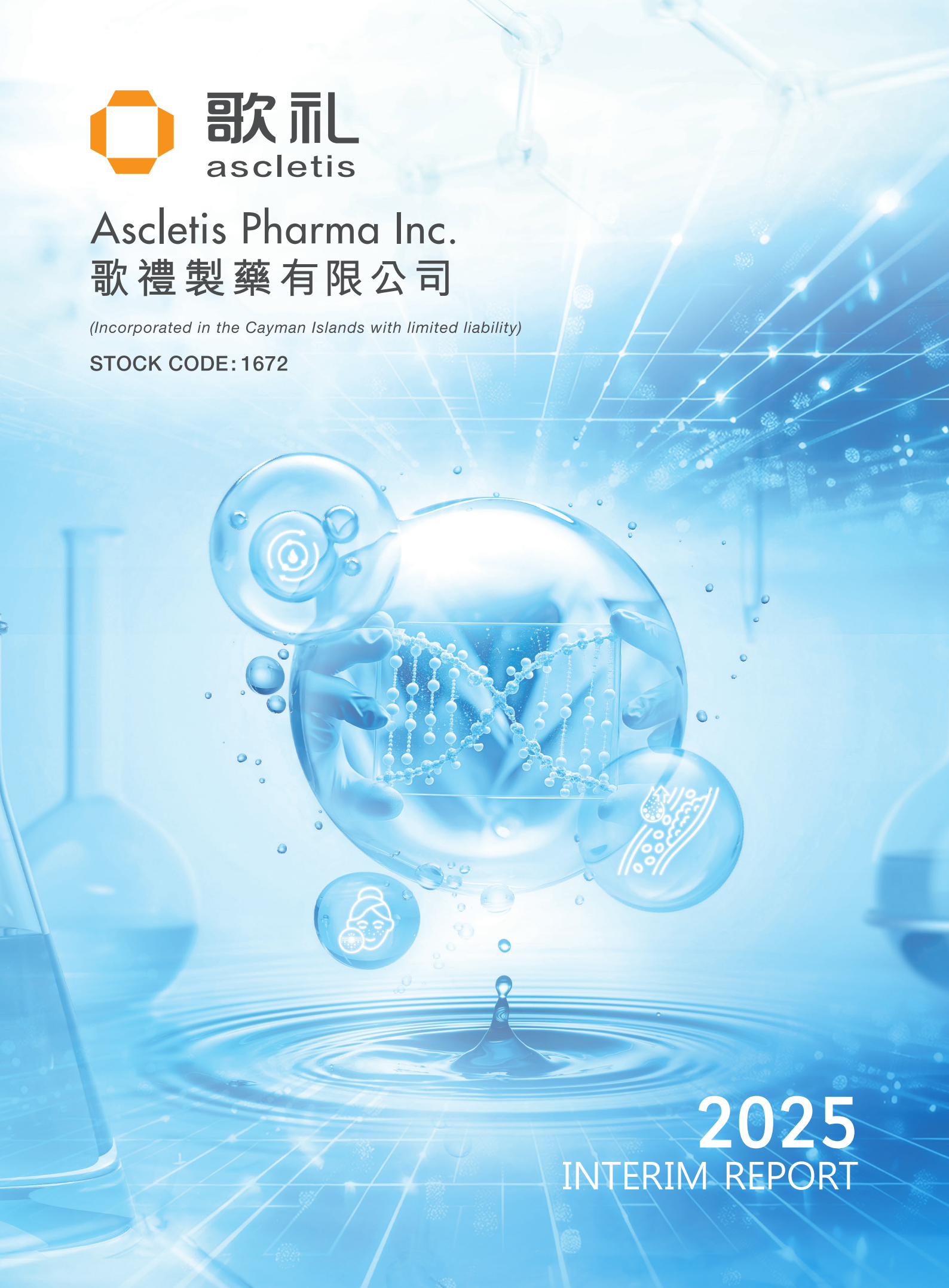
歌礼
ascletis

Ascletis Pharma Inc.
歌禮製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 1672



2025
INTERIM REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Jinzi Jason WU
(Chairman and Chief Executive Officer)
Mrs. Judy Hejingdao WU
(Senior Vice President)

Independent Non-executive Directors

Dr. Yizhen WEI
Mr. Jiong GU
Ms. Lin HUA

AUDIT COMMITTEE

Mr. Jiong GU *(Chairman)*
Dr. Yizhen WEI
Ms. Lin HUA

REMUNERATION COMMITTEE

Ms. Lin HUA *(Chairman)*
Dr. Yizhen WEI
Mrs. Judy Hejingdao WU

NOMINATION COMMITTEE

Dr. Jinzi Jason WU *(Chairman)*
Ms. Lin HUA
Dr. Yizhen WEI

AUTHORISED REPRESENTATIVES

Dr. Jinzi Jason WU
Mrs. Judy Hejingdao WU

COMPANY SECRETARY

Mr. Ming Fai CHUNG

REGISTERED OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

40th Floor
Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

MAINLAND CHINA HEADQUARTERS

12/F, Building D
198 Qidi Road
HIPARK
Xiaoshan District
Hangzhou
Zhejiang Province
PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Corporate Information

HONG KONG LEGAL ADVISER

Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

STOCK CODE

1672

COMPANY WEBSITE

www.ascletis.com

Financial Highlights

	Unaudited Six months ended June 30,		
	2025	2024	Changes
	RMB'000	*RMB'000*	*%*
Total income[1]	**103,577**	49,004	**111.4**
Research and development costs	**(146,812)**	(132,382)	**10.9**
Administrative expenses	**(43,302)**	(41,356)	**4.7**
Other expenses	**(367)**	(199)	**84.4**
Finance costs	**(87)**	(112)	**(22.3)**
Share of loss of an associate	–	(5,273)	**(100.0)**
Loss before tax	**(87,951)**	(130,318)	**(32.5)**
Income tax	–	–	–
Loss for the period	**(87,951)**	(130,318)	**(32.5)**
Attributable to:			
Equity shareholders of the Company	**(87,951)**	(130,318)	**(32.5)**
	RMB	*RMB*	
Loss per share			
Basic and diluted	**(9.14) cents**	(12.82) cents	**(28.7)**

Note:

(1) The Group's total income represents revenue, other income and gains.

Management Discussion and Analysis

CORPORATE PROFILE

Our Vision

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

Overview

During the Reporting Period and up to the date of this report, the Group made significant progress for its metabolic disease pipeline, immune disease pipeline and exploratory indication pipeline: (i) ASC30 oral once-daily tablet for obesity: demonstrated potential best-in-class characteristics to treat patients with obesity, evidenced by placebo-adjusted mean body weight reductions from baselines of up to 6.5% after 28-day treatment in the U.S. Phase Ib study. The Group initiated the U.S. Phase IIa study and promptly completed enrollment of 125 participants with just over one month; (ii) ASC30 once-monthly or less frequent subcutaneous (SQ) injection for obesity: demonstrated a 36-day half-life in patients with obesity after a single SQ injection in the U.S. Phase Ib study, supporting once monthly or less frequent administration. The Group initiated the U.S. Phase IIa clinical study and completed dosing of first participants; (iii) ASC47 once-monthly or less frequent SQ injection for muscle preserving obesity treatment: demonstrated a half-life of 40 days in patients with obesity. The Group initiated the U.S. study of combination of ASC47 with semaglutide and completed enrollment of all 28 participants with obesity; (iv) ASC50 oral small molecule interleukin-17 (IL-17) inhibitor: initiated the U.S. Phase I clinical study and completed dosing of first healthy participants; and (v) Denifanstat (ASC40) once-daily oral FASN inhibitor for treatment of acne: demonstrated statistically significant and clinically meaningful improvement compared to placebo in all primary, key secondary, and secondary endpoints as well as a favorable safety and tolerability profile in Phase III study. The exceptional efficacy of denifanstat (ASC40) coupled with its favorable safety profile in the Phase III trial provides a potential major break-through for the treatment of acne.

These achievements underscored the Group's strong R&D capabilities, best execution and longstanding commitments to discovering and developing global best-in-class/first-in-class pipeline to address unmet clinical needs.

As at June 30, 2025, 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 RMB1,827.9 million (June 30, 2024: approximately RMB2,117.2 million), which is expected to be sufficient to support its research and development activities and operations until 2029.

Although the Group's investment in research and development has increased for the six months ended June 30, 2025, the losses have still decreased. The loss for the period of the Group decreased by 32.5% from approximately RMB130.3 million for the six months ended June 30, 2024 to approximately RMB88.0 million for the six months ended June 30, 2025. The R&D costs of the Group increased by 10.9% from approximately RMB132.4 million for the six months ended June 30, 2024 to approximately RMB146.8 million for the six months ended June 30, 2025.

The reduction in losses is mainly contributed by (i) improved spending efficiency on both clinical and preclinical projects; and (ii) increase of other income and gains. The Group has sufficient cash to support its innovative research and development for the next four years.

Management Discussion and Analysis

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

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						

Immune Disease Pipeline

Product (Modality)	Target	Indication	Commercial Rights	Pre-IND	IND	Phase I	Phase II
ASC50 (Once-daily oral small molecule)	IL-17	Psorisis and other immune diseases	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]					

Note:

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

Abbreviations:

GLP-1R: GLP-1 receptor; THRβ: Thyroid hormone receptor beta; IL-17: interleukin-17; FASN: Fatty acid synthase.

