plant and machinery	**64**	1,773
Office equipment	**1,369**	2,622
Construction in progress	**–**	839
Total	**1,433**	5,234

Our capital expenditures decreased by 72.6% from approximately RMB5.2 million as at December 31, 2023 to approximately RMB1.4 million as at June 30, 2024, primarily because we purchased the machinery and office equipment for laboratory renovation.

Significant Investments, Material Acquisitions and Disposals

For the six months ended June 30, 2024, we did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

Indebtedness

Borrowings

As at June 30, 2024, the Group did not have any borrowing.

As at June 30, 2024, the Group did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness or any guarantees.

Contingent Liabilities

On 29 December 2022, Viking, a pharmaceutical company in the United States, filed certain complaints against the Company, its founder Jinzi Jason WU and certain subsidiaries of the Company in connection with the Group's drug candidates ASC41 and ASC43F. There is no major progress since January 1, 2024 and the relevant investigation and litigation proceedings are ongoing. The Company believes that the allegations brought by Viking have no merit and will vigorously defend against the complaints. Accordingly, the Group has not made any provision for the allegations arising from the complaints filed by Viking as at June 30, 2024.

In March 2024, Ascletis Pharmaceuticals became involved in an arbitration proceeding initiated by Fujian Cosunter Pharmaceutical Co., Ltd. (福建廣生堂藥業股份有限公司) and Fujian Guangsheng Zhonglin Biotechnology Co., Ltd. (福建廣生堂中霖生物科技有限公司) (together "Claimants"), two pharmaceutical companies with related relationship in China, due to commercial contracts dispute on ritonavir tablets sales and ritonavir non-exclusive license. Meanwhile, Ascletis Pharmaceuticals initiated an arbitration proceeding against the Claimants, alleging the Claimants breached relevant terms of the commercial contracts on ritonavir tablets sales and ritonavir non-exclusive license. Ascletis Pharmaceuticals requested the compensation and Claimants also requested the compensation. The two arbitration proceedings were consolidated and the first hearing took place in July 2024. As of the date of this announcement, there have not been any decisions regarding Ascletis Pharmaceuticals' requests for compensation and Claimants' requests for compensation. Therefore, the impact of the arbitration on the Company's profit for the current period or thereafter is still uncertain. As at June 30, 2024, the Group has not made any provision for the arbitration.

Save as disclosed above, as at June 30, 2024, the Group was not involved in other material legal, arbitration or administrative proceedings that, if adversely determined, and did not have other contingent liabilities, that, we expected would materially adversely affect our business, financial position or results of operations.

Charges of Assets

As at June 30, 2024, the Group had no charge on its assets.

Contractual Commitments

We leased certain of our properties and warehouse under operating lease arrangements. Leases for properties and warehouse are negotiated for terms ranging mainly from one to three years.

The Group had approximately RMB0.9 million of capital commitments as at June 30, 2024.

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates indicated:

	As at June 30, 2024	As at December 31, 2023
	(Unaudited)	(Audited)
Current ratio[(1)]	**24.4**	16.6
Quick ratio[(2)]	**24.3**	16.5
Gearing ratio[(3)]	**4.2%**	6.0%

Notes:

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories and divided by current liabilities as of the same date.

(3) Gearing ratio represents total liabilities divided by total assets as of the same date and multiplied by 100%.

Our current ratio increased from 16.6 as of December 31, 2023 to 24.4 as at June 30, 2024, and our quick ratio increased from 16.5 as at December 31, 2023 to 24.3 as at June 30, 2024, primarily due to a decrease in current liabilities.

As at June 30, 2024, the gearing ratio of the Group was 4.2% (as at December 31, 2023: 6.0%).

Foreign Exchange Risk

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between Renminbi and other currencies in which our Group conducts business may affect our financial condition and results of operation.

