Akeso, Inc.
康方生物科技（開曼）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9926)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

The Board hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2024.

In this announcement, "we," "us" and "our" refer to the Company or where the context requires otherwise, the Group.

FINANCIAL HIGHLIGHTS

1. Revenue

The Group's revenue was RMB1,024.7 million for the six months ended June 30, 2024, as compared to RMB3,676.9 million for the six months ended June 30, 2023. The Group's revenue for the six months ended June 30, 2024 was mainly attributable to product sales and license income. Our net product sales increased by 23.96% from RMB757.9 million for the six months ended June 30, 2023 to RMB939.4 million for the six months ended June 30, 2024. Revenue of license income was RMB85.3 million for the six months ended June 30, 2024, as compared to RMB2,919.0 million for the six months ended June 30, 2023.

2. Gross Profit

The Group's gross profit was RMB943.2 million for the six months ended June 30, 2024, as compared to RMB3,599.7 million for the six months ended June 30, 2023. This was mainly attributable to the change of license income during this period. Gross profit of product sales increased by 26.03% from RMB680.7 million for the six months ended June 30, 2023 to RMB857.9 million for the six months ended June 30, 2024.

3. Profit/Loss for the Period

The Group's loss for the period was RMB249.3 million for the six months ended June 30, 2024, as compared to profit of RMB2,489.5 million for the six months ended June 30, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Akeso, Inc. is a biopharmaceutical company dedicated to the research, development, manufacturing and commercialization of innovative antibody drugs that are affordable to patients worldwide. Since the Company's inception, the Company has established an end-to-end comprehensive drug development platform (ACE Platform), encompassing fully integrated drug discovery and development functions, including target validation, antibody drug discovery and development, CMC production process development, and GMP compliant production. The Company has also successfully developed a bi-specific antibody drug development technology (Tetrabody technology), which helps the Company overcome three CMC challenges in the development and manufacture of bi-specific antibodies, including low expression levels, process development hurdles, and antibody stability and druggability.

The Company has a pipeline of over 50 innovative programs covering the therapeutic areas of oncology, autoimmune and metabolic diseases, among which 10 products are at the commercial or Phase III registrational trial stage, including 4[1] approved products independently developed by the Company and 2 products under NDA review by NMPA, and 12 assets are at the Phase I/II clinical trial stage. 7 of the products are potential global first-in-class (FIC) or best-in-class (BIC) bi-specific antibodies. The Company's vision is to become a leading global biopharmaceutical company through the construction of an innovative platform for R&D, FIC/BIC antibody production, and a highly effective commercial network.

During the Reporting Period, the Company recorded net product sales of RMB939.4 million, representing an increase of 23.96% as compared to RMB757.9 million for the same period last year. The increase was mainly attributable to the increase in the sales volume of 開坦尼® (cadonilimab, PD-1/CTLA-4), and the contribution of sales revenue from the commercialization of the second core bi-specific antibody, 依達方® (ivonescimab, PD-1/VEGF), since its official marketing approval at the end of May 2024.

On June 3, 2024, the Company entered into an amendment to the license agreement with SUMMIT to expand the license territory of ivonescimab. Pursuant to this amendment to the license agreement, we recognized license income of approximately RMB80.0 million during the Reporting Period.

[1] 開坦尼® (cadonilimab, PD-1/CTLA-4), 依達方® (ivonescimab, PD-1/VEGF), ANNIKO® (penpulimab, PD-1) and 普佑恒™ (pucotenlimab, PD-1) which was licensed out to Lepu Biopharma Co., Ltd. (stock code: 2157.HK)

開坦尼® (cadonilimab, PD-1/CTLA-4)

Continued strong performance of sales

During the Reporting Period, the product sales of 開坦尼® remained strong and recorded approximately RMB705.7 million, representing an increase of 16.50% as compared to RMB605.8 million for the same period last year. The sales increase was attributable to the superior clinical benefit of and the broad market demand for 開坦尼®.

Expansion of first-line new indications

- In January 2024, the sNDA of cadonilimab in combination with chemotherapy as the first-line treatment of unresectable, locally advanced, recurrent or metastatic gastric or gastroesophageal junction (G/GEJ) adenocarcinoma was accepted by NMPA. In April 2024, the results of its Phase III clinical trial were presented as an oral presentation at the 2024 American Association for Cancer Research (AACR) Annual Meeting. During the Reporting Period, cadonilimab as the first-line treatment has been included in the *2024 edition of the CSCO Guidelines for the Diagnosis and Treatment of Gastric Cancer*, the *2024 edition of the Guidelines of CSCO for Immune Checkpoint Inhibitor Clinical Practice*, and the *Expert Consensus on Gastric Cancer Immunotherapy Based on PD-L1 Protein Expression Levels*. Cadonilimab is expected to bring safer and more effective immunotherapy regimens to all comers of gastric cancer patients, regardless of PD-L1 expression level/status.

- In April 2024, the sNDA of cadonilimab in combination with chemotherapy with or without bevacizumab as the first-line treatment of persistent, recurrent or metastatic cervical cancer was accepted by NMPA. In July 2024, the Phase III clinical trial reached the primary endpoint of OS in the interim analysis and achieved statistically significant and clinically meaningful superiority. The study results will be presented at an upcoming academic conference.

Cadonilimab will continue to show its outstanding clinical value in a wider patient pool by bringing a new first-line immunotherapy to patients with gastric cancer and cervical cancer.

Broaden indications and effectively advance clinical trials

We also rapidly advanced the Phase III clinical trials of cadonilimab and continued to expand its therapeutic potential.

- We continued the patient enrollment of the Phase III clinical trial of cadonilimab in combination with chemotherapy versus tislelizumab in combination with chemotherapy as first-line treatment of locally advanced or metastatic NSCLC patients with PD-L1 negative expression.

- We continued the patient enrollment of the Phase III clinical trial of cadonilimab monotherapy as an adjuvant treatment for postoperative hepatocellular carcinoma.

- The first patient was dosed in the Phase III clinical trial of cadonilimab in combination with pulocimab (AK109, VEGFR-2) and chemotherapy for the treatment of advanced G/GEJ patients who failed first-line treatment with PD-(L)1 inhibitor and chemotherapy. In June 2024, the Phase II results were presented as an oral presentation at the 2024 ASCO.

- The first patient was dosed in the Phase III clinical trial of cadonilimab in combination with lenvatinib and transcatheter arterial chemoembolization (TACE) for intermediate to advanced unresectable hepatocellular carcinoma (uHCC). In January 2024, the Phase II results were published at the 2024 American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO GI).

Cadonilimab currently covers 16 indications through combination therapies, and the Company has initiated more than 20 clinical trials for major tumor types, including lung cancer, liver cancer, gastric cancer, cervical cancer, kidney cancer, esophageal squamous cell cancer, and colorectal cancer. Clinical data for various indications have been published in international academic conferences and journals, and have been included in authoritative clinical guidelines. The Company will leverage combination therapies in its clinical development strategy, differentiate the product and update the standard of care to expand the commercial potential of the product in the future.