Management Discussion and Analysis

BUSINESS REVIEW

During the Reporting Period and up to the date of this report, 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 report, the Group has obtained positive results from the randomized, double-blind, placebo-controlled Phase Ib 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). The Group has also successfully initiated the U.S. 13-week Phase IIa study of ASC30 oral once-daily tablet for obesity and completed dosing of the first participants with obesity or overweight.

In the U.S. Phase Ib study, ASC30 oral once-daily tablet demonstrated up to 6.5% placebo-adjusted mean body weight reduction from baseline after four-week treatment. ASC30 was generally well tolerated, with a favorable safety profile. In particular, there were no incidences of vomiting in Scheme 1 of the Phase Ib study. There were no serious adverse events (SAEs). All gastrointestinal (GI)-related adverse events (AEs) were mild (grade 1) or moderate (grade 2). Weekly titrations of ASC30 improved GI tolerability. 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.

In April 2025, the Group submitted its 13-week Phase IIa study protocol to FDA. In July 2025, the Group dosed first participants with obesity or overweight in the U.S. 13-week Phase IIa study. In August 2025, the Group completed enrollment of all 125 patients in just over one month; topline data are expected in the fourth quarter of 2025.

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 without patent extensions.

Anticipated 2025 Milestone: Topline data from the U.S. 13-week Phase IIa clinical study of ASC30 oral once-daily tablet for obesity.

ASC30 once-monthly or less frequent SQ injection for obesity

During the Reporting Period and up to the date of this report, the Group has announced positive interim results from its randomized, double-blind, placebo-controlled Phase Ib single SQ injection study (NCT06679959), conducted in the U.S., of small molecule ASC30 with three ultra-long-acting SQ injection formulations in patients with obesity (BMI: 30-40 kg/m^2). Shortly after the positive interim results, the Group initiated the Phase IIa study of ASC30 once-monthly or less frequent SQ injection in patients with obesity in the U.S. and completed dosing of the first participants. Topline data are expected in the first quarter of 2026.

Management Discussion and Analysis

The Phase Ib study investigated the half-life of three ultra-long-acting SQ depot formulations of ASC30 (100 mg, single injection), a small molecule GLP-1R agonist, developed from Ascletis' Ultra-Long-Acting Platform (ULAP). In each cohort, eight patients received one formulation of ASC30 SQ injection and two patients were on volume-matched placebo.

One of the evaluated three depot formulations demonstrated a 36-day half-life in patients with obesity after a single SQ injection, supporting once monthly or less frequent administration. In addition, this formulation is a sterile solution for SQ injection and stable around neutral pH, allowing for potential co-formulation and co-administration with other drugs or drug candidates. This depot formulation of small molecule ASC30 SQ injection is advancing into further clinical trials to evaluate clinical efficacy at doses above 100 mg.

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: To complete enrollment of all participants in the U.S. 12-week Phase IIa clinical study of once-monthly SQ depot formulation of ASC30 for obesity.

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

During the Reporting Period and up to the date of this report, the Group has announced positive topline results of Phase Ib studies of ASC47 SQ depot formulation monotherapy in Australia.

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 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.

In a head-to-head diet-induced obese (DIO) mouse study, ASC47 low dose combination 1 (ASC47, 3 mg/kg, SQ, once every four weeks plus semaglutide, 30 nmol/kg, SQ, once daily), demonstrated superior weight loss compared to semaglutide monotherapy (30 nmol/kg, SQ, once daily), showing an average total body weight reduction of 36.2% compared to 23.1%, a 56.7% greater reduction in body weight compared to semaglutide monotherapy.

ASC47 low dose combinations with semaglutide restored the body composition of obese mice to the level of healthy non-obese mice. At the end of treatment, the percentage of total muscle mass over the total body weight of obese mice treated with ASC47 low dose combination treatments (68.8%) was similar to healthy non-obese mice (66.0%), indicating healthy weight loss. Semaglutide monotherapy was unable to restore body composition to healthy levels.

In July 2025, the Group announced that all the 28 participants had recently been dosed in the randomized, double-blind, placebo-controlled study (ASC47-103 study, NCT06972992) evaluating the safety, tolerability and preliminary efficacy at Day 29 of single-dose, ultra-long-acting SQ administered ASC47 in combination with semaglutide in participants with obesity who do not have type 2 diabetes. The total time to enroll all the 28 participants was less than two months.

Management Discussion and Analysis

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: Topline data from the U.S. clinical study of ASC47 in combination with semaglutide for obesity.

Immune Diseases

ASC50 oral small molecule IL-17 inhibitor for the treatment of psoriasis

During the Reporting Period and up to the date of this report, the Group has developed ASC50, a novel oral small-molecule IL-17 inhibitor pipeline candidate with global best-in-class potential, and initiated a Phase I clinical trial in the U.S., which has completed dosing of the first healthy participants in a randomized, double-blind, placebo-controlled Phase I clinical trial in the U.S. to evaluate the safety, tolerability and preliminary efficacy of ASC50 (NCT07024602) for the treatment of psoriasis.

ASC50 is an in-house discovered and developed oral small molecule inhibitor targeting IL-17, an important biologically and commercially validated target for multiple autoimmune and inflammatory diseases, including psoriasis. Its preclinical data, including higher oral exposure, longer half-life and strong efficacy, support ASC50 as a potential best-in-class once-daily oral agent for the treatment of psoriasis.

ASC50 is the Group's first oral small molecule drug candidate in immunology arisen from its Artificial Intelligence-Assisted Structure-Based Drug Discovery (AISBDD) Platform, which marks a new milestone for the Group in autoimmune and inflammatory diseases.

Anticipated 2025 Milestone: Topline data from the U.S. Phase I SAD study of ASC50 in healthy subjects.

Exploratory Indication

ASC40 for moderate to severe acne

During the Reporting Period and up to the date of this report, the Group has announced successful Phase III clinical results of denifanstat (ASC40) for moderate to severe acne, which demonstrated statistically significant and clinically meaningful improvement compared to placebo in all primary, key secondary, and secondary endpoints, as well as a favorable safety and tolerability profile.

The Phase III clinical results showed that denifanstat (ASC40), a once-daily oral FASN inhibitor, was 98% and 178% more effective than FDA-approved sarecycline and doxycycline with regard to placebo-adjusted percent treatment success, respectively, 18.6% for denifanstat (ASC40) versus 9.4% for sarecycline, and 18.6% versus 6.7% for doxycycline. Denifanstat (ASC40) was 60% more effective than FDA-approved clascoterone cream with regard to placebo-adjusted percent treatment success, 18.6% for denifanstat (ASC40) versus 11.6% for clascoterone cream, respectively.

Denifanstat (ASC40) demonstrated a favorable safety and tolerability profile following 12 weeks of once-daily oral administration at 50 mg. The incidence rates of treatment-emergent adverse events (TEAEs) were comparable between denifanstat (ASC40) and placebo. No incidence rates of TEAEs related to study drug in any category exceeded 10%. Only two categories of TEAEs had an incidence rate of more than 5% (6.3% dry skin in denifanstat (ASC40)-treated patients versus 2.9% in the placebo group; 5.9% dry eye in denifanstat (ASC40)-treated patients versus 3.8% in the placebo group). All denifanstat (ASC40)-related AEs were mild or moderate. There were no denifanstat (ASC40)-related grade 3 or 4 AEs and no denifanstat (ASC40)-related SAEs. No deaths were reported.

Management Discussion and Analysis

The exceptional efficacy of denifanstat (ASC40) coupled with its favorable safety profile in the Phase III trial provides a potential major break-through for the treatment of acne.

Acne is the eighth most prevalent disease in the world and affects more than 640 million people globally[1]. Adherence to topical therapies is worse when compared with that for oral agents: an estimated 30% to 40% of patients do not adhere to their topical treatments[2].

Next Step in 2025: To seek commercial partner(s) to maximize the value of this program.

ASC40 for recurrent glioblastoma (rGBM)

Next Step in 2025: After analysis of ASC40 Phase III study for rGBM, the Group decided to terminate this program.

MASH

ASC40 for MASH

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

Oncology (Lipid Metabolism and Oral Checkpoint Inhibitors)

ASC61 for solid tumors

The Phase I study in patients with advanced solid tumors was successfully completed in the U.S. As an oral small molecule PD-L1 inhibitor, ASC61 demonstrated dose-proportional pharmacokinetic profile, good clinical benefit rate and safety in the Phase I study. The recommended Phase II dose (RP2D) has been identified.

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

Preclinical Discovery

Based on its two core discovery engines: (i) Artificial Intelligence-Assisted Structure-Based Drug Discovery (AISBDD) Platform; and (ii) Ultra-Long-Acting Platform (ULAP), the Group continues to strengthen discovery efforts to develop more pipeline assets of both small molecules and peptides with global best-in-class and first-in-class competitiveness.

Cautionary statement required by Rule 18A.08(3) 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. Tan J K, Bhate K. A global perspective on the epidemiology of acne [J]. Br J Dermatol 2015, 172 Suppl 1(3-12). DOI: 10.1111/bjd.13462.

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

Management Discussion and Analysis

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 presses to ensure the high quality of our products.

As of June 30, 2025, the Group had 11 wholly-owned subsidiaries. The Group's business was mainly conducted through three operating subsidiaries in China, namely Ascletis BioScience, Ascletis Pharmaceuticals and Gannex.

