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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024 AND CHANGE IN THE USE OF PROCEEDS

The Board hereby announces the audited condensed consolidated annual results of the Group for the year ended December 31, 2024, together with the comparative figures for the year ended December 31, 2023 as follows.

FINANCIAL HIGHLIGHTS

	2024	2023
	RMB'000	*RMB'000*
Revenue	**1,283**	56,596
Cost of sales	**(548)**	(30,606)
Gross profit	**735**	25,990
Other income and gains	**119,793**	184,650
Selling and distribution expenses	**–**	(387)
Research and development costs	**(302,394)**	(216,781)
Administrative expenses	**(101,744)**	(115,633)
Other expenses	**(11,809)**	(2,135)
Finance costs	**(244)**	(144)
Share of the loss of an associate	**(5,273)**	(20,275)
Loss before taxation	**(300,936)**	(144,715)
Income tax	**–**	–
Loss for the year	**(300,936)**	(144,715)
Attributable to:		
Equity shareholders of the Company	**(300,936)**	(144,715)
	RMB	*RMB*
Loss per share – Basic and diluted	**(30.05) cents**	(13.47) cents

CORPORATE PROFILE

Our Vision

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

Overview

During the Reporting Period and up to the date of this announcement, the Group has made significant progress for its metabolic disease pipeline: (i) ASC30 oral once-daily tablet for obesity demonstrated potential best-in-class characteristics to treat patients with obesity, evidenced by mean body weight reductions from baselines of up to 6.3% after a 28-day treatment; (ii) ASC30 once-monthly or less frequent subcutaneous (SQ) injection for obesity demonstrated potential first-in-class characteristics, as a small molecule GLP-1R agonist against a validated target, to treat patients with obesity. The interim data are expected by the end of March 2025; and (iii) ASC47 once-monthly or less frequent SQ injection for muscle preserving obesity treatment demonstrated potential first-in-class characteristics, as an adipose-targeted small molecule thyroid hormone receptor beta (THRβ) agonist against a novel target, to offer muscle preserving obesity treatment. ASC47 demonstrated a half-life of 40 days in patients with obesity.

These achievements showcase the Group's strong R&D capabilities and longstanding commitments to discovering and developing differentiated pipeline assets with global competitiveness.

To support metabolic disease pipeline, the Group has changed the use of proceeds from the Global Offering pursuant to the resolutions resolved by the Board on March 26, 2025. For details, please see "Change of Use of Proceeds" and "Reasons for and Benefits of the Changes in the Use of Proceeds From the 2024 Allocation" in this announcement.

As of December 31, 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 RMB1,980.8 million (December 31, 2023: approximately RMB2,299.4 million), which is expected to be sufficient to support its R&D activities and operations until 2029.

The R&D expenses of the Group increased by 39.5% from approximately RMB216.8 million for the year ended December 31, 2023 to approximately RMB302.4 million for the year ended December 31, 2024.

The loss for the year of the Group increased from RMB144.7 million for the year ended December 31, 2023 to RMB300.9 million for the year ended December 31, 2024, mainly due to increased R&D expenses for obesity and other metabolic diseases. The Group has sufficient cash to support its innovative research and development for the next five years.

During the Reporting Period and up to the date of this announcement, the Group has made the following progress in the pipeline of metabolic disease and exploratory indication:

Metabolic Disease Pipeline

Product (Modality)	Target	Indication	Commercial Rights	Pre-IND	IND	Phase Ia	Phase Ib	Phase IIa	Phase IIb
ASC30 (Once-daily oral small molecule)	GLP-1R	Obesity	Global						
ASC30 (Once-monthly subcutaneous small molecule)	GLP-1R	Obesity	Global						
ASC47 (Adipose-targeted once-monthly subcutaneous small molecule)	THRβ	Obesity/muscle preserving	Global						

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]					
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]					

Note:

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

Abbreviations:

GLP-1R: GLP-1 receptor; THRβ: Thyroid hormone receptor beta; FASN: Fatty acid synthase; VEGF: Vascular endothelial growth factor.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

Metabolic Diseases

ASC30 oral once-daily tablet for obesity

During the Reporting Period and up to the date of this announcement, the Group has obtained positive interim results from the first two cohorts of its randomized, double-blind, placebo-controlled Phase Ib multiple ascending dose (MAD) study (NCT06680440), conducted in the U.S., of ASC30 oral once-daily tablet in patients with obesity (body mass index (BMI): 30-40 kg/m^2).

Mean body weight reductions from baselines were 4.3% and 6.3% for MAD cohorts 1 and 2, respectively, after 28-day treatment with ASC30 oral once-daily tablets. Placebo-adjusted mean body weight reductions from baselines were 4.2% and 6.2% for MAD cohorts 1 and 2, respectively.

ASC30 was generally well tolerated in MAD cohorts 1 and 2, with a favorable safety profile. There were no SAEs. All gastrointestinal (GI)-related AEs were mild (grade 1) or moderate (grade 2). Weekly titrations of ASC30 improved GI tolerability. In MAD cohort 1, there were no incidences of vomiting. No clinically significant changes in liver enzymes including alanine aminotransferase (ALT), aspartate aminotransferase (AST) and total bilirubin (TBL) were observed. There were no clinically significant findings in laboratory tests, vital signs, ECGs (electrocardiograms, including QTc intervals), and physical exams.

The preliminary data of efficacy and safety has demonstrated a strong competitiveness of ASC30 oral once-daily tablet for obesity on the global basis.

ASC30 is an investigational GLP-1R biased small molecule agonist and has unique and differentiated properties that enable the same small molecule for both oral tablet and SQ injection administrations. ASC30 is a new chemical entity (NCE), with U.S. and global compound patent protection until 2044.

Anticipated 2025 Milestone: Initiate 13-week Phase IIa clinical study in the U.S.

ASC30 once-monthly or less frequent SQ injection for obesity

During the Reporting Period and up to the date of this announcement, the Group has initiated Phase Ib clinical study of ASC30 once-monthly or less frequent SQ injection in patients with obesity in the U.S. and made significant progress.

The Phase Ib study of ASC30 once-monthly or less frequent SQ injection is a randomized, double-blind, placebo-controlled single ascending dose (SAD) study (NCT06679959), conducted in the U.S., in patients with obesity (BMI: 30-40 kg/m^2). The Phase Ib SAD study consists of 8 cohorts with a total of 76 patients. Each cohort consisted 6 to 8 patients on ASC30 SQ injection and two patients in each cohort on matching placebo. After the single SQ injection, the patients were followed up for 12 to 14 weeks.