依達方® (ivonescimab, PD-1/VEGF)

Reshaping a new pattern of treatment after EGFR-TKI resistance

On May 24, 2024, 依達方® in combination with chemotherapy for the treatment of EGFR mutated locally advanced or metastatic non-squamous NSCLC progressed after EGFR-TKI treatment was granted marketing approval by NMPA. 依達方® is the second core bi-specific antibody independently developed by the Company that has entered the commercialization stage. In June 2024, the results of the Phase III clinical trial (AK112-301/HARMONi-A) of the approved indication were presented at the 2024 ASCO and published in the leading international medical journal, the *Journal of the American Medical Association (JAMA)*. These results were well received by the academic community. The therapy has been included in the *2024 CSCO Guidelines for the Diagnosis and Treatment of Non-Small Cell Lung Cancer* and the *Chinese Treatment Guidelines for Stage IV Primary Lung Cancer (2024)*.

Within a week of the approval by NMPA, the Company delivered the first shipment of 依達方® to patients and achieved extensive prescriptions across major provinces, cities, and key medical end points in China. During the Reporting Period, the net product sales of 依達方® were approximately RMB103 million.

Statistically significant and clinically meaningful benefit versus pembrolizumab

At the end of May 2024, the Phase III clinical trial (AK112-303/HARMONi-2) of ivonescimab monotherapy versus pembrolizumab monotherapy as the first-line treatment of NSCLC with PD-L1 positive expression reached primary endpoint of PFS and demonstrated statistically significant and clinically meaningful superiority. Ivonescimab is the world's first and only drug to show superior efficacy compared with pembrolizumab as monotherapy in a Phase III head-to-head setting. In July 2024, the Company has submitted the sNDA of ivonescimab for this indication to CDE. Ivonescimab is expected to become the new standard of care in first-line treatment of NSCLC as a chemo-free therapy, bringing safer and more effective therapy to patients.

The Company continued to strategically advance the clinical development of ivonescimab. We continued the patient enrollment of the Phase III clinical trial of ivonescimab in combination with chemotherapy versus tislelizumab in combination with chemotherapy as the first-line treatment of locally advanced or metastatic squamous NSCLC (AK112-306).

Recently, the Company has initiated the Phase III clinical trial of ivonescimab in combination with chemotherapy versus durvalumab in combination with chemotherapy as first-line treatment of biliary tract cancer, and the Phase III clinical trial of ivonescimab in combination with ligufalimab (AK117, CD47) as first-line treatment of head and neck squamous cell carcinoma with PD-L1 positive expression. The Company is planning the Phase III clinical trial of ivonescimab in combination with chemotherapy as first-line treatment of pancreatic cancer. The Company is conducting more than 20 clinical trials of ivonescimab, covering 17 indications including gastrointestinal tumors, hepatocellular carcinoma, colorectal cancer, etc. The superior efficacy and safety demonstrated by ivonescimab has solidified its potential as a backbone immuno-oncology (IO) therapeutic agent, and helps further unlock its clinical value and commercial market through combination with other therapies.

Unleashing the global value of backbone drug

In overseas market, our partner SUMMIT is actively promoting the patient enrollment of the global multi-center Phase III clinical trial (HARMONi) of ivonescimab in combination with chemotherapy in patients with EGFR mutated locally advanced or metastatic non-squamous NSCLC who progressed after third-generation EGFR-TKI treatment, and the global multi-center Phase III clinical trial (HARMONi-3) of ivonescimab in combination with chemotherapy versus pembrolizumab monotherapy as the first-line treatment of squamous NSCLC. On June 3, 2024, we entered into an amendment to the license agreement with SUMMIT, pursuant to which SUMMIT's license territory for ivonescimab was expanded to include Central America, South America, the Middle East and Africa. The Company strengthened its partnership with SUMMIT to facilitate the clinical development and regulatory approval processes of ivonescimab in various regions around the world, with the intent to bring ivonescimab to patients around the world.

ANNIKO® (penpulimab, PD-1)

On April 30, 2024, NMPA approved ANNIKO® for the treatment of recurrent/metastatic nasopharyngeal carcinoma (NPC) patients who failed second-line or above systemic therapies. The sNDA of ANNIKO® in combination with chemotherapy as first-line treatment of recurrent/metastatic NPC is under review of NMPA.

Other products in oncology

The Company continued to advance the clinical development of multiple innovative therapeutic candidates in oncology in both China and the rest of the world.

First patient dosed in the Phase III clinical trial of pulocimab (AK109, VEGFR-2) in China

- The first patient was dosed in the Phase III clinical trial of pulocimab in combination with cadonilimab and chemotherapy for the treatment of advanced G/GEJ patients who failed first-line treatment with PD-(L)1 inhibitor and chemotherapy. In June 2024, the Phase II results were presented as an oral presentation at the 2024 ASCO.

Clinical development of ligufalimab (AK117, CD47) in overseas and domestic trials progressed smoothly

- Hematological tumors: We continued the patient enrollment of the global multi-center Phase II clinical trial of AK117 in combination with azacitidine as the first-line treatment of myelodysplastic syndrome (MDS). The Phase I clinical trial of AK117 in combination with AK129 (PD-1/LAG-3) for the treatment of classical Hodgkin's lymphoma received IND approval from CDE.

- Solid tumors: We have seen early efficacy signals in trials of AK117 in combination with cadonilimab, ivonescimab in multiple indications, including gastric cancer, colorectal cancer, and head and neck squamous cell carcinoma. These study results will be presented at an upcoming academic conference. The Phase III clinical trial of ligufalimab in combination with ivonescimab as first-line treatment of head and neck squamous cell carcinoma with PD-L1 positive expression has been initiated.

Metabolic and Autoimmune Therapeutic Areas

NDAs of two products under regulatory review

In the non-oncology field, we also strategically established our metabolic and autoimmune portfolio with candidates that have broad commercial potential.

- The NDAs of our independently developed drug candidates, ebronucimab (AK102, PCSK9) for the treatment of primary hypercholesterolemia and mixed hyperlipidemia, and heterozygous familial hypercholesterolemia (HeFH), and ebdarokimab (AK101, IL-12/IL-23) for the treatment of psoriasis, are under regulatory review.

We are preparing for the commercialization of these candidates, and will develop a business plan that takes into account patient affordability, market accessibility and the competitive landscape. Our objective is to ensure the successful commercial operation of these two candidates and fully unleash their commercial value.

Two products in pivotal Phase III clinical trials

- Two Phase III clinical trials of gumokimab (AK111, IL-17) for the treatment of psoriasis and ankylosing spondylitis are ongoing.

- The Company initiated the Phase III clinical trial of manfidokimab (AK120, IL-4Rα) for the treatment of moderate to severe atopic dermatitis.

In the pre-clinical stage, the Company has therapeutic candidates covering various therapeutic fields with broad potential, including oncology, immune diseases, metabolic diseases, and neurodegenerative diseases. The Company has also been actively building a number of in-house developed technology platforms, such as ADC, cell therapy, and mRNA, to efficiently bringing additional drug candidates to clinical studies.