OTHER UPDATES

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 following are strategies and outlook for the second half of 2025:

1. Topline data are expected from the U.S. 13-week Phase IIa clinical study of ASC30 oral once-daily tablet for obesity.

2. Complete enrolment of all participants in the U.S. 12-week Phase IIa clinical study of once-monthly SQ depot formulation of ASC30 for obesity.

3. Topline data are expected from the U.S. clinical study of ASC47 in combination with semaglutide for obesity.

4. Topline data are expected from the U.S. Phase I SAD study of ASC50 in healthy subjects.

5. Continue to strengthen discovery efforts to develop more pipeline assets of both small molecules and peptides with global best-in-class and first-in-class competitiveness. The Group leverages its Ultra-Long-Acting Platform (ULAP) to accelerate both subcutaneously injected peptides and oral peptides into clinical trials.

6. Seek license-out opportunities of multiple assets with global large pharma companies to maximize the total value of the Group's assets.

FINANCIAL REVIEW

Cash, Cash Equivalent and Other Capital Resources

As at June 30, 2025, 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 RMB1,827.9 million (June 30, 2024: approximately RMB2,117.2 million), which is expected to be sufficient to support its research and development activities and operations until 2029.

Management Discussion and Analysis

Total income

The Group's total income represents revenue, other income and gains. It increased from approximately RMB49.0 million for the six months ended June 30, 2024 to approximately RMB103.6 million for the six months ended June 30, 2025 due to increased other income and gains.

Other Income and Gains

The other income and gains of the Group increased by 109.2% from approximately RMB49.0 million for the six months ended June 30, 2024 to approximately RMB102.5 million for the six months ended June 30, 2025, primarily because (i) we recorded net realized and unrealized gain arising from financial assets at FVPL of approximately RMB39.1 million for the six months ended June 30, 2025 which mainly represents the increase in interest of Sagimet measured at FVPL, as compared to an unrealized loss of interest in Sagimet measured at FVPL of approximately RMB10.7 million for the six months ended June 30, 2024; (ii) a significant decrease in net loss arising from fair value remeasurement of interest in a former associate from approximately RMB24.5 million for the six months ended June 30, 2024 to nil for the six months ended June 30,2025, 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; and (iii) a significant increase in government grants from approximately RMB12.2 million for the six months ended June 30, 2024 to approximately RMB34.2 million for the six months ended June 30, 2025, offset by a significant decrease in gain on dilution of interest in associate from approximately RMB21.1 million for the six months ended June 30, 2024 to nil for the six months ended June 30, 2025, which represents the decrease in interest of Sagimet resulting from the dilution due to the post-IPO financing completed on January 30, 2024.

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.

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

	Unaudited Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Bank interest income	**30,037**	48,076
Investment income from transferable certificate of deposit	**431**	510
Government grants	**34,175**	12,226
Foreign exchange (loss)/gain, net	**(1,308)**	2,326
Gain on dilution of interest in associate	**–**	21,147
Net loss arising from fair value remeasurement of interest in a former associate	**–**	(24,546)
Net realized and unrealized gain/(loss) arising from financial assets at FVPL	**39,151**	(10,735)
Others	**10**	–
Total	**102,496**	49,004

Management Discussion and Analysis

Administrative Expenses

The administrative expenses of the Group increased by 4.7% from approximately RMB41.4 million for the six months ended June 30, 2024 to approximately RMB43.3 million for the six months ended June 30, 2025, primarily due to the increase in staff related costs.

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

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

	Unaudited Six months ended June 30,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Staff salary and welfare	**20,517**	**47.4**	12,187	29.5
Agency and consulting fees	**17,548**	**40.5**	21,945	53.1
Utilities, rent and general office expenses	**4,897**	**11.3**	6,730	16.3
Others	**340**	**0.8**	494	1.1
Total	**43,302**	**100.0**	41,356	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 10.9% from approximately RMB132.4 million for the six months ended June 30, 2024 to approximately RMB146.8 million for the six months ended June 30, 2025, primarily due to the group's increased investment in metabolic disease pipeline.

The Group's increased investment in metabolic disease pipeline aligns with the significant advancements made in this area.

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

	Unaudited Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Preclinical and clinical trial expenses	**75,897**	57,556
Staff costs	**60,796**	64,599
Depreciation and amortization costs	**5,553**	5,911
Others	**4,566**	4,316
Total	**146,812**	132,382

Management Discussion and Analysis

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

	Unaudited Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Metabolic diseases	**42,640**	27,037
Exploratory indications		
– ACNE	**43,970**	47,182
– Oncology	**15,259**	15,807
– MASH/PBC	**5,303**	20,621
– Viral diseases	**1,617**	7,249
Pre-clinical	**38,023**	14,486
Total	**146,812**	132,382

Finance Costs

The Group recorded approximately RMB0.1 million finance costs for the six months ended June 30, 2025 due to the interest on the lease liabilities (June 30, 2024: approximately RMB0.1 million).

Other Expenses

The other expenses of the Group increased by 84.4% from approximately RMB0.2 million for the six months ended June 30, 2024 to approximately RMB0.4 million for the six months ended June 30, 2025.

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

	Unaudited Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Others	**344**	199
Donations	**23**	–
Total	**367**	199

Income Tax

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

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

The Group did not incur any income tax expense as the Group did not generate taxable income for the six months ended June 30, 2024 and 2025.

Management Discussion and Analysis

Inventories

The inventories of the Group consisted of raw materials used in research and development. Our inventories increased by 10.3% from approximately RMB4.4 million as at December 31, 2024 to approximately RMB4.8 million as at June 30, 2025, mainly due to the increase in raw materials for research and development projects.

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

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Raw materials	**4,822**	4,373
Total	**4,822**	4,373

Trade Receivables

The Group's trade receivables increased from approximately RMB0.2 million as at December 31,2024 to approximately RMB0.4 million as at June 30, 2025, mainly due to increased R&D service income.

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

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Trade receivables	**408**	152
Total	**408**	152

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

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

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Within 3 months	**408**	152
	408	152

Management Discussion and Analysis

Prepayments, Other Receivables and Other Assets

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

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Value-added tax recoverable	**14,930**	9,111
Deposits and other receivables	**4,292**	4,990
Prepayments	**938**	1,248
Prepaid expenses	**903**	1,009
Cash in transit	**–**	1,404
Total	**21,063**	17,762

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 increased by 63.9% from approximately RMB9.1 million as at December 31, 2024 to approximately RMB14.9 million as at June 30, 2025, primarily due to the decrease 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 24.8% from approximately RMB1.2 million as at December 31, 2024 to approximately RMB0.9 million as at June 30, 2025, primarily due to the decreased prepayments of clinical expenses.

Prepayments to suppliers as at June 30, 2025 are due within one year.

As at June 30, 2025, 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 RMB53.5 million as at December 31, 2024 to approximately RMB79.3 million as at June 30, 2025, primarily due to the Group's non-current balances of financial assets at FVPL represent investments in equity securities listed on the NASDAQ. The fair value of listed equity investment is determined based on the quoted market bid price.

Financial Assets at Fair Value through Profit and Loss – current

The current portion of financial assets at FVPL of the Group increased from approximately RMB7.4 million as at December 31, 2024 to approximately RMB20.7 million as at June 30, 2025, primarily due to increased investment in wealth management products.

Management Discussion and Analysis

Cash and Bank Balances

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

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Time deposits	**195,606**	1,074,436
Cash and cash equivalents	**1,580,340**	864,326
Total	**1,775,946**	1,938,762

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:

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Trade payables	**20**	31
Total	**20**	31

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

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Within 3 months	**20**	31

Management Discussion and Analysis

Other Payables and Accruals

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

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Accrued expenses	**61,925**	66,002
Other payables	**38,294**	45,737
Payroll payable	**15,043**	13,715
Provisions	**4,038**	15,265
Contract liabilities	**390**	391
Taxes other than income tax	**257**	4,078
Total	**119,947**	145,188

The accrued expenses as at June 30, 2025 mainly represented the accrued R&D expenses actually incurred but not yet invoiced. The accrued expenses decreased from approximately RMB66.0 million as at December 31, 2024 to approximately RMB61.9 million as at June 30, 2025. The accrued expenses are non-interest-bearing and due within one year.

Our other payables remained relatively stable and decreased from approximately RMB45.7 million as at December 31, 2024 to approximately RMB38.3 million as at June 30, 2025.

The payroll payable represented the accrued salary and bonus for the first half year of 2025, which are due within one year. The increase in our payroll payable from approximately RMB13.7 million as at December 31, 2024 to approximately RMB15.0 million as at June 30, 2025 was primarily attributable to 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.

The provisions decreased from RMB15.3 million as at December 31, 2024 to approximately RMB4.0 million as at June 30, 2025, mainly due to the settlement of approximately RMB11.2 million pursuant to an arbitration with 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).