In animal models, ASC30 injection showed a half-life of up to 40 days, supporting once-monthly or less frequent injection in humans. In NHPs, a single dose of ASC30 SQ injection demonstrated sustained and favorable weight loss over one month compared to six weekly doses of an antibody-peptide conjugate.

ASC30 once-monthly or less frequent SQ injection has potentially strong competitive advantages (less frequent injections and/or lower cost of goods) against weekly-injected peptide GLP-1 drugs and monthly injected antibody-peptide conjugate drug candidate.

Anticipated 2025 Milestone: Announce topline results from Phase Ib clinical study in the U.S.

ASC47 once-monthly or less frequent SQ injection for muscle preserving obesity treatment

During the Reporting Period and up to the date of this announcement, the Group has announced positive topline results of Phase Ib studies of ASC47 monotherapy in Australia, and obtained the U.S. FDA clearance of IND application for ASC47 in combination with semaglutide.

ASC47, an adipose-targeted muscle-preserving weight loss drug candidate for the treatment of obesity, demonstrated a half-life of up to 26 days and 40 days, respectively, in Phase Ib single SQ injection studies in healthy subjects with elevated low-density lipoprotein cholesterol (LDL-C) and patients with obesity, supporting once-monthly to once-bimonthly administration.

ASC47 single SQ injection (90 mg) in patients with obesity demonstrated a weight loss signal. Placebo-adjusted mean weight loss was 0.2% (day 29), 1.0% (day 43), and peaked at 1.7% (day 50), consistent with the speed of weight loss anticipated given ASC47's mechanism of action.

ASC47 single SQ injection demonstrated good tolerability up to 90 mg with no SAEs and no discontinuations due to AEs. The majority of AEs were mild (grade 1). There was no heart rate increase or abnormal liver enzyme changes.

The previous preclinical data indicated that in a head-to-head DIO mouse study, adipose-targeted low-dose ASC47 (human equivalent dose of 20 mg) in combination with semaglutide demonstrated not only a 56.7% greater reduction in body weight compared to semaglutide monotherapy but also muscle preservation. Interim data from a Phase I SAD study in Australia in subjects with elevated LDL-C (NCT06427590) showed that ASC47, via SQ injection, demonstrated a half-life of 21 days. Further, ASC47 demonstrated a good tolerability profile up to 90 mg with no SAEs and no discontinuations due to AEs. The majority of AEs were mild (grade 1). There were no gastrointestinal or cardiac AEs reported, as well as no abnormal liver enzymes reported. The Australian SAD study is still ongoing with higher doses of ASC47.

ASC47 is an adipose-targeted, ultra-long-acting SQ injected THRβ selective small molecule agonist, discovered and developed in-house at Ascletis. ASC47 possesses unique and differentiated properties to enable adipose targeting, resulting in dose-dependent high drug concentrations in the adipose tissue.

Anticipated 2025 Milestone: Complete the clinical study in the U.S. for ASC47 in combination with semaglutide.

Viral Diseases

ASC22 for CHB Functional Cure

After comprehensive assessment based on strategic planning and resources optimization, the Group decided to terminate this program.

ASC10 for RSV

After comprehensive assessment based on strategic planning and resources optimization, the Group decided to terminate this program.

ASC22 for HIV Functional Cure

After comprehensive assessment based on strategic planning and resources optimization, the Group decided to terminate this program.

MASH

ASC40 for MASH

The Group will make further assessment and seek opportunities to maximize the value of this program.

ASC41 for MASH

After comprehensive assessment based on market competitiveness, strategic planning and resources optimization, the Group decided not to pursue any further development (including Phase III trials) for ASC41.

Oncology Pipeline (Lipid Metabolism and Oral Checkpoint Inhibitors)

ASC40 for recurrent glioblastoma (rGBM)

GBM is the most aggressive diffuse glioma of astrocytic lineage and is considered a grade IV glioma based on the World Health Organization classification[1]. 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[2]. 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[3].

Next Step in 2025: The Group will seek opportunities to maximize the value of this program.

ASC61 for solid tumors

Since the Phase I study in the U.S. is completed, the Group will seek license-out opportunities to maximize the value of this program.

Exploratory Indication Pipeline

ASC40 for moderate to severe acne

Acne is the eighth most prevalent disease in the world and affects more than 640 million people globally[4]. 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[5].

Next Step in 2025: Complete Phase III clinical study and seek commercial partner to maximize the value of this program.

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.

Notes:

1. 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.

2. 2017 China Cancer Registry Annual Report.

3. 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.

4. 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.

5. 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.

THE GROUP'S FACILITIES

The Group has manufacturing facilities located in Shaoxing, Zhejiang Province with a total gross floor area of 17,000 square meters. Our manufacturing facility is 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 of December 31, 2024, we had 11 wholly-owned subsidiaries. Our business was mainly conducted through three operating subsidiaries in China, namely Ascletis BioScience, Ascletis Pharmaceuticals and Gannex Pharma.

OTHER UPDATES

While vigorously developing its candidates in the metabolic disease pipeline, the Group is seeking proper opportunities to license out its multiple clinical assets.

FUTURE AND OUTLOOK

The Group has established a comprehensive metabolic disease pipeline with key clinical stage assets. The followings are strategies and outlook for 2025:

1. announce topline results from Phase Ib clinical study in the U.S. for ASC30 once-monthly or less frequent SQ injection for obesity;

2. initiate 13-week Phase IIa clinical study in the U.S. for ASC30 oral once-daily tablet for obesity;

3. complete clinical study in the U.S. for ASC47 in combination with semaglutide;

4. continue to strengthen early discovery efforts to develop more pipeline assets with global best-in-class and first-in-class competitiveness; and

5. seek license-out opportunities with global large pharma companies to maximize the value of the Group.

FINANCIAL REVIEW

Cash, Cash Equivalent and Other Capital Resources

As at December 31, 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 RMB1,980.8 million (December 31, 2023: approximately RMB2,299.4 million), which is expected to be sufficient to support its R&D activities and operations until 2029.

Revenue

The total revenue of the Group decreased from approximately RMB56.6 million for the year ended December 31, 2023 to approximately RMB1.3 million for the year ended December 31, 2024 primarily due to the Group strategically realigned its resources in 2024 due to the alleviation of COVID-19, resulting in no revenue from certain specific product line.

Cost of Sales

The cost of sales of the Group decreased from approximately RMB30.6 million for the year ended December 31, 2023 to approximately RMB0.5 million for the year ended December 31, 2024 in line with the overall revenue trend of the Group for the same period.