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from recognized assets and liabilities in foreign operations. The conversion of Renminbi from foreign currencies, including the USD, has been based on rates set by the People's Bank of China. The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

Employees and Remuneration Policies

As at June 30, 2024, the Group had a total of 219 employees, 217 of which were located in the PRC. Over 79.5% of our employees obtained a bachelor's degree or higher. The table below sets forth the Group's employees by function as disclosed:

	As at June 30, 2024	
	Numbers of employees	% of total
Management	**4**	1.8
Research and development	**151**	68.9
Manufacturing	**25**	11.4
Operations	**39**	17.9
Total	**219**	100

The Group's total staff costs for the six months ended June 30, 2024 was approximately RMB76.8 million, compared to approximately RMB55.3 million for the six months ended June 30, 2023. The increase was primarily because we paid R&D staff remuneration during the six months ended June 30, 2024, while the corresponding part of R&D staff remuneration were paid by us in the second half of 2023.

The Group recruits employees through recruitment websites, recruiters, internal referral and job fairs. The Group conducts new employee training, as well as professional and compliance training programs for employees.

The Group enters into employment contracts with employees to cover matters such as wages, benefits and grounds for termination. The remuneration package of our employees includes salary and bonus, which are generally determined by the qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds for our employees as required by the PRC laws and regulations.

The Group also has adopted a restricted stock unit scheme and a restricted stock unit option incentive scheme in 2018, both of which have been terminated whilst the outstanding restricted stock unit, restricted stock unit option and other awards granted thereunder continue to remain in force in accordance with their terms, and a share option scheme under Chapter 17 of the Listing Rules.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2024 – unaudited

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
REVENUE	*4*	**–**	46,506
Cost of sales		**–**	(7,886)
Gross profit		**–**	38,620
Other income and gains	*5*	**49,004**	75,041
Selling and distribution expenses		**–**	(744)
Research and development costs		**(132,382)**	(92,258)
Administrative expenses		**(41,356)**	(25,948)
Other expenses		**(199)**	(502)
Finance costs		**(112)**	(70)
Share of loss of an associate		**(5,273)**	(10,698)
LOSS BEFORE TAX	*6*	**(130,318)**	(16,559)
Income tax	*7*	**–**	–
LOSS FOR THE PERIOD		**(130,318)**	(16,559)
Attributable to:			
Equity shareholders of the Company		**(130,318)**	(16,559)
LOSS PER SHARE			
		RMB	RMB
Basic and diluted	*8*	**(12.82) cents**	(1.52) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2024 – unaudited

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE PERIOD	**(130,318)**	(16,559)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**345**	1,030
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements into presentation currency	**8,343**	52,782
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**8,688**	53,812
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(121,630)**	37,253
Attributable to:		
Equity shareholders of the Company	**(121,630)**	37,253

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2024 – unaudited

	Notes	**30 June 2024** ***RMB'000***	31 December 2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**55,031**	59,725
Advance payments for property, plant and equipment		**–**	261
Right-of-use assets	*10*	**10,206**	8,552
Other intangible assets		**24,417**	26,315
Investment in an associate		**–**	63,024
Financial assets at fair value through other comprehensive income ("**FVOCI**")		**30,424**	–
Financial assets at fair value through profit or loss ("**FVPL**")		**40,331**	–
Long-term deferred expenditure		**269**	376
Total non-current assets		**160,678**	158,253
CURRENT ASSETS			
Inventories		**6,484**	6,071
Trade receivables	*11*	**–**	5,432
Financial assets at FVPL		**4,990**	24,829
Prepayments, other receivables and other assets		**29,210**	21,850
Cash and cash equivalents		**342,994**	330,117
Time deposits with original maturity over three months		**1,731,708**	1,944,457
Total current assets		**2,115,386**	2,332,756
CURRENT LIABILITIES			
Trade payables	*12*	**464**	649
Other payables and accruals		**80,123**	132,732
Lease liabilities		**4,586**	5,710
Deferred income		**1,588**	1,588
Total current liabilities		**86,761**	140,679
NET CURRENT ASSETS		**2,028,625**	2,192,077
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,189,303**	2,350,330

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

at 30 June 2024 – unaudited

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**4,267**	2,706
Deferred income	**4,764**	5,558
Total non-current liabilities	**9,031**	8,264
Net assets	**2,180,272**	2,342,066
EQUITY		
Equity attributable to equity shareholders of the Company		
Share capital	**689**	731
Reserves	**2,179,583**	2,341,335
Total equity	**2,180,272**	2,342,066

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 25 February 2014. The registered office address of the Company is located at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The principal place of business in Hong Kong of the Company is located at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the research and development, production, marketing and sale of pharmaceutical products.