Management Discussion and Analysis

Deferred Income

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

	As at June 30, 2025 (Unaudited) *RMB'000*	As at December 31, 2024 (Audited) *RMB'000*
Government grants		
– Current	**1,588**	1,588
– Non-current	**3,176**	3,970
Total	**4,764**	5,558

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 the Group's consolidated statement of cash flows for the periods indicated and analysis of balances of cash and cash equivalents for the periods indicated:

	For the six months ended June 30, 2025 (Unaudited) *RMB'000*	For the six months ended June 30, 2024 (Unaudited) *RMB'000*
Net cash flows (used in) operating activities	**(172,990)**	(203,415)
Net cash flows generated from investing activities	**904,605**	261,633
Net cash flows (used in) financing activities	**(14,485)**	(45,455)
Net increase in cash and cash equivalents	**717,130**	12,763
Cash and cash equivalents at the beginning of the period	**864,326**	330,117
Effect of foreign exchange rate changes, net	**(1,116)**	114
Cash and cash equivalents at the end of the period	**1,580,340**	342,994

As at June 30, 2025, cash and cash equivalents were mainly denominated in Renminbi and United States dollars.

Operating Activities

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

Management Discussion and Analysis

For the six months ended June 30, 2025, we had net cash flows used in operating activities of approximately RMB173.0 million, primarily as a result of operating loss before changes in working capital of approximately RMB142.5 million. The changes in working capital were 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 and purchase of financial assets at FVPL.

For the six months ended June 30, 2025, our net cash flows generated from investing activities was approximately RMB904.6 million, primarily due to the decrease in time deposits with original maturity of over three months of approximately RMB863.9 million.

Financing Activities

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

For the six months ended June 30, 2025, our net cash flows used in financing activities was approximately RMB14.5 million, primarily attributable to repurchase of shares in an aggregate consideration of approximately RMB12.8 million.

Capital Expenditures

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

	June 30, 2025 (Unaudited) *RMB'000*	December 31, 2024 (Audited) *RMB'000*
Office equipment	**700**	1,493
Plant and machinery	**372**	477
Total	**1,072**	1,970

Our capital expenditures decreased by 45.6% from approximately RMB2.0 million as at December 31, 2024 to approximately RMB1.1 million as at June 30, 2025, primarily because we reduced the purchase of the machinery and office equipment for laboratory renovation.

Significant Investments, Material Acquisitions and Disposals

Save as disclosed in this report, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries and associate companies for the six months ended June 30, 2025.

Management Discussion and Analysis

Indebtedness

Borrowings, Charges of Assets and Guarantees

As at June 30, 2025, 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.

The Company received initial determination and final judgment (together the "**Judgment**") from ITC on the complaint on October 4, 2024 and May 29, 2025. The Judgment, 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 addition, a monetary sanction of approximately 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.

Regarding the compliant made with USDC, there has been no major progress since January 1, 2025, 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 June 30, 2025.

Charges of Assets

As at June 30, 2025, the Group had no charge on its assets.

Contractual Commitments

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

The Group had approximately RMB0.4 million of capital commitments as at June 30, 2025 and approximately RMB0.6 million of capital commitment as at December 31, 2024.

Management Discussion and Analysis

Key Financial Ratios

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

	As at June 30, 2025 (Unaudited)	As at December 31, 2024 (Audited)
Current ratio[1]	**14.6**	12.9
Quick ratio[2]	**14.5**	12.8
Gearing ratio[3]	**6.5%**	7.5%

Notes:

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

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

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

Our current ratio increased from 12.9 as at December 31, 2024 to 14.6 as at June 30, 2025, and our quick ratio increased from 12.8 as at December 31, 2024 to 14.5 as at June 30, 2025, primarily due to a decrease in current liabilities.

Our gearing ratio decreased from 7.5% as at December 31, 2024 to 6.5% as at June 30, 2025, primarily due to a decrease in current liabilities.

Foreign Exchange Risk

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

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

Employees and Remuneration Policies

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.

Management Discussion and Analysis

As at June 30, 2025, the Group had a total of 208 employees, 207 of which were located in the PRC. Over 81.7% 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 June 30, 2025	
	Numbers of employees	% of total
Management	**4**	**1.9**
Research and development	**137**	**65.9**
Manufacturing	**29**	**13.9**
Operations	**38**	**18.3**
Total	**208**	**100.0**

The Group's total staff costs for the six months ended June 30, 2025 was approximately RMB82.1 million, compared to approximately RMB76.8 million for the six months ended June 30, 2024.

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.

Share Schemes

The 2019 Share Option Scheme

Pursuant to a share option scheme adopted by the Company on June 6, 2019, the Company has granted options to eligible participants to subscribe for Shares subject to the terms and conditions stipulated therein.

As of June 30, 2025, 20,013,155 options have been granted under the 2019 Share Option Scheme, among which 8,351,688 options remained outstanding and will continue to be valid and exercisable in accordance with the provisions of the 2019 Share Option Scheme, notwithstanding the termination of the 2019 Share Option Scheme since an extraordinary general meeting held by the Company on February 3, 2025 (the "**EGM**"). No share options will be further granted under the 2019 Share Option Scheme after its termination.

Management Discussion and Analysis

Details of the movement of options granted, exercised, cancelled/lapsed and unvested options under the 2019 Share Option Scheme during the Reporting Period are as follows:

Category of participants	Date of grant	Exercise price per Share *(HK$)*	Closing price immediately before the date of grant *(HK$)*	Exercise period	Balance as at January 1, 2025	Changes during the Reporting Period				Balance as at June 30, 2025	Unvested Share Options as at January 1, 2025	Unvested Share Options as at June 30, 2025
						Granted	Exercised	Cancelled	Lapsed			
Eligible employees (five highest paid individuals excluded)	March 31, 2020	2.90	2.86	March 31, 2021 – March 30, 2030 *(Note a)*	1,082,631	–	357,864	68,237	–	656,530	216,526	–
	September 30, 2021	2.696	2.66	September 30, 2022 – September 29, 2031 *(Note a)*	400,000	–	30,000	–	–	370,000	160,000	160,000
	January 3, 2024 *(Note b)*	1.448	1.30	January 3, 2025 – January 2, 2034 *(Note a)*	3,700,000	–	264,842	330,000	–	3,105,158	3,700,000	2,720,000
Directors												
Dr. Jinzi Jason WU (One of the five Highest Paid Individuals)	January 3, 2024 *(Note b)*	1.448	1.30	January 3, 2025 – January 2, 2034 *(Note a)*	1,000,000	–	–	–	–	1,000,000	1,000,000	800,000
Mrs. Judy Hejingdao WU (One of the five Highest Paid Individuals)	January 3, 2024 *(Note b)*	1.448	1.30	January 3, 2025 – January 2, 2034 *(Note a)*	1,000,000	–	–	–	–	1,000,000	1,000,000	800,000
Five Highest Paid Individuals other than the Directors *(Note b)*	March 31, 2020	2.90	2.86	March 31, 2021 – March 30, 2030 *(Note a)*	984,210	–	836,579	147,631	–	–	196,842	–
	June 30, 2022	3.932	3.94	June 30, 2023 – June 29, 2032 *(Note a)*	2,100,000	–	40,000	–	–	2,060,000	1,260,000	840,000
	January 3, 2024 *(Note b)*	1.448	1.30	January 3, 2025 – January 2, 2034 *(Note a)*	200,000	–	40,000	–	–	160,000	200,000	160,000
					10,466,841	–	1,569,285	545,868	–	8,351,688	7,733,368	5,480,000

Notes:

(a) All options granted have a vesting period of five years in equal proportions starting from the 1st anniversary and become fully vested on the 5th anniversary of the grant. In this table, "exercise period" begins with the 1st anniversary of the grant date.

(b) No options were granted during the Reporting Period.

The number of options available for grant under the 2019 Share Option Scheme was nil as at June 30, 2025 (as at December 31, 2024: 92,055,345).

The number of shares that may be issued in respect of options granted under the 2019 Share Option Scheme during the Reporting Period is nil as at the date of this report.

Management Discussion and Analysis

The number of shares that may be issued in respect of share options granted under the 2019 Share Option Scheme during the Reporting Period divided by the weighted average number of issued shares for the Reporting Period was nil.

The 2025 Share Option Scheme

Pursuant to the EGM, the Company has adopted the 2025 Share Option Scheme. The Directors may grant share options to eligible participants to subscribe for Shares subject to the terms and conditions stipulated therein. More details of the 2025 Share Option Scheme are set out in the circular of the Company dated January 15, 2025, unless otherwise defined, capitalized terms shall have the same meanings as those defined in the above mentioned circular.

Below is a summary of the terms of the 2025 Share Option Scheme:

Purposes: The purposes of the 2025 Share Option Scheme are (i) to advance the interests of the Company by motivating the Eligible Persons to contribute to the Company's growth and development; and (ii) to enable the Company to recruit, incentivize and retain key employees, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Persons directly to the Shareholders through ownership of Shares.

Duration of the 2025 Share Option Scheme: The 2025 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which no further Award shall be granted under the 2025 Share Option Scheme but the provisions of the 2025 Share Option Scheme shall remain in full force and effect in all other respects.

Eligible Persons: Eligible Persons are persons eligible to participate in the 2025 Share Option Scheme and shall comprise Director(s) (including executive Director(s), non-executive Director(s) and independent non-executive Director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Options under the 2025 Share Option Scheme as an inducement to enter into employment contracts with any member of the Group.

The Limit of the 2025 Share Option Scheme: All Options to be granted under the 2025 Share Option Scheme shall not exceed 38,561,400 Shares.

Vesting Period: The vesting of any Options under the 2025 Share Option Scheme shall be no less than 12 months from (and including) the date of grant.