Gross Profit

For the year ended December 31, 2024, the Group recorded a gross profit of approximately RMB0.7 million, compared to a gross profit of approximately RMB26.0 million for the year ended December 31, 2023 in line with the overall revenue trend of the Group for the same period.

Other Income and Gains

The other income and gains of the Group decreased by 35.1% from approximately RMB184.7 million for the year ended December 31, 2023 to approximately RMB119.8 million for the year ended December 31, 2024, primarily due to (i) a significant decrease in gain on dilution of interest in associate from approximately RMB60.6 million for the year ended December 31, 2023 to approximately RMB21.1 million for the year ended December 31, 2024, which represents the decrease in interest of Sagimet resulting from the dilution due to the IPO financing and post-IPO financing of Sagimet; and (ii) a significant increase in net loss arising from fair value remeasurement of interest in a former associate from nil for the year ended December 31, 2023 to approximately RMB24.5 million for the year ended December 31, 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.

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

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

	Year ended December 31,			
	2024		2023	
	RMB '000	***%***	*RMB '000*	*%*
Bank interest income	**92,237**	**77.0**	99,278	53.8
Government grants	**21,148**	**17.7**	6,603	3.6
Gain on dilution of interest in associate	**21,147**	**17.7**	60,587	32.7
Net realized and unrealized gains on wealth management products	**6,351**	**5.3**	8,387	4.5
Foreign exchange gain, net	**4,149**	**3.5**	9,699	5.3
Net realized and unrealized gains on financial assets at FVOCI	**949**	**0.8**	–	–
Others	**11**	**0.0**	96	0.1
Net unrealized loss of interest in Sagimet measured at FVPL	**(1,653)**	**(1.4)**	–	–
Net loss arising from fair value remeasurement of interest in a former associate	**(24,546)**	**(20.6)**	–	–
Total	**119,793**	**100.0**	184,650	100.0

Selling and Distribution Expenses

For the year ended December 31, 2024, we did not record any selling and distribution expenses (for the year ended December 31, 2023: approximately RMB0.4 million), mainly because we have ceased to proactively promote HCV products since 2023.

Administrative Expenses

The administrative expenses of the Group decreased by 12.0% from approximately RMB115.6 million for the year ended December 31, 2023, to approximately RMB101.7 million for the year ended December 31, 2024, primarily due to decrease in staff related costs and consulting fees.

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

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

	Year ended December 31,			
	2024		2023	
	RMB '000	***%***	*RMB '000*	*%*
Agency and consulting fees	**50,671**	**49.8**	62,428	54.0
Staff salary and welfare costs	**34,047**	**33.5**	38,864	33.6
Utilities, rent and general office expenses	**12,137**	**11.9**	14,193	12.3
Others	**4,889**	**4.8**	148	0.1
Total	**101,744**	**100.0**	115,633	100.0

R&D Expenses

The Group's R&D expenses primarily consisted of preclinical and clinical trial expenses, staff costs and depreciation and amortization costs.

The R&D expenses of the Group increased by 39.5% from approximately RMB216.8 million for the year ended December 31, 2023 to approximately RMB302.4 million for the year ended December 31, 2024, primarily due to the rise in overseas clinical expenses and increased technical service costs associated with preclinical and clinical projects.

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

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Preclinical and clinical expenses	**176,402**	89,895
Staff costs	**101,532**	103,121
Depreciation and amortization costs	**12,353**	10,868
Others	**12,107**	12,897
Total	**302,394**	216,781

The following table sets forth the components of our R&D costs by product pipeline for the years indicated:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Metabolic diseases	**99,237**	12,290
Exploratory indications		
– ACNE	**81,472**	31,557
– Oncology	**34,049**	48,750
– MASH/PBC	**24,407**	51,212
– Viral diseases	**11,381**	32,950
Pre-clinical	**51,848**	40,022
Total	**302,394**	216,781

Finance Costs

The Group recorded finance costs of approximately RMB0.2 million for the year ended December 31, 2024, due to the interest on the lease liabilities (for the year ended December 31, 2023: approximately RMB0.1 million).

Other Expenses

Other expenses of the Group increased by 453.1% from approximately RMB2.1 million for the year ended December 31, 2023 to approximately RMB11.8 million for the year ended December 31, 2024, mainly due to the increased impairment of other intangible assets.

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

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Impairment of other intangible assets	**10,579**	–
Others[1]	**1,230**	1,686
Donation	**–**	449
Total	**11,809**	2,135

1. "Others" include costs of disposal of inventories and items of property, plant and equipment, and impairment of prepayments, among others.

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 operated.

The Group calculates 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 expenses as the Group did not generate taxable income for the years ended December 31, 2023 and 2024.

Inventories

The inventories of the Group consisted of raw materials used in R&D and work in progress. Our inventories decreased from approximately RMB6.1 million for the year ended December 31, 2023 to approximately RMB4.4 million as at December 31, 2024, mainly due to the increased impairment of inventories.

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

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Raw materials	**4,373**	5,667
Work in progress	**–**	404
Total	**4,373**	6,071

Trade Receivables

The Group's trade receivables decreased from approximately RMB5.4 million as at December 31, 2023 to approximately RMB0.2 million as at December 31, 2024, primarily due to the Group's receipt of promotion service fee for Pegasys® in China from Shanghai Roche.

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**152**	5,434
Less: Impairment of trade receivables	**–**	2
Total	**152**	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:

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**152**	–
3 to 6 months	**–**	–
6 to 12 months	**–**	5,432
	152	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:

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Value-added tax recoverable	**9,111**	14,277
Deposits and other receivables	**4,990**	3,843
Cash in transit	**1,404**	–
Prepayments	**1,248**	4,131
Prepaid expenses	**1,009**	1,026
Impairment	**–**	(1,427)
Total	**17,762**	21,850

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 36.2% from approximately RMB14.3 million as at December 31, 2023 to approximately RMB9.1 million as at December 31, 2024, which was mainly due to the increase in value-added taxes refund.

Deposits and other receivables are miscellaneous expenses including rental and other deposits.

Our prepayments mainly represented our purchase of clinical trial services. Our prepayments decreased by 69.8% from approximately RMB4.1 million as at December 31, 2023 to approximately RMB1.2 million as at December 31, 2024, primarily due to the decreased prepayments of non-refundable royalty fee to Roche and prepayments in relation to R&D.

Prepayments to suppliers as at December 31, 2024 are due within one year.

As of the date of this announcement, no impairment losses were provided for the Group's prepayments, other receivables and other assets.

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

The non-current portion of financial assets at FVPL of the Group increased from nil as at December 31, 2023 to approximately RMB53.5 million as at December 31, 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 the 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.