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 1 August 2018.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), It was authorised for issue on 30 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial report performed by the independent auditor of the entity*, issued by the HKICPA.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to the interim financial report for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("**2020 amendments**")*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("**2022 amendments**")*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, *Presentation of financial statements* ("**2020 and 2022 amendments**", or collectively the "**HKAS 1 amendments**")

The HKAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. Since those disclosures are not required for any interim period presented within the annual reporting period in which the amendments are initially applied, the Group has not made additional disclosures in the interim financial report. The amendments do not have a material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

3. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

No further geographical segment information is presented as 100% of the Group's revenue is derived from customers based in Mainland China.

(b) Non-current assets

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Mainland China	**120,339**	95,206
Cayman Islands	**2**	6
United States	**40,337**	63,041
Total	**160,678**	158,253

The non-current asset information above is based on the locations of the assets.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**–**	46,506

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Sale of products	**–**	43,788
Others	**–**	2,718
Total revenue from contracts with customers	**–**	46,506
Geographical markets		
Mainland China	**–**	46,506
Timing of revenue recognition		
Goods/services transferred at a point in time		
– Sale of products	**–**	43,788
– Others	**–**	2,718
Total revenue from contracts with customers	**–**	46,506

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Bank interest income	**48,076**	48,964
Investment income from wealth management products	**3,634**	3,865
Investment income from transferable certificate of deposit	**510**	–
Government grants (note i)	**12,226**	4,359
Foreign exchange gain, net	**2,326**	17,853
Gain on dilution of interest in associate (note ii)	**21,147**	–
Net loss arising from fair value remeasurement of interest in a former associate (note iii)	**(24,546)**	–
Net unrealized loss of interest in Sagimet measured at FVPL	**(14,369)**	–
Total	**49,004**	75,041

Notes:

(i) The government grants mainly represent subsidies received from the local governments for the purpose of compensation for expenses arising from research activities and clinical trials and capital expenditure incurred on certain projects, and awarding the new drug development.

(ii) Gain on dilution of interest in associate represents the decrease in interest of Sagimet Biosciences Inc. ("**Sagimet**") results from the dilution due to the post-IPO financing completed on 30 January 2024.

(iii) On 5 June 2024, Dr. Wu's service as a member of the board of Sagimet ended effectively as of the Annual Meeting of Stockholders of Sagimet, and in accordance with the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws of Sagimet, the Group no longer has the right to appoint directors to the board of Sagimet. Therefore, the directors of the Company are in the view that the Group lost significant influence on Sagimet on 5 June 2024. The Group ceased to account for the equity interest in Sagimet under equity method and recognized a loss of RMB24,546,000 in the consolidated statements of profit or loss, which represented the difference between the fair value of the retained interest and the carrying amount of the investment at the date on which significant influence was lost. Since the loss of significant influence on Sagimet, the Group recognized the equity interest in Sagimet as a financial asset measured at fair value through profit or loss.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

(a) Finance cost

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**112**	70

(b) Other items

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**–**	7,886
Depreciation of items of property, plant and equipment	**6,126**	6,332
Depreciation of right-of-use assets	**2,296**	1,184
Amortisation of intangible assets	**1,899**	1,257
Write-down of inventories to net realisable value	**353**	6
Reversal of impairment of trade receivables	**(2)**	(5)
Auditor's remuneration	**551**	543
Lawsuit expenses	**20,459**	6,013
Equity-settled share award and option expense	**1,666**	1,928

7. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from jurisdictions in which members of the Group are domiciled and operate.

The Group calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The Group did not incur any income tax expenses as the Group did not generate taxable income for the periods ended 30 June 2024 and 2023.

8. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB130,318,000 (six months ended 30 June 2023: RMB16,559,000) and the weighted average of 1,016,412,000 ordinary shares (six months ended 30 June 2023: 1,086,924,000) in issue during the interim period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2024 and 2023 in respect of a dilution as the impact of the share award and options had an anti-dilutive effect on the basic loss per share amounts presented.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets at a cost of RMB1,432,000 (six months ended 30 June 2023: RMB691,000).

No assets were disposed of by the Group during the six months ended 30 June 2024 (six months ended 30 June 2023: RMB8,000), resulting in no net loss on disposal (six months ended 30 June 2023: RMB3,000).

10. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, the Group entered into a lease agreement for use of office, and therefore recognised the additions to right-of-use assets of RMB3,950,000 (six months ended 30 June 2023: nil).

11. TRADE RECEIVABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Trade receivables	**–**	5,434
Impairment	**–**	(2)
	–	5,432

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Within 3 months	**–**	–
3 to 6 months	**–**	–
6 to 12 months	**–**	5,432
	–	5,432

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Within 3 months	**109**	644
3 to 12 months	**355**	5
1 to 2 years	**–**	–
	464	649

13. CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The board of directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

(b) Repurchase of own shares

During the interim period, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Highest price paid per share *HKD*	Lowest price paid per share *HKD*	Aggregate price paid (including transaction fee) *HKD'000*
January 2024	21,813,000	1.76	1.24	31,952
February 2024	8,150,000	1.90	1.56	14,033
Total				
Equivalent to RMB'000				41,830

The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased shares of HKD45,985,000 (equivalent to RMB41,830,000) was fully paid.

(c) Cancellation of share repurchased

During the six months ended 30 June 2024, the Company cancelled 59,981,000 shares (six months ended 30 June 2023: nil).

14. CONTINGENT LIABILITIES

On 29 December 2022, Viking Therapeutics, Inc. ("**Viking**"), a pharmaceutical company in the United States, filed certain complaints against the Company, its founder Jinzi Jason WU and certain subsidiaries of the Company in connection with the Group's drug candidates ASC41 and ASC43F. There is no major progress since 1 January 2024 and the relevant investigation and litigation proceedings are ongoing. The Company believes that the allegations brought by Viking have no merit and will vigorously defend against the complaints. Accordingly, the Group has not made any provision for the allegations arising from the complaints filed by Viking as at 30 June 2024.

In March 2024, Ascletis Pharmaceuticals Co., Ltd. (歌禮藥業(浙江)有限公司), a subsidiary of the Company was involved in an arbitration proceeding initiated by Fujian Cosunter Pharmaceutical Co., Ltd. (福建廣生堂藥業股份有限公司) and Fujian Guangsheng Zhonglin Biotechnology Co., Ltd (福建廣生堂中霖生物科技有限公司) (together "Claimants"), two pharmaceutical companies with related relationship in China, due to commercial contracts dispute on ritonavir tablets sales and ritonavir non-exclusive license. The first hearing of the arbitration took place in July 2024 and there have not been any decisions regarding the Claimants' requests for compensation. Therefore, the impact of the arbitration on the Group's profit for the current period or thereafter is still uncertain. As at 30 June 2024, the Group has not made any provision for the arbitration.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions of the CG Code as its own code of corporate governance. The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the Reporting Period, except for a deviation from the code provision C.2.1 of part 2 of the CG Code, the roles of chairman of the Board and chief executive officer of the Company are not separate and are both performed by Dr. Wu. The Company is an investment holding company with a professional management team to monitor the operations of the subsidiaries. The Board considers that vesting the roles of chairman of the Board and chief executive officer in the same person is more efficient in the direction and management of the Company and does not impair the balance of power and authority of the Board and the management of the business of the Company. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Written Guidelines on no less exacting terms than the Model Code as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines throughout the Reporting Period and up to the date of this announcement. No incident of non-compliance of the Written Guidelines by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 29,963,000 Shares on the Stock Exchange at an aggregate consideration of HK$45,846,210.00.