Submission of IND applications for pre-clinical products

- We submitted the IND application of our 7th in-house developed bi-specific antibody, AK137 (CD73/LAG-3), to CDE for the treatment of advanced malignant tumors.

- We submitted the IND application of the first independently developed product of our ADC platform, AK138D1 (HER3 ADC), to CDE for the treatment of advanced malignant tumors.

- We submitted the IND application of AK135 (IL-1RAP) to CDE for the treatment of chemotherapy-induced peripheral neuro-viruses.

The Company is actively and efficiently advancing the R&D of its pipeline products in various therapeutic fields.

Clinical development plan of products pipeline

As at June 30, 2024, the Company had a pipeline of over 50 innovative programs covering the areas of oncology, autoimmune and metabolic diseases. 22 of those programs are at clinical and commercial stage, including 7 potential global first-in-class or best-in-class bi-specific antibodies.

Immuno-oncology is one of the Company's focused therapeutic areas. Our products and candidates undergoing clinical trials include 開坦尼® (cadonilimab, PD-1/CTLA-4), 依達方® (ivonescimab, PD-1/VEGF) and ANNIKO® (penpulimab, PD-1) which have entered the commercialization stage, and ligufalimab (AK117, CD47), drebuxelimab (AK119, CD73), pulocimab (AK109, VEGFR-2), AK127 (TIGIT), AK115 (NGF), AK129 (PD-1/LAG-3), AK130 (TIGIT/TGF-β), AK131 (PD-1/CD73), and AK132 (Claudin18.2/CD47). These also include AK135 (IL-1RAP), AK137 (CD73/LAG-3) and AK138D1 (HER3 ADC) which have entered clinical stage in 2024. These products and candidates cover multiple indications, including solid tumors and hematological tumors. With cadonilimab and ivonescimab as our two backbone drugs, we expect to cover a broad number of indications with large market potential though combination therapies with both independently developed products as well as products from other biopharmaceutical companies.

The NDA of ebronucimab (AK102, PCSK9), our innovative product targeting metabolic diseases, was accepted in June 2023 and is under regulatory review. In the field of autoimmune diseases, we also have a strong and broad pipeline. In particular, the NDA of ebdarokimab (AK101, IL-12/IL-23) was accepted in August 2023 and is under regulatory review. Meanwhile, we are also accelerating the clinical development of other products, including gumokimab (AK111, IL-17) and manfidokimab (AK120, IL-4R).

The following chart highlighted the clinical development plan of the Company's main product portfolio as at the date of this announcement:

Oncology – Core products				Current Status			
Product (Target)	Areas	Mono/Combo Therapy	Indication	Phase Ia	Phase Ib/II	Pivotal/ Phase III	NDA Submitted/ Approved
Cadonilimab AK104 (PD-1/CTLA-4)	Cervical cancer	Mono	2L/3L cervical cancer				Approved on 2022.6.29
		+Chemo±Bevacizumab	1L cervical cancer			sNDA submitted in 2024.4	
		Mono	Neoadjuvant cervical cancer				
	Gastric cancer	+XELOX	1L G/GEJ adenocarcinoma			sNDA submitted in 2024.1	
		+AK109+chemo	G/GEJ adenocarcinoma progressed after PD-(L)1 treatment			Enrollment in process	
		+AK117+chemo	1L G/GEJ adenocarcinoma				
		±AK117+chemo	Neoadjuvant/adjuvant G/GEJ adenocarcinoma				
	Hepatocellular carcinoma	Mono	HCC adjuvant therapy			Enrollment in process	
		+Lenvatinib+TACE	HCC, intermediate			Enrollment in process	
		+Lenvatinib	1L HCC				
		+AK109	HCC progressed after PD-(L)1 treatment				
		+AK112	1L HCC				
	Lung cancer	+chemo	1L PD-L1(-) NSCLC			Enrollment in process	
		Mono	Concurrent/sequent NSCLC			Initiated	
		+Chiauranib	≥2L SCLC				
		+Docetaxel	NSCLC progressed after platinum-based chemo and PD-(L)1 treatment				
		+AK109±Docetaxel	NSCLC progressed after PD-(L)1 treatment				
		+AK112±chemo	1L NSCLC or Advanced NSCLC progressed after PD-(L)1 treatment				
		+chemo	1L NSCLC				
	Esophageal cancer	±AK117+chemo	1L ESCC				
	Pancreatic cancer	+chemo	1L PDAC				
	Others	+AK117 (CD47)	Adv. solid tumors				
		+AK119 (CD73)	Adv. solid tumors				
		+AK127 (TIGIT)	Adv. solid tumors				
Ivonescimab AK112 (PD-1/VEGF)	Lung cancer	+Chemo	EGFRm NSCLC progressed after EGFR-TKI treatment ★			HARMONi China part	Approved on 2024.5.24
		Mono	1L PD-L1(+) NSCLC ★			sNDA submitted in 2024.7	
		+chemo	1L locally adv./metastatic sqNSCLC (vs tislelizumab + chemo)			Enrollment in process	
		+chemo	1L metastatic sqNSCLC (vs pembrolizumab + chemo)			HARMONi-3 China part	
		±chemo	Neoadjuvant/adjuvant NSCLC				
		+Chemo	1L NSCLC with driver gene negative				
		+Docetaxel	IO-R NSCLC ★				
		+AK119±chemo	EGFRm NSCLC progressed after EGFR-TKI treatment				
		+AK104±chemo	Advanced NSCLC				
	Digestive tract	+chemo±AK117	1L G/GEJ adenocarcinoma				
		+chemo	1L BTC (vs durvalumab+chemo)			Initiated	
		+chemo	1L pancreatic cancer			Planning	
	Head and neck cancer	+AK117	1L PD-L1(+) HNSCC			Initiated	
	Breast cancer	+chemo±AK117	1L TNBC				
	Hepatocellular carcinoma	Mono	Unresectable HCC				
		+AK104	1L HCC				
		+AK127	1L HCC				
		+AK130	1L HCC				
	Colorectal cancer	±AK117+chemo	1L CRC				
		+AK119±chemo	pMMR/MSS advanced CRC				
	Ovarian cancer	Mono	Platinum resistant OC				
	Others	Mono	Adv. solid tumors				
		+AK119	Adv. solid tumors				
		+AK127	Adv. solid tumors				
Ligufalimab AK117 (CD47)	Hematological tumor	+azacitidine	1L MDS				
		+azacitidine	1L MDS				
		+azacitidine	1L AML				
		+azacitidine +venetoclax	1L AML				
		+AK129	cHL				
	Solid tumor	+AK112	1L PD-L1(+) HNSCC			Initiated	
		+AK112+chemo	1L G/GEJ adenocarcinoma				
		+AK112+chemo	1L BTC				
		+AK112+chemo	1L pancreatic cancer				
		+AK112+chemo	1L CRC				
		+Chemo±AK112	1L TNBC				
		+AK104+chemo	1L G/GEJ adenocarcinoma				
		+AK104+chemo	Neoadjuvant/adjuvant G/GEJ adenocarcinoma				
		+AK104+chemo	1L ESCC				
	Others	Mono	Adv solid tumors/lymphoma				
		+AK104	Adv solid tumors				