Financial Assets at Fair Value through Profit and Loss –Current

The current portion of financial assets at FVPL of the Group decreased from approximately RMB24.8 million as at December 31, 2023 to approximately RMB7.4 million as at December 31, 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 s time deposits and cash and cash equivalents as at the dates indicated:

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Time deposits	**1,074,436**	1,944,457
Cash and cash equivalents	**864,326**	330,117
Total	**1,938,762**	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 and time deposits earn interest at floating rates based on daily bank deposit rates and the respective time 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:

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**31**	649
Total	**31**	649

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

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**31**	644
3 to 12 months	**–**	5
Total	**31**	649

Other Payables and Accruals

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

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Accrued expenses	**66,002**	34,009
Other payables	**45,737**	40,860
Provisions	**15,265**	**–**
Payroll payable	**13,715**	56,141
Taxes other than income tax	**4,078**	1,722
Contract liabilities	**391**	–
Total	**145,188**	132,732

The accrued expenses as at December 31, 2024 mainly represented the accrued R&D expenses actually incurred but not yet invoiced. The accrued expenses increased from approximately RMB34.0 million as at December 31, 2023 to approximately RMB66.0 million as at December 31, 2024. The accrued expenses are non-interest-bearing and due within one year.

Our other payables remained relatively stable and increased from approximately RMB40.9 million as at December 31, 2023 to approximately RMB45.7 million as at December 31, 2024.

The provisions increased from nil as at December 31, 2023 to approximately RMB15.3 million as at December 31, 2024, mainly because the Group recognized a provision of approximately RMB11.2 million following an arbitration award made on March 10, 2025, following an arbitration 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) concerning certain disputes over commercial contracts between the parties.

Our payroll payables decreased from approximately RMB56.1 million as at December 31, 2023 to approximately RMB13.7 million as at December 31, 2024. This is because our 2023 year-end bonuses were fully paid in 2024 and a portion of our year-end bonuses in 2024 were settled in the same year, resulting a decrease in the accrued bonus and salary to employees.

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:

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Government grants		
– Current	**1,588**	1,588
– Non-current	**3,970**	5,558
Total	**5,558**	7,146

Liquidity and Capital Resources

The primary uses of cash of the Group are to fund its R&D 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 by the proceeds from the Global Offering.

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

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Net cash used in operating activities	**(341,579)**	(223,795)
Net cash generated from investing activities	**978,906**	229,478
Net cash used in financing activities	**(103,508)**	(81,496)
Net increase/(decrease) in cash and cash equivalents	**533,819**	(75,813)
Cash and cash equivalents at the beginning of year	**330,117**	403,768
Effect of foreign exchange rate changes, net	**390**	2,162
Cash and cash equivalents at the end of year	**864,326**	330,117

As at December 31, 2024, our cash and cash equivalents were mainly denominated in Renminbi and U.S. 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 from operating activities mainly consisted of payment of R&D costs and administrative expenses.

For the year ended December 31, 2024, we had net cash used in operating activities of approximately RMB341.6 million, primarily as a result of operating loss before changes in working capital of approximately RMB355.4 million. The changes in working capital are mainly due to payment of R&D 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, purchase of financial assets at FVPL, and financial assets at FVOCI.

For the year ended December 31, 2024, our net cash generated from investing activities was approximately RMB978.9 million, primarily due the decrease in time deposits of approximately RMB866.0 million.

Financing Activities

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

For the year ended December 31, 2024, our net cash used in financing activities was approximately RMB103.5 million, primarily attributable to repurchase of shares in an aggregate consideration of approximately RMB98.5 million.

Capital Expenditures

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

	December 31,	
	2024	2023
	RMB'000	*RMB'000*
Office equipment	**1,493**	2,622
Plant and machinery	**477**	1,773
Construction in progress	**–**	839
Total	**1,970**	5,234

Our capital expenditures decreased by 62.4% from approximately RMB5.2 million as at December 31, 2023 to approximately RMB2.0 million as at December 31, 2024, primarily because we have reduced the purchase of the machinery and office equipment for laboratory renovation.

Significant Investments, Material Acquisitions and Disposals

During the year ended December 31, 2024, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries and associate companies.

Future Plans for Material Investments or Capital Assets

Save as disclosed under the section headed "Future Plans and Use of Proceeds" in the Prospectus and the section headed "Change of Use of Proceeds" in this announcement, the Group does not have any other plans for material investments or capital assets.

Indebtedness

Borrowings, Charges of Assets and Guarantees

As at December 31, 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, any guarantees or other material contingent liabilities.

Contingent Liabilities

On December 29, 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. One complaint was made with the United States International Trade Commission, Washington D.C. (the "**ITC**") and another complaint was made with the United States District Court, Southern District of California, (the "**USDC**") San Diego Division, each covering similar allegations.

On October 4, 2024, the Company received an initial determination from the ITC on the complaint (the "**Initial Determination**"). The Initial Determination, made by an Administrative Law Judge of the ITC, found a violation of Section 337 of the Tariff Act of 1930 (as amended) in the importation of the Company's drug candidates ASC41 and ASC43F into the United States. In additional, a monetary sanction of USD567,000 (equivalent to approximately RMB4,038,000) was proposed due to certain procedural issues during the investigation phase. The Company has made a provision for this monetary sanction in the financial statements. As Viking's complaint made with the ITC does not include any pecuniary compensation, the Company believes that the complaint will not have any material adverse effect on the Group.

Regarding the compliant made with USDC, there has been no major progress since January 1, 2024 and up to the date of this announcement, and the relevant investigation and litigation proceedings are ongoing. The Company will vigorously defend against the complaint. Accordingly, the Group has not made any provision for the allegations arising from the compliant made with USDC filed by Viking as at December 31, 2024.

Charges of Assets

As at December 31, 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 RMB0.6 million of capital commitment as at December 31, 2024 and RMB0.2 million of capital commitment as at December 31, 2023.

Key Financial Ratios

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

	December 31,	
	2024	**2023**
Current ratio [(1)]	**12.9**	16.6
Quick ratio [(2)]	**12.8**	16.5
Gearing ratio [(3)]	**7.5%**	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 multiplying by 100%.

Our current ratio decreased from 16.6 as at December 31, 2023 to 12.9 as at December 31, 2024, and our quick ratio decreased from 16.5 as at December 31, 2023 to 12.8 as at December 31, 2024, primarily due to a decrease in current assets.

Our gearing ratio increased from 6.0% as at December 31, 2023 to 7.5 % as at December 31, 2024, primarily due to a decrease in current assets.

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 the 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 our 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

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, salaries paid by comparable companies, time commitment and responsibilities and employment conditions of the Directors and senior management.