Performance Targets and Clawback Mechanism: Unless otherwise determined by the Board and specified in the Offer on which an Option is to be granted, there is no general requirement that any performance targets must be achieved before any Option granted under the 2025 Share Option Scheme can be exercised or vested.

Management Discussion and Analysis

Details of the movement of options granted, exercised, cancelled/lapsed and unvested options under the 2025 Share Option Scheme during the Reporting Period are as follows:

Category of participants	Date of grant	Exercise price per Share *(HK$)*	Closing price immediately before the date of grant *(HK$)*	Exercise period	Balance as at January 1, 2025	Changes during the Reporting Period				Balance as at June 30, 2025	Unvested Share Options as at January 1, 2025	Unvested Share Options as at June 30, 2025
						Granted	Exercised	Cancelled	Lapsed			
Five highest paid individual Mr. John P. GARGIULO (Chief Business Officer)	January 14, 2025 *(Note d)*	3.340	3.180	January 14, 2026 – January 13, 2035 *(Note c)*	–	4,820,175	–	–	–	4,820,175	–	4,820,175
					–	4,820,175	–	–	–	4,820,175	–	4,820,175

Notes:

(c) All options granted have a vesting period of four years in equal proportions starting from the 1st anniversary and become fully vested on the 4th anniversary of the grant. In this table, "exercise period" begins with the 1st anniversary of the grant date.

(d) The fair value of the options granted during the Reporting Period was HK$13,700,000, of which the Group recognized a share option expense of RMB2,759,000 during the period ended June 30, 2025. The fair value of equity-settled share options granted during the period was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0.00%
Expected volatility (%)	73%
Risk-free interest rate (%)	3.93%
Early exercise multiple	2.80
Weighted average share price (HK$ per share)	4.01
Forfeiture rate (%)	0.00

The number of options available for grants under the 2025 Share Option Scheme was 33,741,225 as at June 30, 2025 (as at December 31, 2024: N/A).

The number of shares that may be issued in respect of options granted under the 2025 Share Option Scheme during the Reporting Period is 4,820,175, which represents 0.5% of the issued shares (excluding treasury shares) of the Company as at the date of this report.

The number of shares that may be issued in respect of share options granted under the 2025 Share Option Scheme during the Reporting Period divided by the weighted average number of issued shares for the Reporting Period was approximately 0.005.

2025 Share Award Scheme

Pursuant to the EGM, the Company has adopted the 2025 Share Award Scheme. The Directors may grant share awards to eligible participants to subscribe for Shares subject to the terms and conditions stipulated therein. More details of the 2025 Share Award Scheme are set out in the circular of the Company dated January 15, 2025, unless otherwise defined, capitalized terms shall have the same meanings as those defined in the above mentioned circular.

Management Discussion and Analysis

Below is a summary of the terms of the 2025 Share Award Scheme:

Purposes: The purposes of the 2025 Share Award Scheme are (i) to advance the interests of the Company by motivating the Eligible Persons to contribute to the Company's growth and development; and (ii) to motivate the Eligible Persons to maximize the value of the Company for the benefits of both the Eligible Persons and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Eligible Persons directly to the Shareholders through ownership of Shares.

Duration of the 2025 Share Award Scheme: The 2025 Share Award Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which no further Share Awards shall be granted under the 2025 Share Award Scheme but the provisions of the 2025 Share Award Scheme shall remain in full force and effect in all other respects.

Eligible Persons: Eligible Persons are persons eligible to participate in the 2025 Share Award Scheme and shall comprise Director(s) (including executive Director(s), non-executive Director(s) and independent non-executive Director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Share Awards under the 2025 Share Award Scheme as an inducement to enter into employment contracts with any member of the Group.

The Limit of the 2025 Share Award Scheme: The total number of Share Awards which may be granted under the 2025 Share Award Scheme shall not exceed 57,842,100 Shares.

Vesting Period: The vesting of any Share Awards under the 2025 Share Award Scheme shall be no less than 12 months from (and including) the date of grant.

Performance Targets and Clawback Mechanism: Unless otherwise determined by the Board and specified in the Offer on which a Share Award is to be granted, there is no general requirement that any performance targets must be achieved before any Share Award granted under the 2025 Share Award Scheme can be vested.

Details of the movement of share awards granted, cancelled/lapsed and unvested awards under the 2025 Share Award Scheme during the Reporting Period are as follows:

Category of participants	Date of grant	Closing price immediately before the date of grant *(HK$)*	Balance as at January 1, 2025	Changes during the Reporting Period				Balance as at June 30, 2025	Unvested Share Awards as at January 1, 2025	Unvested Share Awards as at June 30, 2025
				Granted	Vested	Cancelled	Lapsed			
Five highest paid individual Mr. John P. GARGIULO (Chief Business Officer)	January 14, 2025 *(Note e)*	3.180	–	5,784,210	–	–	–	5,784,210	–	5,784,210
			–	5,784,210	–	–	–	5,784,210	–	5,784,210

Note:

(e) The fair value of the awards granted during the Reporting Period was HK$23,195,000, of which the Group recognized a share awards expense of RMB0.00 during the period ended June 30, 2025. The fair value of equity-settled share awards granted during the period was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted.

Management Discussion and Analysis

The number of share awards available for grants under the 2025 Share Award Scheme was 52,057,890 as at June 30, 2025 (as at December 31, 2024: N/A).

Save as disclosed above and in our Prospectus, there were neither Options or Share Awards granted, exercised, cancelled or lapsed under the 2019 Share Option Scheme, the 2025 Share Option Scheme and the 2025 Share Award Scheme nor other equity-linked agreements entered into by the Company or its subsidiaries during the Reporting Period.

Other Information

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 part 2 of the CG Code, the roles of chairman of the Board and chief executive officer of the Company are not separate and are both performed by Dr. Wu. The Company is an investment holding company with a professional management team to monitor the operations of the subsidiaries. The Board considers that vesting the roles of chairman of the Board and chief executive officer in the same person is more efficient in the direction and management of the Company and does not impair the balance of power and authority of the Board and the management of the business of the Company. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines throughout the Reporting Period and up to the date of this report. 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 THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 3,440,000 Shares on the Stock Exchange at an aggregate consideration of HK$13,559,450. 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.

During the Reporting Period, 8,007,000 Shares and 36,889,790 treasury Shares have been cancelled and the total number of Shares in issue has been reduced accordingly.

Other Information

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

Trading Month	Number and Method of Shares Repurchased	Price Per Share		Aggregate Consideration Paid
		Highest price paid *(HK$)*	Lowest price paid *(HK$)*	*(HK$)*
January 2025	2,640,000 on the Stock Exchange	4.13	2.94	9,301,470.00
April 2025	800,000 on the Stock Exchange	6.74	4.57	4,257,980.00

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

As at June 30, 2025, the Company held 5,784,210 treasury shares for the 2025 Share Award Scheme.

CHANGES IN DIRECTORS' INFORMATION

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

(1) Mr. Jiong GU, our independent non-executive Director, has resigned as the independent non-executive director of Vesync Co., Ltd (delisted in May 2025, SEHK: 2148) in May 2025.

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at June 30, 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares or underlying Shares of the Company

Name of Director	Capacity/Nature of Interest	Number of Shares/ underlying Shares[1]	Approximate percentage of shareholding interest[2]
Dr. Wu	Interest in controlled corporation[3]	514,393,664 (L)	53.06%
	Interest of spouse[5][6]	84,982,914 (L)	8.77%
	Beneficial owner[4]	2,155,500 (L)	0.22%
	Other[7]	5,784,210(L)	0.60%
Mrs. Wu	Interest in controlled corporation[5]	82,827,414 (L)	8.54%
	interest of spouse[3][4]	516,549,164 (L)	53.28%
	Beneficial owner[6]	2,155,500 (L)	0.22%
	Other[7]	5,784,210 (L)	0.60%

Other Information

Notes:

1. The letter "**L**" denotes the person's long position in the Shares.

2. The approximate percentage of shareholding interest in the Company is calculated based on the total number of 969,430,495 Shares in issue (including treasury shares) as at June 30, 2025.

3. 514,393,664 Shares were held by Dr. Wu through JJW12 Limited, a company incorporated in the BVI and wholly owned by Dr. Wu.

4. Include 1,155,500 Shares directly held by Dr. Wu and 1,000,000 underlying Shares held by Dr. Wu pursuant to the share options granted to him on January 3, 2024 under the 2019 Share Option Scheme.

5. 82,827,414 Shares were held by Lakemont Holding LLC. As at June 30, 2025, Lakemont Holding LLC was controlled by Lakemont Remainder Trust as to 45.95% and Northridge Trust as to 53.52%. Lakemont Remainder Trust and Northridge Trust (the "**Family Trusts**") are discretionary trusts that Mrs. Wu (the spouse of Dr. Wu) was the protector of the Family Trusts who can exercise the voting rights in the Shares held by the Family Trusts. Mrs. Wu was the investment advisor of the Family Trusts.

6. Include 1,155,500 Shares directly held by Mrs. Wu and 1,000,000 underlying Shares held by Mrs. Wu pursuant to the share options granted to her on January 3, 2024 under the 2019 Share Option Scheme.

7. An aggregate of 5,784,210 Shares repurchased by the Company on the open market pursuant to the repurchase mandate passed by the Shareholders at the annual general meeting on May 23, 2024 were held by the Company as treasury shares as of June 30, 2025. Since JJW12 Limited controls one-third or more of the voting power at the general meetings of the Company, Dr. Wu (the controlling person of JJW12 Limited) and Mrs. Wu (spouse of Dr. Wu), are taken to have an interest in such 5,784,210 treasury shares of the Company under the SFO.