Global NMPA approval Registrational Trials ★ Breakthrough Therapy

Oncology — Other Products			Current Status			
Product (Target)	Mono/Combo Therapy	Indication	Phase Ia	Phase Ib/II	Pivotal/ Phase III	NDA Submitted/ Approved
Penpulimab AK105 (PD-1)	Mono	3L R/R cHL				Approved in 2021.8
	+Chemo	1L sq NSCLC				Approved in 2023.1
	Mono	≥3L NPC				Approved in 2024.4
	+Chemo	1L NPC				sNDA submitted in 2023.12
	+Anlotinib	1L HCC				
	+Anlotinib	dMMR				
	+Anlotinib	NSCLC, SCLC, HNC, thyroid cancer, mesothelioma and thymic cancer				
	+Anlotinib	ESCC, UC, GC/GEJ, cholangiocarcinoma, neuroendocrine tumor (NET)				
AK109 (VEGFR-2)	±AK104+chemo	G/GEJ adenocarcinoma progressed after PD-(L)1 treatment			Enrollment in process	
	+AK104	HCC progressed after PD-(L)1 treatment				
	+AK104±Docetaxel	NSCLC progressed after PD-(L)1 treatment				
	Mono	Adv. solid tumors				
AK119 (CD73)	+AK112±chemo	EGFR-TKI failed EGFRm NSCLC				
	+AK112±chemo	Adv. solid tumors				
	+AK104	Adv. solid tumors				
	+AK112	Adv. solid tumors				
	Mono	Adv. solid tumors				
	+AK104	Adv. solid tumors				
AK127 (TIGIT)	+AK112	1L HCC				
	+AK104	Adv. solid tumors				
	±AK104	Adv. solid tumors				
	+AK112	Adv. solid tumors				
	Mono	Adv. solid tumors				
AK130 (TIGIT/TGF-β)	+AK112	1L HCC				
	Mono	Adv. solid tumors				
AK129 (PD-1/LAG-3)	Mono	Adv. solid tumors				
AK131 (PD-1/CD73)	Mono	Adv. solid tumors				
AK132 (CLDN18.2/CD47)	Mono	Adv. solid tumors				
AK135 (IL-1RAP)	Mono	Chemotherapy-induced Peripheral Neuropathy				
AK137 (CD73/LAG-3)	Mono	Adv. malignant tumor				
AK138D1 (HER3 ADC)	Mono	Adv. malignant tumor				

Global NMPA approval Registrational Trials

Auto-immunity/Metabolism			Current Status			
Product (Target)	Mono/Combo Therapy	Indication	Phase Ia	Phase Ib/II	Pivotal/ Phase III	NDA Submitted
AK102 (PCSK9)	+Statin/Ezetimibe	Primary hypercholesterolemia and mixed hpyerlipidemia				NDA submitted in 2023.6
	+Statin/Ezetimibe	HeFH				NDA submitted in 2023.6
AK101 (IL-12/IL-23)	Mono	Moderate-to-severe plaque psoriasis				NDA submitted in 2023.8
	Mono	Moderate-to-severe ulcerative colitis				
AK111 (IL-17)	Mono	Moderate-to-severe psoriasis			Enrollment completed	
	Mono	Ankylosing spondylitis			Enrollment in process	
AK120 (IL-4Rα)	Mono	Moderate-to-severe atopic dermatitis			Enrollment in process	

Registrational Trials

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that the successful commercialization of 開坦尼®，依達方® and ANNIKO® will continue. There is also no assurance that ligufalimab (AK117, CD47), pulocimab (AK109, VEGFR2), drebuxelimab (AK119, CD73), AK127 (TIGIT), AK115 (NGF), AK129 (PD-1/LAG-3), AK130 (TIGIT/TGF-β), AK131 (PD-1/CD73), AK132 (Claudin18.2/CD47), AK135 (IL-1RAP), AK137 (CD73/LAG-3), AK138D1 (HER3 ADC), ebronucimab (AK102, PCSK9), ebdarokimab (AK101, IL-12/IL-23), gumokimab (AK111, IL-17) and manfidokimab (AK120, IL-4R*α*) will ultimately be successfully developed, marketed and/or commercialized by the Company. As at the date of this announcement, no material adverse changes had occurred with respect to the regulatory approvals we had received in relation to our drug candidates.

HUMAN RESOURCES MANAGEMENT

As at June 30, 2024, we had a total of 2,815 employees. With the goal to enhance our integrated platform of R&D, manufacturing and commercialization, the Company continues to recruit more talents, upgrade the employee training system and development mechanism, and committed to creating a diverse, fair, open and inclusive platform for employees. The following table sets forth the Company's employees by function:

Function	**Number of employees as at June 30, 2024**	Number of employees as at June 30, 2023
R&D (pre-clinical)	**300**	269
Clinical	**661**	642
Manufacturing, quality assurance and quality control	**686**	575
Selling and marketing	**844**	753
Sourcing, general and administrative	**324**	281
Total	**2,815**	2,520

MANUFACTURING FACILITIES

As at June 30, 2024, the Company had a total production capacity of 54,000L in operation which could ensure large-scale capacity supply. We have a continuous and steady capacity expansion plan to cope with our future clinical development and commercialization requirements. Our GMP compliant manufacturing facilities are designed and validated according to the FDA, the EMA, and the NMPA regulations, to support the entire drug development process from drug discovery to process development, GMP-compliant and commercial manufacturing, which will effectively support the Company's clinical and commercialization development.

- Greater Bay Area Technology Park (Zhongshan): The park integrated biopharmaceutical research, development, production and sales, with a total planned capacity of over 100,000L. It was equipped with a series of the most advanced biopharmaceutical facilities and equipment around the world, including 40,000L of stainless steel reactors and the advanced filling linkage system. The park will go into operation in phases.

- Knowledge City Biopharmaceutical Base (Guangzhou): The production capacity in operation was 36,000L.

- National Health Technology Park (Zhongshan): The production capacity in operation was 3,500L.

FUTURE DEVELOPMENT

As the commercialized product portfolio of the Company further expands, we will continue to accelerate the global clinical development, production, and commercialization of new drug products developed by diverse technologies and platforms, and advance a series of world-leading drug candidates into the clinical stage.

In the field of oncology, focusing on the two core bi-specific antibodies cadonilimab and ivonescimab, we will continuously consolidate the first-mover advantage and broad-spectrum effect of immuno-oncology (IO) bi-specific antibodies as our backbone products. Through multi modal combination therapies with the Company's in-house developed drugs or industry-leading ADC drugs and other innovative therapies, we aim to broaden the coverage of cadonilimab and ivonescimab in different indications to fully unleash their clinical and commercial value.

Cadonilimab (PD-1/CTLA-4) has shown excellent efficacy and clinically meaningful superiority as first-line treatment for all comers of gastric cancer and cervical cancer patients. We will comprehensively advance more than 20 clinical trials of cadonilimab in 16 indications, including gastric cancer, liver cancer, lung cancer, esophageal cancer, colorectal cancer, etc., and differentiate the product and update the standard of care to expand its commercial potential.