As at December 31, 2024, the Group had a total of 231 employees, 229 of which were located in the PRC. Over 81.3% of our employees obtained a bachelor's degree or higher. The table below sets forth our Group's employees by function as disclosed:

	As at December 31, 2024	
	Numbers of employees	**% of total**
Management	4	1.7
R&D	161	69.7
Manufacturing	27	11.7
Operations	39	16.9
Total	231	100.0

Our Group's total staff costs for the year ended December 31, 2024 was approximately RMB136.1 million, compared to approximately RMB144.0 million for the year ended December 31, 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 the share schemes under Chapter 17 of the Listing Rules to provide incentives to employees for their persistent devotion in achieving long-term growth of the Group.

Employee Benefits

A majority of the Group's employees are located in the PRC. These employees are required to participate in a central pension scheme (the "**PRC Pension Scheme**") operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the PRC Pension Scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the PRC Pension Scheme.

For the year ended December 31, 2024, approximately RMB6.4 million was charged in the consolidated income statement of the Group (for the year ended December 31, 2023: approximately RMB6.5 million), which represented contributions paid to the PRC Pension Scheme at rates specified in the rules of the scheme, such as contribution to defined benefit retirement plans. Under the PRC Pension Scheme, no forfeiture contributions will be used by the employers to reduce the existing level of contributions.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2024

(Expressed in Renminbi)

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Revenue	*3*	**1,283**	56,596
Cost of sales		**(548)**	(30,606)
Gross profit		**735**	25,990
Other income and gains	*4*	**119,793**	184,650
Selling and distribution expenses		**–**	(387)
Research and development costs		**(302,394)**	(216,781)
Administrative expenses		**(101,744)**	(115,633)
Other expenses		**(11,809)**	(2,135)
Loss from operations		**(295,419)**	(124,296)
Finance costs	*5*	**(244)**	(144)
Share of the loss of an associate		**(5,273)**	(20,275)
Loss before taxation	*5*	**(300,936)**	(144,715)
Income tax	*6*	**–**	–
Loss for the year		**(300,936)**	(144,715)
Attributable to:			
Equity shareholders of the Company		**(300,936)**	(144,715)
Loss per share			
		RMB	RMB
Basic and diluted	*7*	**(30.05) cents**	(13.47) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024
(Expressed in Renminbi)

	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(300,936)**	(144,715)
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**987**	8
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 the presentation currency	**19,573**	24,517
Other comprehensive income for the year, net of tax	**20,560**	24,525
Total comprehensive loss for the year	**(280,376)**	(120,190)
Attributable to:		
Equity shareholders of the Company	**(280,376)**	(120,190)
Total comprehensive loss for the year	**(280,376)**	(120,190)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Notes	**31 December 2024** ***RMB'000***	31 December 2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**49,249**	59,725
Advance payments for property, plant and equipment		**130**	261
Right-of-use assets		**7,825**	8,552
Other intangible assets		**12,118**	26,315
Investment in an associate		**–**	63,024
Financial assets at fair value through other comprehensive income ("**FVOCI**")		**30,865**	–
Financial assets at fair value through profit or loss ("**FVPL**")		**53,526**	–
Long-term deferred expenditure		**77**	376
Total non-current assets		**153,790**	158,253
Current assets			
Inventories		**4,373**	6,071
Trade receivables	*8*	**152**	5,432
Financial assets at FVPL		**7,365**	24,829
Prepayments, other receivables and other assets	*9*	**17,762**	21,850
Restricted deposits		**2,368**	–
Time deposits		**1,074,436**	1,944,457
Cash and cash equivalents		**864,326**	330,117
Total current assets		**1,970,782**	2,332,756
Current liabilities			
Trade payables	*10*	**31**	649
Other payables and accruals	*11*	**145,188**	132,732
Lease liabilities		**6,246**	5,710
Deferred income		**1,588**	1,588
Total current liabilities		**153,053**	140,679
Net current assets		**1,817,729**	2,192,077
Total assets less current liabilities		**1,971,519**	2,350,330

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in Renminbi)

	Notes	**31 December 2024** ***RMB'000***	31 December 2023 *RMB'000*
Non-current liabilities			
Lease liabilities		**1,387**	2,706
Deferred income		**3,970**	5,558
Total non-current liabilities		**5,357**	8,264
NET ASSETS		**1,966,162**	2,342,066
CAPITAL AND RESERVES			
Share capital	*12(b)*	**689**	731
Reserves		**1,965,473**	2,341,335
Total equity attributable to equity shareholders of the Company		**1,966,162**	2,342,066
TOTAL EQUITY		**1,966,162**	2,342,066

1 GENERAL 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 China is located in Zhejiang Province.

The Company is an investment holding company. The Company's subsidiaries (together with the Company, referred to as the "**Group**") 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 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries and the Group's interest in associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

– financial assets at fair value through profit or loss;

– financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 MATERIAL ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

- 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*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Recognised at a point in time:		
– Sale of products	**681**	51,048
– License fee income	**–**	2,830
– Others	**–**	2,718
	681	56,596
Recognised over time:		
– Provide R&D service	**602**	–
	1,283	56,596

3 REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue (continued)

(ii) Information about major customers

In 2024, two customers of the Group with whom transactions have exceeded 10% of the Group's revenues, of which Sagimet Biosciences Inc. ("**Sagimet**") contributed 53.1%, Northridge Health Group (Hong Kong) Co., Limited ("**Northridge**") contributed 46.9%, and arose outside Mainland China.

In 2023, two customers of the Group with whom transactions have exceeded 10% of the Group's revenues, of which Customer A contributed 60.4%, Customer B contributed 33.7%, and arose in Mainland China.

(iii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

As at 31 December 2023 and 2024, the remaining performance obligations (unsatisfied or partially unsatisfied) for contracts with customers are part of contracts that have original expected duration of one year or less.

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts for maternal, infant and child products such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of maternal, infant and child products that had an original expected duration of one year or less.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and intangible assets ("**specified non-current assets**"). The geographical location of customers is based on their operating location. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets.