As at the date of this announcement, the above mentioned 29,963,000 Shares have been cancelled and the total number of Shares in issue has been reduced accordingly.

Particulars of the Shares repurchased during the Reporting Period are as follows:

Trading Month	Number and Method of Shares repurchased	Price Per share Highest price paid *(HK$)*	Price Per share Lowest price paid *(HK$)*	Aggregate Consideration Paid *(HK$)*
January 2024	21,813,000 on the Stock Exchange	1.76	1.24	31,854,080.00
February 2024	8,150,000 on the Stock Exchange	1.90	1.56	13,992,130.00

Save for the above, during the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CHANGES IN DIRECTORS' INFORMATION

Changes in Directors' biographical details during the Reporting Period are as follows:

(1) Dr. Wu, our Chairman and executive Director, has ceased to be the director of Sagimet (Nasdaq: SGMT) since June 5, 2024; and

(2) Mr. Jiong GU, our independent non-executive Director, has ceased to be the chief financial officer and vice president of CMC Holdings Limited (華人文化有限責任公司) since July 12, 2024.

Save as disclosed above, there is no other update on the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SUPPLEMENTAL INFORMATION TO THE ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

References are made to the annual report of the Company for the year ended December 31, 2023 (the "**2023 Annual Report**").

As at January 1, 2023, the unutilized net proceeds from the Global Offering brought forward from the previous financial year amounted to HK$1,515.3 million. On June 14, 2023, the Board resolved to change the use of the unutilized net proceeds from the Global Offering of such HK$1,515.3 million brought forward from the previous financial year (the "**Reallocation**").

In 2023, prior to the Reallocation, the Company had utilized HK$122.9 million for (i) continued research and development of the Core Product pipeline in viral hepatitis, non-alcoholic steatohepatitis（NASH), HIV/AIDS, and supporting the research and development of new pipeline drug candidates; and (ii) the working capital and other general corporate purpose. Such net proceeds were utilized in the same manner, proportion and the expected time frame as set out in the announcement of the Company dated November 18, 2020 in relation to the changes in use of proceeds from the Global Offering. From the Reallocation and up to December 31, 2023, the Company had utilized HK$191.2 million for (i) continued research and development of ASC22, ASC11 and ASC10, and other pipeline products in viral hepatitis, HIV/AIDS and other viruses, pipeline products in oncology, pipeline products in NASH/PBC, and supporting the research and development of new pipeline drug candidates; (ii) upfront and milestone payments of in-licensing new drug candidates; and (iii) the working capital and other general corporate purpose. Such net proceeds were utilized in the same manner, proportion and the expected time frame as set out in the announcement of the Company dated June 14, 2023 in relation to the change in the use of proceeds from the Global Offering.

REVIEW OF INTERIM RESULTS

The independent auditor of the Company, namely, KPMG, has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Jiong GU, Dr. Yizhen WEI, and Ms. Lin HUA. The chairman of the Audit Committee is Mr. Jiong GU. The Audit Committee has jointly reviewed with the management the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended June 30, 2024) of the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events after the Reporting Period and up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend payment of an interim dividend for the six months ended June 30, 2024.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.ascletis.com). The interim report for the six months ended June 30, 2024 containing all the information in accordance with the requirements under the Listing Rules will be dispatched to the Shareholders who request printed copies and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

"3CLPro"	3-chymotrypsin like protease
"AAD"	American Academy of Dermatology
"ART"	antiretroviral therapy
"Ascletis", "Company", "the Company" or "We"	Ascletis Pharma Inc. (歌禮製藥有限公司), an exempted company incorporated in the Cayman Islands with limited liability on February 25, 2014
"Ascletis BioScience"	Ascletis BioScience Co., Ltd. (歌禮生物科技(杭州)有限公司), a limited liability company established in the PRC on April 26, 2013 and an indirectly wholly-owned subsidiary of the Company
"Ascletis Pharmaceuticals"	Ascletis Pharmaceuticals Co., Ltd. (歌禮藥業(浙江)有限公司), a limited liability company established in the PRC on September 24, 2014 and an indirectly wholly-owned subsidiary of the Company
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"cccDNA"	covalently closed circular DNA
"CA"	cell-associated
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"CHB"	chronic hepatitis B
"China", "Mainland China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this announcement, our Core Products include Ganovo® (Danoprevir), Ravidasvir, ASC09 and ASC06