Save as disclosed above, as at June 30, 2025, so far as it was known to the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2025, so far as it was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

Other Information

Interests in Shares or underlying Shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Number of Shares/ underlying Shares[1]	Approximate percentage of shareholding interest[2]
JJW11 Limited[3]	Beneficial owner	59,628,533 (L)	6.15%
JJW12 Limited[4]	Beneficial owner	514,393,664 (L)	53.06%
	Other	5,784,210 (L)	0.60%
Lakemont Holding LLC[5]	Beneficial owner	82,827,414 (L)	8.54%
C-Bridge Capital GP, Ltd.[6]	Interest of controlled corporation	52,096,036 (L)	5.37%
Fu Wei[6]	Interest of controlled corporation	52,096,036 (L)	5.37%
TF Capital II, Ltd.[6]	Interest of controlled corporation	52,096,036 (L)	5.37%
TF Capital, Ltd.[6]	Interest of controlled corporation	52,096,036 (L)	5.37%
Kang Hua Investment Company Limited[7]	Interest of controlled corporation	52,096,036 (L)	5.37%
Yang Dan[7]	Interest of controlled corporation	52,096,036 (L)	5.37%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. The approximate percentage of shareholding interest in the Company is calculated based on the total number of 969,430,495 Shares in issue (including treasury shares) as at June 30, 2025.

3. JJW11 Limited was controlled by Ms. Heying YANG (楊荷英).

4. The 514,393,664 Shares were held by Dr. Wu through JJW12 Limited, a company incorporated in the BVI and wholly owned by Dr. Wu. Meanwhile, an aggregate of 5,784,210 Shares repurchased by the Company on the open market pursuant to the repurchase mandate passed by the Shareholders at the annual general meeting on May 23, 2024 were held by the Company as treasury shares as of June 30, 2025. Since JJW12 Limited controls one-third or more of the voting power at the general meetings of the Company. Accordingly, it is taken to have an interest in such 5,784,210 treasury shares of the Company under the SFO.

5. As at June 30, 2025, Lakemont Holding LLC was controlled by Lakemont Remainder Trust as to 45.95% and Northridge Trust as to 53.52%. The Family Trusts are discretionary trusts that Mrs. Wu (the spouse of Dr. Wu) was the protector of the Family Trusts who can exercise the voting rights in the Shares held by the Family Trusts. Mrs. Wu was the investment advisor of the Family Trusts.

6. The 52,096,036 Shares were indirectly held by C-Bridge Capital GP, Ltd. which is owned as to approximately 38.34% and approximately 45.00% by TF Capital II, Ltd. and TF Capital, Ltd., respectively. Fu Wei indirectly owns approximately 47.83% of TF Capital II, Ltd.

7. The 52,096,036 Shares were indirectly held by Kang Hua Investment Company Limited which is wholly owned by Yang Dan.

Save as disclosed above, as at June 30, 2025, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Other Information

USE OF PROCEEDS FROM LISTING

In connection with the Company's initial public offering, 224,137,000 ordinary shares of US$0.0001 each were issued at a price of HK$14.00 per share for a total cash consideration, before expenses, of approximately HK$3,137,918,000 (equivalent to RMB2,730,284,000).

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; (iv) the announcement of the Company dated September 23, 2024 in relation to the change in the use of Proceeds (the "**2024 Allocation**"); and (v) the announcement of the Company dated March 26, 2025 in relation to the change in the use of Proceeds (the "**2025 Allocation**").

As at June 30, 2025, approximately HK$554.8 million of the net proceeds from the Global Offering remain unutilized, representing approximately 17.7% of the net proceeds from the Global Offering (the "**Unutilized Net Proceeds**"). The table below sets out the planned applications of the remaining net proceeds of HK$793.7 million after the 2025 Allocation and the actual usage up to June 30, 2025:

Use of proceeds	The unutilized amount pursuant to the 2025 Allocation *(HK$ million)*	*(%)*	The utilized amount as of June 30, 2025 *(HK$ million)*	The unutilized amount as of June 30, 2025 *(HK$ million)*	Expected timeline for utilizing the Unutilized Net Proceeds after the 2025 Allocation
For supporting the R&D of pipeline products in metabolic diseases	505.0	63.6	51.3	453.7	The remaining amount is expected to be utilized in around two years and a half from June 30, 2025.
For supporting the R&D of new pipeline drug candidates	147.4	18.6	98.1	49.3	The remaining amount is expected to be utilized in around two years and a half from June 30, 2025.
For continued R&D of pipeline products in oncology	34.5	4.3	18.1	16.4	The remaining amount is expected to be utilized in around a half year from June 30, 2025.
For continued R&D of pipeline products in MASH/PBC	25.0	3.2	6.5	18.5	The remaining amount is expected to be utilized in around a half year from June 30, 2025.
For continued R&D of ASC22 and pipeline products in other virus diseases	3.2	0.4	2.0	1.2	The remaining amount is expected to be utilized in around a half year from June 30, 2025.
For the working capital and other general corporate purposes	78.6	9.9	62.9	15.7	The remaining amount is expected to be utilized in around one year and a half from June 30, 2025.
	793.7	100.0	238.9	554.8	

Other Information

REVIEW OF INTERIM REPORT

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

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Jiong GU, Dr. Yizhen WEI, and Ms. Lin HUA. The chairman of the Audit Committee is Mr. Jiong GU. The Audit Committee has jointly reviewed with the management the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the six months ended June 30, 2025) of the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

INTERIM DIVIDEND

The Board does not recommend payment of an interim dividend for the six months ended June 30, 2025.

EVENT AFTER THE REPORTING PERIOD

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

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.

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

Hong Kong
August 15, 2025

Independent Review Report

Review report to the board of directors of Ascletis Pharma Inc.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 36 to 55 which comprise the consolidated statement of financial position of Ascletis Pharma Inc. (the "Company") and its subsidiaries (the "Group") as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
15 August 2025

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025 – unaudited

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
REVENUE	*3*	**1,081**	–
Cost of sales		**(960)**	–
Gross profit		**121**	–
Other income and gains	*4*	**102,496**	49,004
Research and development costs		**(146,812)**	(132,382)
Administrative expenses		**(43,302)**	(41,356)
Other expenses		**(367)**	(199)
Finance costs		**(87)**	(112)
Share of loss of an associate		**–**	(5,273)
LOSS BEFORE TAX	*5*	**(87,951)**	(130,318)
Income tax	*6*	**–**	–
LOSS FOR THE PERIOD		**(87,951)**	(130,318)
Attributable to:			
Equity shareholders of the Company		**(87,951)**	(130,318)
LOSS PER SHARE			
Basic and diluted	*7*	**(9.14)**	(12.82)

The notes on pages 43 to 55 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025 – unaudited

	2025 ***RMB'000***	2024 *RMB'000*
LOSS FOR THE PERIOD	**(87,951)**	(130,318)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**247**	345
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements into presentation currency	**(5,546)**	8,343
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(5,299)**	8,688
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(93,250)**	(121,630)
Attributable to:		
Equity shareholders of the Company	**(93,250)**	(121,630)

The notes on pages 43 to 55 form part of these financial statements.

Consolidated Statement of Financial Position

At 30 June 2025 – unaudited

	Notes	**30 June 2025** ***RMB'000***	31 December 2024 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*8*	**44,800**	49,249
Advance payments for property, plant and equipment		**–**	130
Right-of-use assets	*9*	**7,190**	7,825
Other intangible assets		**10,915**	12,118
Financial assets at fair value through other comprehensive income ("FVOCI")	*10*	**31,296**	30,865
Financial assets at fair value through profit or loss ("FVPL")	*11*	**79,349**	53,526
Long-term deferred expenditure		**349**	77
Total non-current assets		**173,899**	153,790
CURRENT ASSETS			
Inventories		**4,822**	4,373
Trade receivables	*12*	**408**	152
Financial assets at FVPL	*11*	**20,697**	7,365
Prepayments, other receivables and other assets		**21,063**	17,762
Restricted deposits	*13*	**–**	2,368
Cash and cash equivalents	*14*	**1,580,340**	864,326
Time deposits with original maturity over three months		**195,606**	1,074,436
Total current assets		**1,822,936**	1,970,782
CURRENT LIABILITIES			
Trade payables	*15*	**20**	31
Other payables and accruals		**119,947**	145,188
Lease liabilities		**3,570**	6,246
Deferred income		**1,588**	1,588
Total current liabilities		**125,125**	153,053
NET CURRENT ASSETS		**1,697,811**	1,817,729
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,871,710**	1,971,519

The notes on pages 43 to 55 form part of these financial statements.

Consolidated Statement of Financial Position

At 30 June 2025 – unaudited (continued)

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**697**	1,387
Deferred income	**3,176**	3,970
Total non-current liabilities	**3,873**	5,357
Net assets	**1,867,837**	1,966,162
EQUITY		
Equity attributable to equity shareholders of the Company		
Share capital	**658**	689
Reserves	**1,867,179**	1,965,473
Total equity	**1,867,837**	1,966,162

Approved and authorised for issue by the Board of Directors on 15 August 2025.