3 REVENUE AND SEGMENT REPORTING (continued)

(c) Geographical information (continued)

(i) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**–**	56,596
Other regions	**1,283**	–
Total	**1,283**	56,596

(ii) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**71,941**	86,023
United States	**5**	17
Total	**71,946**	86,040

4 OTHER INCOME AND GAINS

	2024	2023
	RMB'000	*RMB'000*
Government grants *(note i)*	**21,148**	6,603
Bank interest income	**92,237**	99,278
Gain on dilution of interest in associate *(note ii)*	**21,147**	60,587
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	**(1,653)**	–
Net realized and unrealized gains on wealth management products	**6,351**	8,387
Net realized and unrealized gains on financial assets at FVOCI	**949**	–
Foreign exchange gain, net	**4,149**	9,699
Others	**11**	96
Total	**119,793**	184,650

Notes:

(i) The government grants mainly represent subsidies received from the local governments for the purpose of compensation for expenses arising from research activities, clinical trials and daily operating activities 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 Bioscience Inc. ("**Sagimet**") results from the dilution due to the IPO financing and post-IPO financing.

5 LOSS BEFORE TAXATION

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

(a) Finance costs

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**244**	144

(b) Staff costs

	2024	2023
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**126,680**	136,154
Contribution to defined contribution retirement plans	**6,443**	6,523
Equity-settled share-based payment expenses	**3,003**	1,331
	136,126	144,008

(c) Other items

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories *(note i)*	**9,805**	33,382
Cost of services provided	**548**	–
Depreciation charge:		
– property, plant and equipment	**12,107**	12,601
– right-of-use assets	**4,677**	2,731
Amortisation of intangible assets	**3,670**	3,148
Auditors' remuneration		
– audit services	**1,800**	1,800
– tax services	**122**	–
Research and development costs *(note ii)*	**302,394**	216,781
Reversal of impairment loss on trade and other receivables	**(2)**	(3)
Impairment of other intangible assets	**10,579**	–
Impairment of prepayment	**–**	1,427
Lawsuit expenses *(note iii)*	**47,017**	59,288

Notes:

(i) Cost of inventories recognised as expenses includes amounts relating to staff costs, depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

(ii) Research and development costs include amounts relating to staff costs, depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

(iii) The lawsuit expenses mainly contain lawyer's service fees and provisions recognised related to the litigation disclosed in note 11 and note 13.

6 INCOME TAX

(a) Taxation in the consolidated statements of profit or loss represents:

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.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands ("**BVI**"), PowerTree Investment (BVI) Ltd. ("**PowerTree**") is not subject to tax on income or capital gains. In addition, upon payments of dividends by PowerTree to its shareholder, no BVI withholding tax is imposed.

Hong Kong

Under the current laws of the Hong Kong, the subsidiary in Hong Kong is subject to profits tax at a rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong. During the year, no provision for profits tax has been made as the subsidiary did not generate any assessable profits in Hong Kong.

United States

Under the current laws of the United States, the subsidiary in the United States is subject to tax at a maximum of 21% (2023: 21%) federal corporate income tax rate and 2.5% (2023: 2.5%) North Carolina state tax rate. During the year, no provision for income tax has been made as the subsidiary did not generate any assessable income in United States.

Australia

Under the current laws of Australia, the subsidiary in the Australia is subject to profits tax at a rate of 30% (2023: 30%). During the year, no provision for income tax has been made as the subsidiary did not generate any assessable income in Australia.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% (2023: 25%) on the taxable income.

Preferential tax treatment is available to Ascletis Pharmaceuticals Co., Ltd. ("**Ascletis Pharmaceuticals**") (歌禮藥業(浙江)有限公司) since it was recognised as a High and New Technology Enterprise, and it was entitled to a preferential tax rate of 15% (2023: 15%) during the year.

Certain subsidiaries in the PRC were entitled to a preferential PRC CIT rate of 5% as it was accredited as small and micro business.

According to the new tax incentive policies promulgated by the State Tax Bureau of Chinese Mainland in March 2023, effective from 1 January 2023, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income.

6 INCOME TAX (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024	2023
	RMB'000	*RMB'000*
Loss before taxation	**(300,936)**	(144,715)
Notional tax on loss before taxation, calculated at the rates applicable to losses in the jurisdictions concerned	**(75,449)**	(56,523)
Tax effect of non-deductible expenses	**830**	1,601
Tax effect of unused tax losses not recognised	**105,736**	77,976
Tax benefit of subsidiaries subject to preferential tax rates *(Note 6(a))*	**11,062**	14,867
Tax effect of super deduction for research and development expenses *(Note 6(a))*	**(42,179)**	(37,921)
Actual tax expense	**–**	–

7 LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB300,936,000 (2023: RMB144,715,000), and the weighted average number of ordinary shares of 1,001,588,704 (2023: 1,074,103,460) in issue during the year calculated as follows:

Weighted average number of ordinary shares

	2024	2023
Issued ordinary shares at 1 January	**1,042,721,000**	1,087,134,000
Effect of shares repurchased *(note 12(b))*	**(41,132,296)**	(13,030,540)
Weighted average number of ordinary shares at 31 December	**1,001,588,704**	1,074,103,460

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2023 and 2024 in respect of a dilution as the impact of the share award had an anti-dilutive effect on the basic loss per share amounts presented.

8 TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**152**	5,434
Impairment	**–**	(2)
	152	5,432

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days to 90 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the before mentioned and the fact that the Group's trade receivables relate to large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

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:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**152**	–
3 to 6 months	**–**	–
6 to 12 months	**–**	5,432
	152	5,432

The movement in the loss allowance for impairment of trade receivables is as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**2**	5
Reversal of impairment, net	**(2)**	(3)
At end of year	**–**	2

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024, the loss allowance for trade receivables was assessed to be minimal.

As at 31 December 2023

		Past due			
	Current	**Less than 3 months**	**3 to 6 months**	**Over 6 months**	**Total**
Expected credit loss rate	**0.03%**	**–**	**–**	**–**	**0.03%**
Gross carrying amount *(RMB'000)*	**5,434**	**–**	**–**	**–**	**5,434**
Expected credit losses *(RMB'000)*	**2**	**–**	**–**	**–**	**2**

9 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024	2023
	RMB'000	*RMB'000*
Value-added tax recoverable	**9,111**	14,277
Deposits and other receivables	**4,990**	3,843
Cash in transit	**1,404**	–
Prepayments	**1,248**	4,131
Prepaid expenses	**1,009**	1,026
Impairment	**–**	(1,427)
	17,762	21,850

Note:

Other receivables mainly represent rental and other deposits. An impairment analysis is performed at each reporting date by applying an expected credit loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions. As at 31 December 2024 and 2023, the expected credit loss rate was close to zero.

The financial assets included in the above balances are non-interest-bearing, unsecured and repayable on demand and relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

10 TRADE PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**31**	649

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

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**31**	644
3 to 12 months	**–**	5
	31	649

The trade payables are non-interest-bearing, and all trade payables are expected to be settled within one year or are repayable on demand.