Ivonescimab (PD-1/VEGF) has already shown excellent efficacy and safety in 2 Phase III clinical trials in lung cancer, and is expected to upgrade the existing standard of care for lung cancer, demonstrating its great potential as a backbone IO drug. We will continue to expand ivonescimab's clinical development coverage in lung cancer, and broaden its clinical and commercial space through more than 20 clinical trials covering 17 indications, such as gastrointestinal tumors, breast cancer, head and neck squamous cell carcinoma, and hepatocellular carcinoma. In overseas markets, we will assist and support our partner SUMMIT to efficiently advance the initiated clinical trials, and accelerate the clinical development, regulatory registration and commercialization of ivonescimab in various regions around the world in the future, so as to bring more valuable next-generation innovative therapies to patients globally.

We will also accelerate the development of 5 independently developed bi-specific antibody products in the clinical stage, including AK129 (PD-1/LAG-3), AK130 (TIGIT/TGF-β), AK131 (PD-1/CD73), AK132 (Claudin18.2/CD47), and AK137 (CD73/LAG-3), and explore the clinical development of major indications through combination therapies.

In the fields of metabolic and autoimmune diseases, we are actively preparing for the production and commercialization of 2 products, namely ebronucimab (AK102, PCSK9) and ebdarokimab (AK101, IL-12/IL-23). We will also accelerate and advance the Phase III clinical trials, manufacturing, and commercialization of AK111 (IL-17) and AK120 (IL-4Rα).

We are accelerating the transformation of the results of the ADC platform. We have submitted the IND application of AK138D1 (HER3 ADC) for the treatment of advanced malignant tumors. We will also continue to advance various ADC candidates to the clinical stage, and expand to more solid tumors through combination therapies with core bi-specific antibody products of the Company. In addition, we will also continue to develop technology platforms such as forward-looking cell therapy and mRNA to create more differentiated products with international innovation capabilities.

The Company will steadily expand its commercialization team and strive to establish a more professional, efficient and collaborative commercialization team to further accelerate the access to hospital and commercial insurance, as well as channel coverage. We will conduct more clinical exploration through independently developed IO bi-specific antibody backbone drugs and combination therapies, and vigorously expand the future efficacy potential and broad market space of our products. We will also strengthen cooperation to deeply explore the clinical and social value of innovative drugs globally, upgrade the existing treatment landscape, and promote China's local innovative drugs to the world to benefit patients around the world.

FINANCIAL REVIEW

1. Net Product Sales

The Group's total net product sales increased by 23.96% from RMB757.9 million for the six months ended June 30, 2023 to RMB939.4 million for the six months ended June 30, 2024. Such net product sales were mainly attributable to 開坦尼® (cadonilimab, PD-1/CTLA-4), 依達方® (ivonescimab, PD-1/VEGF) which was approved in May 2024 and other approved products.

	For the six months ended June 30 Net Product Sales		
Million (RMB)	**2024**	2023	% Change
開坦尼® (cadonilimab, PD-1/CTLA-4)	**705.7**	605.8	16.50%
Other products	**233.7**	152.1	53.66%
Total	**939.4**	757.9	23.96%

2. Cost of Sales

Cost of sales was RMB81.6 million for the six months ended June 30, 2024, as compared to RMB77.2 million for the six months ended June 30, 2023. This was mainly attributable to the increase of the sales volume of 開坦尼® (cadonilimab, PD-1/CTLA-4), and to the launch of new product 依達方® (ivonescimab, PD-1/VEGF). Cost of sales of the Group mainly represented cost of raw materials, direct labor, depreciation and other manufacturing overhead.

3. Gross Profit

Gross profit was RMB943.2 million for the six months ended June 30, 2024, as compared to RMB3,599.7 million for the six months ended June 30, 2023. This was mainly attributable to the change of license income during this period. Gross profit of product sales increased by 26.03% from RMB680.7 million for the six months ended June 30, 2023 to RMB857.9 million for the six months ended June 30, 2024.

4. Other Income and Gains, Net

Other income and gains, net was RMB211.8 million for the six months ended June 30, 2024, as compared to RMB380.1 million for the six months ended June 30, 2023. The Group's other income and gains primarily consisted of currency exchange gains, subsidies from local government, bank interest income and investment income from financial products.

5. Research and Development Expenses

Research and development expenses were RMB594.4 million for the six months ended June 30, 2024, as compared to RMB574.7 million for the six months ended June 30, 2023. The change of research and development expenses was mainly due to the Group's increased investment in R&D and in internal clinical development capabilities. The investment in internal clinical development capabilities allows the Group to reduce its reliance on CRO vendors. The clinical studies of key pipeline assets are progressing on schedule, which include: the first patient dosed in the Phase III clinical trial of pulocimab (AK109, VEGFR-2) in China, the continued progression of clinical development of ligufalimab (AK117, CD47) both inside and outside of China, the submission of NDAs for two different products for regulatory review, and the entering of several products into pivotal Phase III clinical trials.

The Group's research and development expenses primarily consisted of: (i) the costs of clinical trials for our drug candidates, which include third-party CRO contracting costs, clinical trial sites and other services in connection with running clinical trials; (ii) employee salaries and related benefit costs in connection with our research and development activities; (iii) third-party contracting costs related to testing expenses for pre-clinical programs; and (iv) costs associated with purchasing raw materials for the research and development of our drug candidates.

6. Selling and Marketing Expenses

Selling and marketing expenses were RMB516.0 million for the six months ended June 30, 2024, as compared to RMB442.2 million for the six months ended June 30, 2023. The Group's selling and marketing expenses primarily consisted of: (i) employee salaries and related benefit costs in connection with selling and marketing activities; (ii) conference and marketing expenses related to commercial activities; and (iii) administrative and travel expenses.

7. Administrative Expenses

Administrative expenses were RMB99.7 million for the six months ended June 30, 2024, as compared to RMB100.4 million for the six months ended June 30, 2023. The Group's administrative expenses primarily consisted of employee salaries and benefits, depreciation, professional fees, taxes and other administrative expenses.

8. Finance Costs

Finance costs were RMB46.2 million for the six months ended June 30, 2024, as compared to RMB38.4 million for the six months ended June 30, 2023. The increase in finance costs was mainly due to the increase in interest expenses on bank borrowings, and finance costs on lease liabilities.

9. Profit/Loss for the Period

The Group's loss was RMB249.3 million for the six months ended June 30, 2024, as compared to profit of RMB2,489.5 million for the six months ended June 30, 2023.

10. Liquidity and Source of Funding and Borrowing

The Group placed new Shares in the first half of 2024. The Group continues to improve business operations and cash management. Together, these efforts further enhance our balance sheet to support the Company's innovative pipeline, clinical execution, and commercial growth.

As at June 30, 2024, the current assets of the Group were RMB6,746.5 million. Cash and cash equivalent, time deposits and financial products were RMB5,693.6 million. Other current assets were RMB1,052.9 million.