Jinzi Jason WU
Director

Judy Hejingdao WU
Director

The notes on pages 43 to 55 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 – unaudited

	Attributable to equity shareholders of the Company						
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium account *RMB'000*	Capital reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Accumulated losses *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2024	731	(51,951)	2,843,133	664,926	59,630	(1,174,403)	2,342,066
Changes in equity for the six months ended 30 June 2024:							
Loss for the period	–	–	–	–	–	(130,318)	(130,318)
Other comprehensive loss for the period:							
Exchange differences	–	–	–	–	8,688	–	8,688
Total comprehensive loss for the period	–	–	–	–	8,688	(130,318)	(121,630)
Shares repurchased *(note 16(b))*	–	(41,830)	–	–	–	–	(41,830)
Shares cancelled *(note 16(d))*	(42)	93,781	(93,739)	–	–	–	–
Transfer of capital reserve upon the exercise of share options	–	–	495	(495)	–	–	–
Equity-settled share award and option arrangements	–	–	–	1,666	–	–	1,666
Balance at 30 June 2024 and 1 July 2024	689	–	2,749,889	666,097	68,318	(1,304,721)	2,180,272
Changes in equity for the six months ended 31 December 2024:							
Loss for the period	–	–	–	–	–	(170,618)	(170,618)
Other comprehensive loss for the period:							
Exchange differences	–	–	–	–	11,872	–	11,872
Total comprehensive loss for the period	–	–	–	–	11,872	(170,618)	(158,746)
Shares repurchased *(note 16(b))*	–	(56,702)	–	–	–	–	(56,702)
Shares cancelled *(note 16(d))*	–	–	–	–	–	–	–
Transfer of capital reserve upon the exercise of share options	–	–	74	(74)	–	–	–
Equity-settled share award and option arrangements	–	–	–	1,338	–	–	1,338
Balance at 31 December 2024	689	(56,702)	2,749,963	667,361	80,190	(1,475,339)	1,966,162

The notes on pages 43 to 55 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 – unaudited (continued)

	Attributable to equity shareholders of the Company						
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium account *RMB'000*	Capital reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Accumulated losses *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2025	**689**	**(56,702)**	**2,749,963**	**667,361**	**80,190**	**(1,475,339)**	**1,966,162**
Changes in equity for the six months ended 30 June 2025:							
Loss for the period	–	–	–	–	–	**(87,951)**	**(87,951)**
Other comprehensive loss for the period:							
Exchange differences	–	–	–	–	**(5,299)**	–	**(5,299)**
Total comprehensive loss for the period	–	–	–	–	**(5,299)**	**(87,951)**	**(93,250)**
Shares repurchased *(note 16(b))*	–	**(12,760)**	–	–	–	–	**(12,760)**
Shares issued under share option scheme *(note 16(c))*	**1**	–	**3,848**	–	–	–	**3,849**
Shares cancelled *(note 16(d))*	**(32)**	**53,233**	**(53,201)**	–	–	–	–
Transfer of capital reserve upon the exercise of share options	–	–	**3,713**	**(3,713)**	–	–	–
Equity-settled share award and option arrangements	–	–	–	**3,836**	–	–	**3,836**
Balance at 30 June 2025	**658**	**(16,229)**	**2,704,323**	**667,484**	**74,891**	**(1,563,290)**	**1,867,837**

The notes on pages 43 to 55 form part of these financial statements.

Condensed Consolidated Cash Flows Statement

For the six months ended 30 June 2025 – unaudited

	2025 *RMB'000*	2024 *RMB'000*
OPERATING ACTIVITIES		
Cash used in operations	**(172,990)**	(203,415)
Net cash flows used in operating activities	**(172,990)**	(203,415)
INVESTING ACTIVITIES		
Purchases of items of property, plant equipment	**(1,080)**	(1,342)
Purchase of intangible assets	**(11)**	(1)
Purchase of financial assets at FVPL	**(308,483)**	(142,348)
Proceeds from disposal of financial assets at FVPL	**306,830**	162,312
Receipt of investment income from financial assets at FVPL	**1,266**	1,538
Purchases of financial assets at FVOCI	**–**	(30,000)
Receipt of investment income from financial assets at FVOCI	**–**	86
Decrease in time deposits with original maturity over three months	**863,903**	243,007
Interest received	**42,180**	28,381
Net cash flows generated from investing activities	**904,605**	261,633
FINANCING ACTIVITIES		
Principal portion of lease payments	**(5,487)**	(3,513)
Interest paid for lease liabilities	**(87)**	(112)
Proceeds from shares issued under share option scheme	**3,849**	–
Payment for repurchase of shares	**(12,760)**	(41,830)
Net cash flows used in financing activities	**(14,485)**	(45,455)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**717,130**	12,763
Cash and cash equivalents at beginning of period	**864,326**	330,117
Effect of foreign exchange rate changes, net	**(1,116)**	114
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,580,340**	342,994

The notes on pages 43 to 55 form part of these financial statements.

Notes to the Unaudited Interim Financial Report

1. CORPORATE INFORMATION

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

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

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

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

2.1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), It was authorised for issue on 15 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial report performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 35.

Notes to the Unaudited Interim Financial Report

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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 products or service lines is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Recognised over time:		
– Provide R&D service	**1,054**	–
– Others	**27**	–
Total	**1,081**	–

During the six months ended 30 June 2025, one customer of the Group, Northridge Health Group (Hong Kong) Co., Limited ("Northridge"), whose transactions exceeded 10% of the Group's revenues, contributed 97.5%, and arose outside Mainland China.

(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.

Notes to the Unaudited Interim Financial Report

3. REVENUE AND SEGMENT REPORTING (Continued)

(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.

(i) Revenue from external customers

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Hong Kong	**1,054**	–
Other region	**27**	–
Total	**1,081**	–

(ii) Non-current assets

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
Mainland China	**55,711**	61,362
United States	**4**	5
Total	**55,715**	61,367

Notes to the Unaudited Interim Financial Report

4. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Bank interest income	**30,037**	48,076
Investment income from transferable certificate of deposit	**431**	510
Government grants *(note i)*	**34,175**	12,226
Foreign exchange (loss)/gain, net	**(1,308)**	2,326
Gain on dilution of interest in associate *(note ii)*	**–**	21,147
Net loss arising from fair value remeasurement of interest in a former associate *(note iii)*	**–**	(24,546)
Net realized and unrealized gain/(loss) arising from financial assets at FVPL	**39,151**	(10,735)
Others	**10**	–
Total	**102,496**	49,004

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 Biosciences Inc. ("Sagimet") results from the dilution due to the post-IPO financing completed on 30 January 2024.

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

Notes to the Unaudited Interim Financial Report

5. LOSS BEFORE TAX

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

(a) Finance cost

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Interest on lease liabilities	**87**	112

(b) Other items

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Depreciation of items of property, plant and equipment	**5,470**	6,126
Depreciation of right-of-use assets	**2,756**	2,296
Amortisation of intangible assets	**1,214**	1,899
Write-down of inventories to net realisable value	**23**	353
Reversal of impairment of trade receivables	**–**	(2)
Auditor's remuneration	**551**	551
Lawsuit expenses	**1,899**	20,459
Equity-settled share award and option expense	**3,836**	1,666

6. INCOME TAX

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

The Group calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The Group did not incur any income tax expenses as the Group did not generate taxable income for the periods ended 30 June 2025 and 2024.

7. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB87,951,000 (six months ended 30 June 2024: RMB130,318,000) and the weighted average of 962,523,000 ordinary shares (six months ended 30 June 2024: 1,016,412,000) in issue during the interim period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2025 and 2024 in respect of a dilution as the impact of the share award and options had an anti-dilutive effect on the basic loss per share amounts presented.

Notes to the Unaudited Interim Financial Report

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at a cost of RMB1,072,000 (six months ended 30 June 2024: RMB1,432,000).

Items of plant and machinery with a net book value of RMB50,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: nil), resulting in a loss on disposal of RMB50,000 (six months ended 30 June 2024: nil).

9. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group entered into a lease agreement for use of office, and therefore recognised the additions to right-of-use assets of RMB2,121,000 (six months ended 30 June 2024: RMB3,950,000).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 ***RMB'000***	31 December 2024 *RMB'000*
Transferable certificate of deposit	**31,296**	30,865

Transferable certificate of deposit is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Therefore, the management of the Group classified the transferable certificate of deposit as financial assets at fair value through other comprehensive income.

The analysis on the fair value measurement of the Group's above financial assets is disclosed in Note 17.

Notes to the Unaudited Interim Financial Report

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current		
Financial assets at FVPL		
– Listed equity securities	**79,349**	53,526
Current		
Financial assets at FVPL		
– Wealth management products	**20,697**	7,365

Notes:

(i) The Group's non-current balances of financial assets at FVPL represent investments in equity securities listed on the NASDAQ.

The fair value of listed equity investment is determined based on the quoted market bid price (Level 1: quoted price (unadjusted) in active markets).

(ii) Wealth management products are issued by commercial banks and other financial institutions with its idle funds. These products generally have a pre-set maturity and expected return, with its underlying assets being a wide range of government and corporate bonds, central bank bills, money market funds as well as other listed securities. The Group evaluates these products on a fair value basis.

12. TRADE RECEIVABLES

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 3 months	**408**	152

13. RESTRICTED DEPOSITS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Restricted deposits	**–**	2,368

As of 31 December 2024, restricted deposits of RMB2,368,000 comprise certain pledged deposits held at the bank arising from a commercial dispute, which was subsequently resolved on 21 January 2025.