"COVID-19"	an infectious disease caused by the coronavirus (severe acute respiratory syndrome coronavirus 2), first reported in December 2019
"Director(s)"	the director(s) of the Company
"DNA"	deoxyribonucleic acid
"DNL"	de novo lipogenesis
"Dr. Wu"	Dr. Jinzi Jason WU (吳勁梓), the founder, chairman of the Board, chief executive officer and one of the controlling shareholders of the Company and the spouse of Mrs. Judy Hejingdao Wu
"EASL"	European Association for the Study of the Liver
"EIDD-1931"	β-d-N4-Hydroxycytidine
"FASN"	fatty acid synthase
"FDA"	U.S. Food and Drug Administration
"FVPL"	fair value through profit or loss
"Gannex"	Gannex Pharma Co., Ltd. (甘萊製藥有限公司), a limited liability company established under the laws of the PRC on September 3, 2019 and an indirectly wholly-owned subsidiary of the Company
"GBM"	glioblastoma
"Global Offering"	has the meaning ascribed to it in the Prospectus
"Greater China"	Mainland China, Hong Kong, Macau and Taiwan
"Group", "our Group" or "the Group"	the Company and its subsidiaries
"HBsAg"	hepatitis B surface antigen
"HBV"	hepatitis B virus
"HEp-2"	human epithelioma-2
"HIV"	human immunodeficiency virus
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	the Hong Kong Financial Reporting Standards

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IND(s)"	investigational new drug(s), (an) experimental drug for which a pharmaceutical company obtains permission to ship across jurisdictions (usually to clinical investigators) before a marketing application for the drug has been approved
"LDL-C"	low-density lipoprotein cholesterol
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on August 1, 2018
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"mAb"	monoclonal antibody
"Main Board"	the Main Board of the Stock Exchange
"MASH"	metabolic dysfunction-associated steatohepatitis
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"MRI-PDFF"	magnetic resonance imaging proton density fat fraction
"NAFLD"	non-alcoholic fatty liver disease
"NAs"	Nucleot(s)ide analogues
"NAS"	NAFLD activity score
"NASH"	non-alcoholic steatohepatitis
"NHC"	β-D-N4-hydroxycytidine
"NMPA"	China National Medical Products Administration (中國國家藥品監督管理局)
"PBC"	primary biliary cholangitis
"PD-1"	programmed cell death protein 1
"PD-L1"	programmed death 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

"PFS"	progression-free survival
"Prospectus"	the prospectus of the Company dated July 20, 2018
"R&D"	research and development
"RdRp"	RNA-dependent RNA polymerase
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the six-month period from January 1, 2024 to June 30, 2024
"rGBM"	recurrent glioblastoma
"RNA"	ribonucleic acid
"RSV"	respiratory syncytial virus
"Shanghai Roche"	Shanghai Roche Pharmaceuticals Ltd. (上海羅氏製藥有限公司)
"Sagimet"	Sagimet Biosciences Inc., a corporation incorporated in Delaware in December 2006, whose shares are listed on the Nasdaq Stock Market (stock code: SGMT)
"Share(s)"	ordinary shares in the share capital of our Company of US$0.0001 each
"Shareholder(s)"	holder(s) of Shares
"Share Option Scheme"	the share option scheme adopted by the Company on June 6, 2019
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TG"	triglyceride
"Th17"	T helper 17 cells
"THRβ"	thyroid hormone receptor beta
"U.S."	United States of America
"U.S. dollar(s)", "USD" or "US$"	United States dollars, the lawful currency of the United States of America

"VEGF"	vascular endothelial growth factor
"Viking"	Viking Therapeutics, Inc.
"Written Guidelines"	the Guidelines for Securities Transactions by Directors adopted by the Company
"%"	per cent

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

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,
August 30, 2024

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.