The aggregate balance of cash and cash equivalent, time deposits and financial products of the Group increased by RMB799.2 million to RMB5,693.6 million as at June 30, 2024, from RMB4,894.4 million as at December 31, 2023.

As at June 30, 2024, the current liabilities of the Group were RMB1,409.7 million, including trade payables of RMB399.0 million, other payables and accruals of RMB724.1 million and interest-bearing bank and other borrowings of RMB272.6 million.

As at June 30, 2024, the Group had interest-bearing bank and other borrowings of RMB3,302.3 million. The interest rate of commercial bank borrowings ranged from 2.80% to 4.35% based on annual interest rate over or below Loan Prime Rate.

The Group follows a set of funding and treasury policies to manage its capital resources and mitigate potential risks.

11. Pledge of Assets

As at June 30, 2024, the Group had a total pledge of RMB1,301.2 million of buildings and land use rights pledged to secure its loans and banking facilities.

12. Key Financial Ratios

The following table sets forth the key financial ratios for the dates indicated:

	As at June 30, 2024	As at June 30, 2023
Quick ratio[(1)]	**4.43**	6.12
Gearing ratio[(2)]	**Not meaningful[(2)]**	Not meaningful[(2)]

Notes:

(1) Quick ratio is calculated by dividing current assets less inventories as at a given date by current liabilities as at such date.

(2) Gearing ratio is calculated using interest-bearing bank and other borrowings less cash and cash equivalents divided by total equity and multiplied by 100%. Gearing ratio is not meaningful as our interest-bearing bank and other borrowings less cash and cash equivalents were negative.

13. Significant Investments

As at June 30, 2024, the Group did not hold any significant investments. Save as disclosed in this announcement, the Group did not have other plans for significant investments or capital assets as at the date of this announcement.

14. Material Acquisitions and Disposals

On February 8, 2024, the Company, Akeso Biopharma Co., Ltd.* (中山康方生物醫藥有限公司) (an indirect wholly-owned subsidiary of the Company) (the "**Purchaser**"), Dawnrays Biotechnology Capital (Asia) Limited (東瑞生物投資發展(亞洲)有限公司) (the "**Vendor**"), Dawnrays Pharmaceutical and AD Pharmaceuticals Co., Ltd.* (康融東方(廣東)醫藥有限公司) ("**AD Pharmaceuticals**") entered into an equity transfer agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 35% of the equity interest in AD Pharmaceuticals at a consideration of RMB267.4 million (the "**Acquisition**"). As at the date of this announcement, the Acquisition has been completed and AD Pharmaceuticals has become an indirect wholly-owned subsidiary of the Company. For details of the acquisition, please refer to the announcements of the Company dated February 9, 2024 and March 4, 2024.

Save as disclosed above, the Group did not have material acquisitions or disposals of subsidiaries, associates and joint ventures for the six months ended June 30, 2024.

15. Contingent Liabilities

The Group did not have any material contingent liabilities as at June 30, 2024.

16. Capital Commitments

The capital commitments of the Group as at June 30, 2024 was RMB778.5 million, as compared to RMB770.0 million as at December 31, 2023. This was primarily attributable to the development of world-class manufacturing facilities in Greater Bay Area Technology Park (Zhongshan) and in Knowledge City Biopharmaceutical Base (Guangzhou). The projects are both currently progressing on schedule and parts of both sites are already in operation. In addition, the Group's Shanghai R&D center and Guangzhou R&D center also currently under construction.

17. Foreign Exchange Risk Exposure

For the six months ended June 30, 2024, the Group mainly operated in China and a majority of its transactions were settled in RMB, the functional currency of the Company's primary subsidiaries.

As at June 30, 2024, a portion of the Group's cash and cash equivalents were dominated in Hong Kong dollars and US dollars. Except for certain cash and cash equivalents, other receivables, payables, other payables and accrued expenses denominated in foreign currencies, the Group did not have significant foreign exchange risk exposure from its operations during the Reporting Period.

Our Group currently does not have a foreign currency hedging policy. However, we manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposure, and may potentially use forward contracts to eliminate the foreign exchange risk exposures if such needs arise.

18. Employees and Remuneration

As at June 30, 2024, the Group had a total of 2,815 employees.

The total remuneration cost incurred by the Group was RMB539.2 million for the six months ended June 30, 2024, and RMB408.0 million for the six months ended June 30, 2023. The increase in remuneration cost was primarily attributable to the increase in the number of employees, which led to an increase in employees' salaries and benefits.

The remuneration of the employees of the Group comprises salaries, bonuses, employees' provident fund and social security contributions, other welfare payments and equity-settled share award expenses. In accordance with applicable PRC laws, the Group has made contributions to social security insurance funds (including pension plans, medical insurance, work related injury insurance, unemployment insurance and maternity insurance) and housing funds for the Group's employees. We provide training programs to employees, including new hire orientation and continuous on-the-job training in order to accelerate the learning progress and improve the knowledge and skill levels of our employees.

The Company adopted the Pre-IPO RSU Scheme on August 29, 2019. For details, please refer to the section headed "D. Share Incentive Schemes — 1. Restricted Share Unit Scheme" in Appendix IV to the Prospectus. The Pre-IPO RSU Scheme was terminated in accordance with the rules of the Pre-IPO RSU Scheme on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024 and the circular of the Company dated June 6, 2024, respectively. After the termination of the Pre-IPO RSU Scheme, no further awards might be granted thereunder, while the awards already granted before the termination shall remain valid and continue to vest in accordance with the rules of the Pre-IPO RSU Scheme.

The Company also adopted the 2021 RSU Scheme on December 6, 2021. For details, please refer to the announcement of the Company dated December 7, 2021. The 2021 RSU Scheme was amended on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024 and the circular of the Company dated June 6, 2024, respectively.

The Company also adopted the Share Option Scheme on June 28, 2022. For details, please refer to the circular of the Company dated June 1, 2022. The Share Option Scheme was amended on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024 and the circular of the Company dated June 6, 2024, respectively.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend to the Shareholders for the Reporting Period (six months ended June 30, 2023: Nil).

CORPORATE GOVERNANCE PRACTICES

The Directors recognize the importance of good corporate governance in management and internal procedures to achieve effective accountability. The Company has adopted the code provisions set out in the Corporate Governance Code as its own code to govern its corporate governance practices.

The Company has adopted and complied with all applicable code provisions contained in Part 2 of the Corporate Governance Code throughout the Reporting Period with the exception of code provision C.2.1.

Under code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organizational structure of the Company, Dr. XIA Yu is the chairwoman and chief executive officer of the Company. With her extensive experience in the industry, the Board believes that vesting the roles of both chairwoman and chief executive officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Dr. XIA Yu performs both the roles of chairwoman and chief executive officer, the division of responsibilities between the chairwoman and chief executive officer is clearly established. In general, the chairwoman is responsible for supervising the functions and performance of the Board, while the chief executive officer is responsible for the management of the business of the Group. The two roles are performed by Dr. XIA Yu distinctly. We also consider that the current structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors. However, it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they had complied with the Model Code throughout the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group throughout the Reporting Period.