11 OTHER PAYABLES AND ACCRUALS

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Other payables	*(i)*	**45,737**	40,860
Accrued expenses		**66,002**	34,009
Payroll payable		**13,715**	56,141
Provisions	*(ii)*	**15,265**	–
Taxes other than income tax		**4,078**	1,722
Contract liabilities		**391**	–
		145,188	132,732

Notes:

(i) Other payables are non-interest-bearing.

(ii) Provisions primarily include:

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 arbitration proceedings 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.

On 10 March 2025 the arbitration tribunal issued a final ruling requiring the Group to compensate the Claimants and the Group recognised a provision of RMB11,227,000.

A monetary sanction of USD567,000 (equivalent to approximately RMB4,038,000) related to the litigation disclosed in note 13.

(iii) All of the other payables are expected to be settled within one year or repayable on demand.

12 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The board does not recommend the payment of any dividend in respect for the year ended 31 December 2024 (2023: Nil).

(b) Share capital

(i) Issued share capital

	2024		2023	
	No. of shares ('000)	***RMB'000***	*No. of shares ('000)*	*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January	**1,072,739**	**731**	1,087,134	742
Shares cancelled *(note ii)*	**(59,981)**	**(42)**	(14,395)	(11)
At 31 December	**1,012,758**	**689**	1,072,739	731

The par value of the ordinary shares of the Company is US$0.0001 each.

(ii) Repurchase and cancellation of shares

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

Month/year	**Number of shares repurchased** *('000)*	**Highest price paid per share** *HKD*	**Lowest price paid per share** *HKD*	**Aggregate price paid** *RMB'000*
January 2024	21,813	1.76	1.24	28,967
February 2024	8,150	1.90	1.56	12,856
July 2024	11,468	1.22	0.90	11,636
September 2024	13,888	1.08	0.83	12,462
October 2024	12,559	1.47	1.23	15,593
November 2024	6,924	1.80	1.39	10,109
December 2024	3,202	3.14	1.56	6,908
	78,004			98,531

Notes:

(a) Purchase and cancellation of own shares

In 2024, the Company repurchased 78,004,000 of its shares on the Stock Exchange for a total cash consideration of HK$107,834,000 (equivalent to approximately RMB98,531,000). In the same year, the Company cancelled 59,981,000 shares on 4 January 2024 and 5 March 2024 (equivalent to approximately RMB93,780,000).

In 2023, the Company repurchased 44,413,000 of its shares on the Stock Exchange for a total cash consideration of HK$86,194,000 (equivalent to approximately RMB78,961,000). In the same year, the Company cancelled 14,395,000 shares on 15 August 2023 (equivalent to approximately RMB27,010,000).

13 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. One complaint was made with the United States International Trade Commission, Washington D.C. (the "**ITC**") and another complaint was made with the United States District Court, Southern District of California, (the "**USDC**") San Diego Division, each covering similar allegations.

On 4 October 2024, the Company received an initial determination from the ITC on the complaint (the "**Initial Determination**"). The Initial Determination, made by an Administrative Law Judge of the ITC, found a violation of Section 337 of the Tariff Act of 1930 (as amended) in the importation of the Company's drug candidates ASC41 and ASC43F into the United States. In additional, a monetary sanction of USD567,000 (equivalent to approximately RMB4,038,000) was proposed due to certain procedural issues during the investigation phase. The Company has made a provision for this monetary sanction in the financial statements. As Viking's complaint made with the ITC does not include any pecuniary compensation, the Company believes that the Complaint will not have any material adverse effect on the Group.

Regarding the compliant made with USDC, there has been no major progress since 1 January 2024, and the relevant investigation and litigation proceedings are ongoing. The Company will vigorously defend against the complaint. Accordingly, the Group has not made any provision for the allegations arising from the compliant made with USDC filed by Viking as at 31 December 2024.

CHANGE OF 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 (the "**Proceeds**"); (ii) the announcement of the Company dated November 18, 2020 in relation to the change in the use of Proceeds; (iii) the announcement of the Company dated June 14, 2023 in relation to the change in the use of Proceeds; and (iv) the announcement of the Company dated September 23, 2024 in relation to the change in the use of Proceeds (the "**2024 Allocation**").

On March 26, 2025, the Board has resolved to further change the use of the unutilized Proceeds (the "**2025 Allocation**"). Set out below is a summary of the planned usage pursuant to the 2024 Allocation and the proposed changes in the use of the unutilized Proceeds.

Use of Proceeds	Allocation of Proceeds pursuant to the 2024 Allocation		Unutilized Proceeds as at December 31, 2024	Proposed usage of the unutilized Proceeds pursuant to the 2025 Allocation	The unutilized amount pursuant to the 2025 Allocation		Expected timeframe for the use of utilized Proceeds after the 2025 Allocation
	(HK$ million)	*(%)*	*(HK$ million)*		*(HK$ million)*	*(%)*	
For supporting the R&D of new pipeline drug candidates	310.5	30.8	225.5	For supporting the R&D of pipeline products in metabolic diseases	505.0	63.6	The remaining amount is expected to be utilized in around three years from December 31, 2024
				For supporting the R&D of new pipeline drug candidates	147.4	18.6	The remaining amount is expected to be utilized in around three years from December 31, 2024
For continued R&D of pipeline products in oncology	140.6	13.9	124.2	For continued R&D of pipeline products in oncology	34.5	4.3	The remaining amount is expected to be utilized in around one year from December 31, 2024
For continued R&D of pipeline products in NASH/PBC	63.4	6.3	39.5	For continued R&D of pipeline products in MASH/PBC	25.0	3.2	The remaining amount is expected to be utilized in around one year from December 31, 2024
For continued R&D of ASC22, ASC11 and ASC10, and other pipeline products in viral hepatitis, HIV/AIDS and other viruses	340.2	33.7	339.3	For continued R&D of ASC22 and pipeline products in other virus diseases	3.2	0.4	The remaining amount is expected to be utilized in around one year from December 31, 2024
For the working capital and other general corporate purposes	99.4	9.9	10.6	For the working capital and other general corporate purposes	78.6	9.9	The remaining amount is expected to be utilized in around two years from December 31, 2024
For upfront and milestone payments of in-licensing new drug candidates	54.6	5.4	54.6	For upfront and milestone payments of in-licensing new drug candidates	–	–	–
Total	**1,008.7**	**100.0**	**793.7**		**793.7**	**100.0**	