Notes to the Unaudited Interim Financial Report

14. CASH AND CASH EQUIVALENTS

	30 June 2025 ***RMB'000***	31 December 2024 *RMB'000*
Cash at bank and in hand	**1,580,340**	866,694
Less: restricted deposits *(note 13)*	**–**	(2,368)
Cash and cash equivalents	**1,580,340**	864,326

As of the end of the reporting period, cash and cash equivalents situated in Chinese Mainland amounted to RMB370,338,000 (2024: RMB253,016,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

15. TRADE PAYABLES

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

	30 June 2025 ***RMB'000***	31 December 2024 *RMB'000*
Within 3 months	**20**	31

16. CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The board of directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

(b) Repurchase of own shares

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

Month/year	**Number of shares repurchased**	**Highest price paid per share** *HKD*	**Lowest price paid per share** *HKD*	**Aggregate price paid (including transaction fee)** *HKD'000*
January 2025	2,640,000	4.13	2.94	9,474
April 2025	800,000	6.74	4.57	4,336
Total				13,810

The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased shares of HKD13,810,000 (equivalent to RMB12,760,000) was fully paid.

Notes to the Unaudited Interim Financial Report

16. CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Shares issued under share option scheme

During the six months ended 30 June 2025, options were exercised to subscribe for 1,569,285 ordinary shares in the Company at a consideration of RMB3,849,000. An amount of RMB1,000 was credited to share capital and an amount of RMB3,848,000 was credited to capital reserve. (six months ended 30 June 2024: nil).

(d) Cancellation of share repurchased

During the six months ended 30 June 2025, the Company cancelled 44,896,790 shares (six months ended 30 June 2024: 59,981,000 shares). An amount of RMB32,000 was debited to share capital, an amount of RMB53,201,000 was debited to share premium account and an amount of RMB53,233,000 was credit to treasury shares.

(e) Equity settled share-based transactions

On 3 February 2025, the Company adopted a share option scheme (the "2025 Share Option Scheme") and a share award scheme (the "2025 Share Award Scheme"). The purpose of these schemes is to reward directors and employees for their service to the Group and to provide incentives to them to further contribute to the Group.

On 3 February 2025, 4,820,175 share options and 5,784,210 share awards were granted for nil consideration to an employee of the Group under the 2025 Share Option Scheme and the 2025 Share Award Scheme.

Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest from 14 January 2026 to 14 January 2029, and then be exercisable until 2035. The exercise price is HKD3.340, being the weighted average closing price of the Company's ordinary shares immediately before the grant day. The share awards will vest conditional upon the fulfilment of the specific performance targets.

Notes to the Unaudited Interim Financial Report

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

		Fair value measurements as at 30 June 2025 categorised into		
	Fair value at 30 June 2025 ***RMB'000***	**Level 1** ***RMB'000***	**Level 2** ***RMB'000***	**Level 3** ***RMB'000***
Recurring fair value measurement				
Financial assets at FVPL				
– Wealth management products	**20,697**	**–**	**20,697**	**–**
– Listed equity securities	**79,349**	**79,349**	**–**	**–**
Financial assets at FVOCI				
– Transferable certificate of deposit	**31,296**	**–**	**31,296**	**–**

Notes to the Unaudited Interim Financial Report

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(i) Fair value hierarchy (Continued)

	Fair value at 31 December 2024 *RMB'000*	Fair value measurement at 31 December 2024 categorised into: Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*
Recurring fair value measurement				
Financial assets at FVPL				
– Wealth management products	7,365	–	7,365	–
– Listed equity securities	53,526	53,526	–	–
Financial assets at FVOCI				
– Transferable certificate of deposit	30,865	–	30,865	–

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: nil).

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of wealth management products is determined by the financial institution based on the observable quoted price of the underlying investment portfolio.

The fair value of transferable certificate of deposit measured at fair value are determined by calculating based on the annualised interest rates.

18. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2025 ***RMB'000***	31 December 2024 *RMB'000*
Contracted, but not provided for:		
Acquisition of plant and machinery	**410**	645

The Group has entered several exclusive license agreements with other parties and is eligible to pay potential milestone payments in relation to these agreements.

Notes to the Unaudited Interim Financial Report

19. 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.

The Company received initial determination and final judgment (together the "Judgment") from ITC on the complaint on 4 October 2024 and 29 May 2025. The Judgment, 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.

Regarding the compliant made with USDC, there has been no major progress since 1 January 2025, 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 30 June 2025.

20. RELATED PARTY TRANSACTIONS

(a) Names and relationship of the related parties that had material transactions with the Group during the reporting period

Name of the related party	Relationship
Northridge	Entity controlled by Jinzi Jason WU

(b) Transactions with related parties:

	2025 RMB'000	2024 RMB'000
Revenue from providing R&D service	**1,054**	–

Note:

(i) The revenue from related parties was based on the price mutually agreed between the parties.

(c) Outstanding balance with a related party:

	2025 RMB'000	2024 RMB'000
Trade receivables	**408**	–

Notes to the Unaudited Interim Financial Report

20. RELATED PARTY TRANSACTIONS (Continued)

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Short term employee benefits *(note i)*	**42,745**	43,289
Pension scheme contributions	**216**	228
Equity-settled share award and option expense	**3,393**	1,027
Total compensation paid to key management personnel	**46,354**	44,544

Note:

(i) During the six months ended 30 June 2025, short term employee benefits included a subsidy of RMB29,389,000 (six months ended 30 June 2024: RMB30,386,000) to Jinzi Jason WU to offset against his individual income tax liability (after grossed up for China individual income tax) for his subpart F income in 2024 which was derived from the bank interest generated by the Group. He is the citizen of the United States of America ("USA") and pursuant to the USA Internal Revenue Code Section 951, if a foreign corporation is a controlled foreign corporation at any time during any taxable year, and any of the shareholders of such corporation is the citizen of the USA, such shareholder shall include in his gross income his pro rata shares of the corporation's subpart F income for the year, even though such corporation has not paid such shareholder any dividends.

Definitions

"2019 Share Option Scheme"	the Share Option Scheme adopted by the Company on June 6, 2019 and terminated on February 3, 2025
"2025 Share Option Scheme"	the 2025 Share Option Scheme proposed to be approved by the Shareholders at the EGM
"2025 Share Award Scheme"	the 2025 Share Award Scheme proposed to be approved by the Shareholders at the EGM
"AEs"	adverse events
"Ascletis", "Company", "the Company" or "We"	Ascletis Pharma Inc. (歌禮製藥有限公司), an exempted company incorporated in the Cayman Islands with limited liability on February 25, 2014
"Ascletis BioScience"	Ascletis BioScience Co., Ltd. (歌禮生物科技(杭州)有限公司), a limited liability company established in the PRC on April 26, 2013 and an indirectly wholly-owned subsidiary of the Company
"Ascletis Pharmaceuticals"	Ascletis Pharmaceuticals Co., Ltd. (歌禮藥業(浙江)有限公司), a limited liability company established in the PRC on September 24, 2014 and an indirectly wholly-owned subsidiary of the Company
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China", "Mainland China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan
"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
"EGM"	the extraordinary general meeting of the Company convened and held at 11/F, Building D, 198 Qidi Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China on Monday, February 3, 2025 at 10:00 a.m., among others, for the adoption of the 2025 Share Option Scheme and the 2025 Share Award Scheme

Definitions

"FASN"	fatty acid synthase
"FDA"	U.S. Food and Drug Administration
"FVPL"	fair value through profit or loss
"Gannex"	Gannex Pharma Co., Ltd. (甘萊製藥有限公司), a limited liability company established under the laws of the PRC on September 3, 2019 and an indirectly wholly-owned subsidiary of the Company
"Greater China"	Mainland China, Hong Kong, Macau and Taiwan
"Group", "our Group" or "the Group"	the Company and its subsidiaries
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	the Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IND(s)"	investigational new drug(s), (an) experimental drug for which a pharmaceutical company obtains permission to ship across jurisdictions (usually to clinical investigators) before a marketing application for the drug has been approved
"LDL-C"	low-density lipoprotein cholesterol
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on August 1, 2018
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"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
"Option(s)"	share option(s) granted to a grantee to subscribe for Shares pursuant to the terms of the 2025 Share Option Scheme
"PBC"	primary biliary cholangitis
"R&D"	research and development

Definitions

"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the six-month period from January 1, 2025 to June 30, 2025
"rGBM"	recurrent glioblastoma
"SAD"	single ascending dose
"Sagimet"	Sagimet Biosciences Inc., a corporation incorporated in Delaware in December 2006, whose shares are listed on the Nasdaq Stock Market (stock code: SGMT)
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary shares in the share capital of our Company of US$0.0001 each
"Share Award(s)"	Share award(s) granted to a Grantee to subscribe for Shares pursuant to the terms of the 2025 Share Award Scheme
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"THRβ"	thyroid hormone receptor beta
"treasury shares"	has the same meaning ascribed to it under the Listing Rules
"U.S."	United States of America
"U.S. dollar(s)", "USD" or "US$"	United States dollars, the lawful currency of the United States of America
"Written Guidelines"	the Guidelines for Securities Transactions by Directors adopted by the Company
"%"	per cent

In this report, 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.