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

On March 28, 2024, an aggregate of 24,800,000 new Shares were issued at a price of HK$47.65 per Share to not less than six professional, institutional or other investors who are Independent Third Parties pursuant to the placing agreement (the "**Placing Agreement**") dated March 21, 2024 (the "**2024 Placing**"), representing approximately 2.86% of the enlarged issued share capital of the Company immediately upon completion of the 2024 Placing. The placing price of HK$47.65 per Share represented (i) a discount of approximately 6.02% to the closing price of HK$50.70 per Share as quoted on the Stock Exchange on the last full trading day prior to the date of the Placing Agreement, and (ii) a discount of approximately 6.81% to the average closing price of approximately HK$51.13 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the last full trading day prior to the date of the Placing Agreement.

The net placing price (after deducting related costs and expenses borne by the Company) was approximately HK$47.18 per Share. The net proceeds raised from the 2024 Placing were approximately HK$1,170.18 million.

Further details of the 2024 Placing are set out in the announcements of the Company dated March 21, 2024 and March 28, 2024, respectively. For details of the use of proceeds from the 2024 Placing, please refer to the section headed "Use of Net Proceeds" to be disclosed in the interim report of the Company.

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

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee, comprising Mr. TAN Bo, Dr. XU Yan and Dr. ZENG Junwen, 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 condensed consolidated financial information of the Group for the Reporting Period). The Audit Committee considered that the unaudited interim condensed consolidated financial results for the Reporting Period are in compliance with the relevant accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The interim condensed consolidated financial information of the Group for the Reporting Period has not been audited. The Company's independent auditor, Ernst & Young, has performed an independent review of the Group's interim financial information for the Reporting Period in accordance with 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.

EVENTS AFTER THE REPORTING PERIOD

On July 30, 2024, NMPA accepted the sNDA of 依達方® (ivonescimab, PD-1/VEGF) monotherapy as the first-line treatment for locally advanced or metastatic NSCLC patients with positive PD-L1 expression (PD-L1 TPS≥1%).

Save as disclosed above, as at the date of this announcement, the Group had no significant events after the Reporting Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.akesobio.com. The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be dispatched (if necessary) to the Shareholders and published on the above websites in due course.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024	2023
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Product sales		**970,676**	794,650
Less: distribution cost		**(31,250)**	(36,779)
Net product sales		**939,426**	757,871
License income		**85,318**	2,918,988
REVENUE	*3*	**1,024,744**	3,676,859
Cost of sales		**(81,572)**	(77,180)
Gross profit		**943,172**	3,599,679
Other income and gains, net	*4*	**211,811**	380,123
Selling and marketing expenses		**(515,981)**	(442,159)
Administrative expenses		**(99,653)**	(100,429)
Research and development expenses		**(594,393)**	(574,671)
Share of loss of a long-term equity investment		**(32,617)**	(173,121)
Other expenses, net		**(115,523)**	(161,468)
Finance costs		**(46,164)**	(38,410)
(LOSS)/PROFIT BEFORE TAX		**(249,348)**	2,489,544
Income tax expense	*5*	**–**	–
(LOSS)/PROFIT FOR THE PERIOD		**(249,348)**	2,489,544
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(39,784)**	(192,897)

	Notes	Six months ended 30 June	
		2024	2023
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Translation from functional currency to presentation currency		**39,083**	201,508
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX		**(701)**	8,611
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		**(250,049)**	2,498,155
(Loss)/profit attributable to:			
Owners of the parent		**(238,590)**	2,525,045
Non-controlling interests		**(10,758)**	(35,501)
		(249,348)	2,489,544
Total comprehensive (loss)/income attributable to:			
Owners of the parent		**(239,291)**	2,533,656
Non-controlling interests		**(10,758)**	(35,501)
		(250,049)	2,498,155
(LOSS)/EARNING PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*7*		
Basic			
— For (loss)/profit for the period		**RMB(0.28) yuan**	RMB3.01 yuan
Diluted			
— For (loss)/profit for the period		**RMB(0.28) yuan**	RMB3.01 yuan

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	**30 June 2024** ***RMB'000*** **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**2,991,761**	2,823,982
Right-of-use assets		**328,666**	338,042
Intangible assets		**8,743**	6,417
Financial assets at fair value through profit or loss		**15,039**	12,039
Long-term equity investment		**333,553**	293,441
Other non-current assets		**35,017**	30,403
Total non-current assets		**3,712,779**	3,504,324
CURRENT ASSETS			
Inventories		**500,366**	391,868
Trade receivables	*8*	**463,377**	295,563
Prepayments, other receivables and other assets		**89,222**	94,918
Financial assets at fair value through profit or loss		**486,924**	852,431
Restricted deposits and time deposits with original maturity of more than three months		**2,719,298**	2,499,673
Cash and cash equivalents		**2,487,349**	1,542,313
Total current assets		**6,746,536**	5,676,766
CURRENT LIABILITIES			
Trade payables	*9*	**398,971**	354,828
Other payables and accruals		**724,069**	443,575
Interest-bearing bank and other borrowings		**272,616**	390,513
Lease liabilities		**12,902**	14,514
Tax payable		**1,159**	1,152
Total current liabilities		**1,409,717**	1,204,582
NET CURRENT ASSETS		**5,336,819**	4,472,184
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,049,598**	7,976,508

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**3,029,673**	2,577,270
Contract liabilities		**631,026**	631,651
Lease liabilities		**2,907**	8,605
Deferred income		**244,314**	240,031
Deferred tax liabilities		**174**	174
Total non-current liabilities		**3,908,094**	3,457,731
Net assets		**5,141,504**	4,518,777
EQUITY			
Equity attributable to owners of the parent			
Share capital		**61**	59
Shares held for restricted share unit schemes		**(48,633)**	(63,567)
Reserves		**5,274,735**	4,755,847
		5,226,163	4,692,339
Non-controlling interests		**(84,659)**	(173,562)
Total equity		**5,141,504**	4,518,777

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash flows (used in)/from operating activities	**(346,503)**	2,871,241
Net cash flows from/(used in) investing activities	**218,519**	(1,377,471)
Net cash flows from financing activities	**1,054,386**	590,746
NET INCREASE IN CASH AND CASH EQUIVALENTS	**926,402**	2,084,516
Cash and cash equivalents at beginning of period	**1,542,313**	2,092,388
Effect of foreign exchange rate changes, net	**18,634**	108,237
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,487,349**	4,285,141

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Six months ended 30 June 2024

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 January 2019. The address of the registered office of the Company is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries were involved in research and development, production and sale of biopharmaceutical products.

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 April 2020.

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. The unaudited interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Product sales	**970,676**	794,650
Less: distribution cost	**(31,250)**	(36,779)
Net product sales	**939,426**	757,871
License income	**85,318**	2,918,988
Revenue	**1,024,744**	3,676,859
Timing of revenue recognition		
Transferred at a point in time	**1,024,744**	3,676,859

Distribution cost is relevant to the product sales, and it represents the distribution fee paid or payable by the Group to customers.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Products sales	**4,427**	5,959

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Revenue from license income

The performance obligation is satisfied at a point in time when the customer obtains the rights to the underlying technology. For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognises revenue at a point in time when the related sales occur.

