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**Ascletis Pharma Inc.**

**歌禮製藥有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1672)**

## **ANNOUNCEMENT**

### **CHANGE IN USE OF PROCEEDS**

This announcement is made by Ascletis Pharma Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

### **CHANGE IN USE OF PROCEEDS**

References are made to (i) the prospectus issued by the Company dated July 20, 2018 (the “**Prospectus**”) in relation to the proposed use of proceeds from the Global Offering; (ii) the announcement of the Company dated November 18, 2020 in relation to the change in the use of proceeds from the Global Offering (the “**Previous Announcement**”); and (iii) the announcement of the Company dated June 14, 2023 in relation to the change in the use of proceeds from the Global Offering (the “**Announcement**”). Unless the context requires otherwise, capitalized terms used herein shall bear the same meanings as defined in the Prospectus, the Previous Announcement and the Announcement.

Following the adjustment of the Company’s R&D focus and sales and marketing strategies as set out in the Announcement, the Company has decided to further revise the allocation and usage of the proceeds from the Global Offering to better utilize its financial resources. As at June 30, 2024, approximately HK\$1,008.7 million of the net proceeds from the Global Offering remain unutilized, representing approximately 33.9% of the net proceeds from the Global Offering (the “**Unutilized Net Proceeds**”). On September 23, 2024, the Board has resolved to further change the use of the Unutilized Net Proceeds to better utilize its funds (the “**2024 Allocation**”). The table below sets out the proposed application and usage of the net proceeds as at June 30, 2024.

Use of Proceeds	Revised allocation of the Net Proceeds as disclosed in the Announcement		Unutilized net proceeds as at December 31, 2023	Unutilized Net Proceeds as at June 30, 2024	Unutilized Net Proceeds after the 2024 Allocation		Expected timeline for utilizing the Unutilized Net Proceeds after the 2024 Allocation
	(HK\$ million)	(%)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(%)	
For continued research and development of ASC22, ASC11 and ASC10, and other pipeline products in viral hepatitis, HIV/AIDS and other viruses	681.9	45.0	638.2	619.1	340.2	33.7	The remaining amount is expected to be utilized in around three years from December 31, 2023
For continued research and development of pipeline products in oncology	227.3	15.0	175.6	151.6	140.6	13.9	The remaining amount is expected to be utilized in around three years from December 31, 2023
For continued research and development of pipeline products in NASH/PBC	227.3	15.0	164.0	98.1	63.4	6.3	The remaining amount is expected to be utilized in around three years from December 31, 2023
For upfront and milestone payments of in-licensing new drug candidates	151.5	10.0	138.2	138.2	54.6	5.4	The remaining amount is expected to be utilized in around three years from December 31, 2023
For supporting the research and development of new pipeline drug candidates	151.5	10.0	84.6	1.7	310.5	30.8	The remaining amount is expected to be utilized in around three years from December 31, 2023
For the working capital and other general corporate purposes	75.8	5.0	0.6	-	99.4	9.9	The remaining amount is expected to be utilized in around three years from December 31, 2023
<b>Total</b>	<b>1,515.3</b>	<b>100.0</b>	<b>1,201.2</b>	<b>1,008.7</b>	<b>1,008.7</b>	<b>100.0</b>	

### Reasons for Change in Use of the Unutilized Net Proceeds

The main reasons for the above changes in the proposed applications in the Announcement and change of the Unutilized Net Proceeds are as follows:

- (i) As disclosed in the annual report for the year ended December 31, 2023 of the Company (“**2023 Annual Report**”), approximately 45.0% of the Net Proceeds would be used for the continued research and development of ASC22, ASC11 and ASC10, and other pipeline products in viral hepatitis, HIV/AIDS and other viruses. The Company has resolved to allocate 33.7% of the Unutilized Net Proceeds for the aforementioned purpose. Such changes in the use of Unutilized Net Proceeds were made in response to the change of market conditions.

- (ii) As disclosed in the 2023 Annual Report, approximately 10% of the Net Proceeds were originally intended to be used for supporting the research and development of new pipeline drug candidates by the Group. With reference to the Company's announcement dated September 17, 2024, the Company has decided to enter the obesity drug space with two ongoing U.S. Phase I clinical trials utilizing its small molecule GLP-1R agonist ASC30 for both once-monthly subcutaneous injection and once-daily oral tablet for the treatment of obesity. The Company received clearance for its Investigational New Drug (IND) applications from the U.S. Food and Drug Administration (FDA) in July 2024 for ASC30 tablets and September 2024 for ASC30 injection. The Company thus has resolved to reallocate 30.8% of the Unutilized Net Proceeds for supporting the research and development of new pipeline drug candidates, including ASC30.
- (iii) As disclosed in the 2023 Annual Report, approximately 5% of its Net Proceeds was previously allocated to the working capital and other general corporate purposes. However, the Company has resolved to increase the allocation to approximately 9.9% of the Unutilized Net Proceeds to the working capital and other general corporate purposes, as this will enhance the Group's financial management flexibility.

The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus, and considers that the above changes in the use of the Unutilized Net Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

**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.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities 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  
September 23, 2024

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