REASONS FOR AND BENEFITS OF THE CHANGE IN THE USE OF PROCEEDS FROM THE 2024 ALLOCATION

As disclosed in the announcement dated September 23, 2024 in relation to the 2024 Allocation, approximately 30.8% of the revised net proceeds would be used for supporting the R&D of new pipeline drug candidates. Taking into account the latest progress in the Company's metabolic disease pipeline, the Company has resolved to allocate 82.2% of the unutilized Proceeds after the 2025 Allocation for the aforementioned purpose, among which (i) 63.6% of the unutilized Proceeds after the 2025 Allocation for supporting the R&D in metabolic diseases, and (ii) 18.6% of the unutilized Proceeds after the 2025 Allocation for supporting the R&D of new pipeline drug candidates. With reference to the Company's announcement dated March 12, 2025, the Company announced encouraging pharmacokinetic and weight loss data from its ASC47 Phase Ib single subcutaneous injection studies in Australia in healthy subjects with elevated LDL-C (Part I) and in patients with obesity (Part II). In addition, with reference the Company's announcement dated February 19, 2025, the Company announced positive interim results from the first two cohorts of its randomized, double-blind, placebo-controlled Phase Ib MAD study, conducted in the U.S., of ASC30 oral once-daily tablet in patients with obesity BMI: 30-40 kg/m^2). ASC30 is the first and only small molecule GLP-1R agonist that can be dosed once-monthly subcutaneously and once-daily orally to treat obesity. All of the aforementioned clinical trial progresses demonstrated the potential of the Company's obesity drug candidates. Therefore, the Company has resolved to reallocate 30.8% of the unutilized Proceeds after the 2024 Allocation for supporting the R&D in metabolic diseases, including ASC47 and ASC30. Such changes in the use of unutilized Proceeds after the 2024 Allocation were made in response to the emerging market opportunities and seize first-mover opportunities.

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 set out in Appendix C1 to the Listing Rules 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 the part 2 of the CG Code, the roles of chairman 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 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 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 during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 78,004,000 Shares on the Stock Exchange at an aggregate consideration of HK$107,834,120. During the Reporting Period and up to the date of this announcement, the Company repurchased a total of 80,644,000 Shares of the Company on the Stock Exchange at an aggregate consideration of HK$117,135,590. As at the date of this announcement, 37,970,000 ordinary Shares repurchased during the Reporting Period and 36,889,790 treasury Shares have been cancelled and the total number of Shares in issue has been reduced accordingly as at the date of this announcement. The repurchase was effected by the Board for the enhancement of shareholder value in the long term and provide more flexibility to the Board to resell the treasury shares on the market prices to raise additional funds for the Company, or transfer or use for share grants under share schemes that comply with Chapter 17 of the Listing Rules and for other purposes permitted under the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

Particulars of the Shares repurchased during the Reporting Period and up to the date of this announcement are as follows:

Trading Month	**Number and Method of Shares repurchased**	**Price per share**		**Aggregate consideration paid** *(HK$)*
		Highest price paid per Share *(HK$)*	**Lowest price paid per Share** *(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
July 2024	11,468,000 on the Stock Exchange	1.22	0.90	12,740,040.00
September 2024	13,888,000 on the Stock Exchange	1.08	0.83	13,709,870.00
October 2024	12,559,000 on the Stock Exchange	1.47	1.23	17,103,080.00
November 2024	6,924,000 on the Stock Exchange	1.80	1.39	10,966,780.00
December 2024	3,202,000 on the Stock Exchange	3.14	1.56	7,468,140.00
January 2025	2,640,000 on the Stock Exchange	4.13	2.94	9,301,470.00
Total	**80,644,000**			**117,135,590**

Save as disclosed above, during the Reporting Period and up to the date of this announcement, neither the Company nor any of its subsidiaries have purchased, redeemed or sold any of the Company's listed securities.

As at December 31, 2024 and the date of this announcement, the Company holds 41,692,000 and 5,784,210 treasury shares respectively and such treasury shares are used for 2025 Share Award Scheme of the Company, for details, please refer to the announcement and circular of the Company dated January 14, 2025 and January 15, 2025 respectively and the poll results announcement of the extraordinary general meeting of the Company dated February 3, 2025.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

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 reviewed the annual results of the Group for the year ended December 31,2024 and has recommended for the Board's approval thereof. The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2024. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: Nil).

AGM AND CLOSURE OF REGISTER OF MEMBERS

The Company will announce the date of the AGM and the period of closure of register of members in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.ascletis.com). The annual report for the year ended December 31, 2024 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders (if requested) 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

DEFINITIONS

"2024 Allocation"	the change in the use of Proceeds pursuant to the announcement of the Company dated September 23, 2024
"2025 Allocation"	the change in the use of Proceeds pursuant to the resolutions resolved by the Board on March 26, 2025
"AEs"	adverse events
"AGM"	annual general meeting of the Company
"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"	the board of directors of the Company
"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
"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
"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
"FASN"	fatty acid synthase
"FDA"	U.S. Food and Drug Administration
"FVPL"	fair value through profit or loss
"Gannex Pharma"	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"	the public offering and the listing of the Shares on the Main Board of the Stock Exchange on August 1, 2018
"GLP-1R"	GLP-1 receptor
"Greater China"	Mainland China, Hong Kong, Macau and Taiwan

"Group", "our Group" or "the Group"	the Company and its subsidiaries
"HIV"	human immunodeficiency virus
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"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
"Initial Determination"	an initial determination received by the Group on the complaint filed with ITC, Washington D.C. on October 4, 2024
"ITC"	the United States International Trade Commission
"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
"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
"PBC"	primary biliary cholangitis
"PRC Pension Scheme"	the central pension scheme operated by the local municipal government
"Proceeds"	proceeds from the Global Offering
"Prospectus"	the prospectus of the Company dated July 20, 2018
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of the PRC
"Reporting Period"	the one-year period from January 1, 2024 to December 31, 2024
"rGBM"	recurrent glioblastoma
"Roche"	F. Hoffmann-La Roche AG

"RSV"	respiratory syncytial virus
"SAEs"	serious adverse events
"Sagimet"	Sagimet Biosciences Inc., a corporation incorporated in Delaware in December 2006, whose shares are listed on the Nasdaq Stock Market (stock code: SGMT)
"Shanghai Roche"	Shanghai Roche Pharmaceuticals Ltd. (上海羅氏製藥有限公司)
"Shareholder(s)"	holder(s) of Shares
"Share(s)"	ordinary shares in the share capital of our Company of US$0.0001 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"THRβ"	thyroid hormone receptor beta
"U.S."	United States of America
"USD" or "US$"	United States dollars, the lawful currency of the United States of America
"USDC"	United States District Court, Southern District of California
"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

Hong Kong, the People's Republic of China
March 26, 2025

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.