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 6 months from delivery. Some contracts provide customers with sales rebates which give rise to variable consideration subject to constraint.

Other segment information

The Group is engaged in research, development, production and sale of biopharmaceutical products, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**938,131**	756,189
United States of America (the "**USA**")	**85,117**	2,920,093
Others	**1,496**	577
Total	**1,024,744**	3,676,859

The revenue information above is based on the location of the customers.

(b) Non-current assets

	As at 30 June 2024 *RMB'000* **(Unaudited)**	As at 31 December 2023 *RMB'000* (Audited)
Chinese Mainland	**3,364,144**	3,198,771
USA	**333,575**	293,475
Other regions	**21**	39
Total	**3,697,740**	3,492,285

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about a major customer

Revenue from the customers contributing over 10% of revenue of the Group is as follows:

	Six months ended 30 June	
	2024 *RMB'000* **(Unaudited)**	2023 *RMB'000* (Unaudited)
Customer A	*****	2,920,093

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the six months ended 30 June 2024.

4. OTHER INCOME AND GAINS, NET

Other income and gains, net

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**92,092**	40,698
Investment income from financial products	**10,151**	38,162
Service fee income	**39,978**	–
Net changes in fair value of financial assets	**7,869**	11,302
Government grant released*	**34,563**	92,558
Value-added tax credits	**–**	1,725
Foreign exchange differences, net	**27,130**	195,664
Others	**28**	14
Total	**211,811**	380,123

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

5. 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.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands or the BVI.

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% (six months ended 30 June 2023: 16.5%) on any estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the assessable profits are determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008 except for certain subsidiaries which were qualified as a High and New Technology Enterprise and were subject to a preferential income tax rate of 15% for the six months ended 30 June 2024 and 2023.

The subsidiary incorporated in the USA is subject to American federal and California income tax. America federal income tax was provided at the rate of 21% and California income tax was provided at the rate of 8.84% for the six months ended 30 June 2024 and 2023 on the estimated assessable profits arising in the USA.

The subsidiary incorporated in the Australia is subject to Australia income tax. Australia corporate income tax has been provided at the rate of 30% on the estimated assessable profits arising in Australia.

The income tax expense of the Group for the periods presented is analysed as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current		
Charge for the period	**–**	–
Deferred	**–**	–
Total tax charge for the period	**–**	–

6. DIVIDEND

No dividend has been paid or declared by the Company during the six months ended 30 June 2024 and subsequent to the end of the reporting period (six months ended 30 June 2023: Nil).

7. (LOSS)/EARNING PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic (loss)/earning per share amounts is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 844,772,614 (six months ended 30 June 2023: 837,551,176) in issue, during the period.

For the six months ended 30 June 2024, as the Group incurred losses, no adjustment has been made to the basic loss per share amounts in respect of a dilution as the impact of the restricted share units and share options had an anti-dilutive effect on the basic loss per share amounts. For the six months ended 30 June 2023, the Group had no potentially dilutive ordinary shares in issue.

The calculations of basic and diluted (loss)/earning per share are based on:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss)/Earnings		
(Loss)/Profit attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/earning per share calculation	**(238,590)**	2,525,045

	Number of shares Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted (loss)/earning per share calculation	**844,772,614**	837,551,176

8. TRADE RECEIVABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**465,783**	296,896
Impairment	**(2,406)**	(1,333)
Total	**463,377**	295,563

Included in the Group's trade receivables is an amount due from a non-controlling shareholder of a subsidiary of the Group of RMB36,382,000 (31 December 2023: RMB33,093,000).

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

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**458,806**	295,364
3 to 6 months	**4,372**	70
6 to 9 months	**70**	129
over 1 year	**129**	–
Total	**463,377**	295,563

9. TRADE PAYABLES

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

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**176,676**	296,890
3 to 6 months	**24,820**	2,428
6 months to 1 year	**140,758**	23,972
Over 1 year	**56,717**	31,538
Total	**398,971**	354,828

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days except for the balances due to a non-controlling shareholder of a subsidiary of the Group of RMB206,952,000 (31 December 2023: RMB166,277,000), which are repayable on demand.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

"2021 RSU Scheme"	the restricted share unit scheme adopted by the Company on December 6, 2021 and amended on June 30, 2024
"ASCO"	American Society of Clinical Oncology Annual Meeting
"Audit Committee"	audit committee of the Board
"Board"	board of Directors
"CDE"	the Center for Drug Evaluation of NMPA (中華人民共和國國家藥品監督管理局藥品評審中心)
"China" or "PRC"	the People's Republic of China, which, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"CMC"	chemistry, manufacturing and controls processes, including manufacturing techniques, impurities studies, quality controls and stability studies
"Company"	Akeso, Inc. (康方生物科技(開曼)有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on January 30, 2019
"Corporate Governance Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CRO"	contract research organization
"CSCO"	Chinese Society of Clinical Oncology Annual Meeting
"Director(s)"	director(s) of the Company

"EGFR-TKI"	epidermal growth factor receptor tyrosine kinase inhibitors
"EMA"	European Medicines Agency
"FDA"	Food and Drug Administration of the United States
"GMP"	good manufacturing practice
"Group", "we", "us" or "our"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Independent Third Party"	a person or entity who is not a connected person of the Company under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NMPA"	the National Medical Product Administration of the PRC (中華人民共和國國家藥品監督管理局)

"NSCLC"	non-small cell lung cancer, any carcinoma (as an adenocarcinoma or squamous cell carcinoma) of the lungs that is not a small-cell lung carcinoma
"OS"	overall survival
"PFS"	progression-free survival
"Pre-IPO RSU Scheme"	the restricted share unit scheme adopted by the Company on August 29, 2019 and terminated on June 30, 2024
"Prospectus"	the prospectus of the Company dated April 14, 2020
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with a nominal value of US$0.00001 each in the share capital of the Company
"Share Option Scheme"	the share option scheme adopted by the Company on June 28, 2022 and amended on June 30, 2024
"Shareholder(s)"	holder(s) of the Share(s)
"sNDA"	supplemental new drug application
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SUMMIT"	Summit Therapeutics Inc., a company incorporated under the law of the State of Delaware, the United States, and whose shares are listed on Nasdaq (NASDAQ: SMMT)
"Tetrabody"	a portmanteau of the phrase "tetravalent antibody", which refers to our proprietary technology for the design and production of innovative tetravalent bi-specific antibodies (with four antigen-binding sites in each antibody molecule)

"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent

By order of the Board
Akeso, Inc.
Dr. XIA Yu
Chairwoman and executive Director

* *For identification purpose only*

Hong Kong, August 28, 2024

As at the date of this announcement, the Board comprises Dr. XIA Yu as chairwoman and executive Director, Dr. LI Baiyong, Dr. WANG Zhongmin Maxwell and Dr. ZHANG Peng as executive Directors, Mr. XIE Ronggang as non-executive Director, and Dr. ZENG Junwen, Dr. XU Yan and Mr. TAN Bo as independent non-executive Directors.