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**Akesobio**

**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)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Sole Overall Coordinator, Sole Global Coordinator and Lead Bookrunner**

**Morgan Stanley**

**Co-Bookrunner**



**CITIC SECURITIES**

On March 21, 2024 (before trading hours), the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Company has conditionally agreed to place, through the Placing Agents, an aggregate of 24,800,000 Placing Shares to not less than six Placées at a price of HK\$47.65 per Placing Share.

The Placing Price of HK\$47.65 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agents and represents (i) a discount of approximately 6.02% to the closing price of HK\$50.70 per Share as quoted on the Stock Exchange on March 20, 2024, being 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 HK\$51.13 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares prior to and including the last full trading day prior to the date of the Placing Agreement.

The Placing Shares will represent approximately 2.95% of the existing issued share capital of the Company as at the date of this announcement and approximately 2.86% of the enlarged issued share capital of the Company immediately following the Placing (assuming the maximum number of Placing Shares are placed and there is no change in the issued share capital of the Company between the date of this announcement and the completion of Placing). The Placing Shares will be allotted and issued under the General Mandate, and will not be subject to approval by the Shareholders.

Assuming all the 24,800,000 Placing Shares are subscribed for in full, upon completion of the Placing, the gross proceeds will be HK\$1,181.72 million and the net proceeds (after deducting the placing commission and other related expenses and professional fees) arising from the Placing are estimated to be HK\$1,170.18 million.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the completion of the Placing).

**Shareholders and potential investors should note that the completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

Date: March 21, 2024 (before trading hours)

Parties: (i) the Company; and  
(ii) the Placing Agents.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agents are third parties independent of the Company and its connected persons.

### **The Placing**

The Placing Agents have conditionally agreed, each on a several (but not joint or joint and several) basis to place, or procure the placing of 24,800,000 Placing Shares at the Placing Price of HK\$47.65 per Placing Share during the Placing Period (or, failing which, to purchase itself as principal).

The placing commission payable to the Placing Agents under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agents with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission is fair and reasonable.

### **The Placees**

The Placing Agents will place the Placing Shares to professional, institutional, or other investors that are third parties independent of the Company and its connected persons. It is currently expected that the Placing Shares will be placed to not less than six Placees who, together with their ultimate beneficial owners, will be Independent Third Parties of the Company and its connected persons. The Placing Agents will use its reasonable endeavors, based on information available to the Placing Agents, information provided by the Company and confirmations from the Placees procured by the Placing Agents, to ensure that each Placee procured by the Placing Agents is not a connected person of the Company (as defined in the Listing Rules). It is not expected that any Placee will become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

### **Number of Placing Shares**

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of Placing, the number of 24,800,000 Placing Shares under the Placing represents approximately 2.95% of the issued share capital of the Company as at the date of this announcement, and approximately 2.86% of the issued share capital as enlarged by the issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares under the Placing will be US\$248.

### **Placing Price**

The Placing Price is HK\$47.65 per Placing Share which represents:

- (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 to be borne by the Company) is approximately HK\$47.18 per Share.

The Placing Price was determined on an arm's length negotiation between the Company and the Placing Agents and with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions.

### **Placing Shares**

The Placing Shares will be allotted and issued under the General Mandate granted to the Board by a resolution of the Shareholders dated June 28, 2023, pursuant to which the Board is authorized to allot and issue up to 168,211,435 Shares. As at the date of this announcement, the Company had not utilized the General Mandate and the 24,800,000 Placing Shares under the Placing represents approximately 14.74% of the entire General Mandate.

The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

### **Ranking of Placing Shares**

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

### **Conditions precedent and completion**

The completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the completion of the Placing).

If the above condition is not satisfied at or before 8:00 a.m. (Hong Kong time) on March 28, 2024, being the Long Stop Date, or such other date to be agreed between the Company and the Placing Agents in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the other (save for any antecedent breaches).

Completion of the Placing will take place on the Business Day after the fulfilment of the condition as set out above but in any event no later than March 28, 2024 or such other date to be agreed between the Company and the Placing Agents in writing (the "**Closing Date**").

### **Lock-up Undertakings by the Company**

The Company undertakes to the Placing Agents to procure, that for a period of three months from the Closing Date, the Company, or any person acting on its behalf, will not:

- (1) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or
- (2) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraph (1) above; or
- (3) announce any intention to enter into or effect any such transaction described in paragraph (1) or (2) above without first having obtained written consent of the Placing Agents.

The undertaking shall not apply to the issue of the Placing Shares under the Placing Agreement and any grant or exercise or vesting of option or share award and allotment of shares as a result of any of the foregoing under the restricted share unit schemes adopted by the Company on August 29, 2019, December 6, 2021 and the share option scheme adopted by the Company on June 28, 2022.

### **Termination**

If at any time at or prior to 8:00 a.m. (Hong Kong time) on the Closing Date, any of the specific events provided in the Placing Agreement, such as any breach of any of the representations, warranties and undertakings by the Company as set out in the Placing Agreement, occurs, then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received at or prior to 8:00 a.m. (Hong Kong time) on the Closing Date.

**Since the completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

### **GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued pursuant to the General Mandate. The number of new Shares that can be issued by the Company under the General Mandate is 168,211,435 Shares. Up to the date of this announcement, no Share has been issued by the Company under the General Mandate. Therefore, the issue of the Placing Shares is not subject to the approval of the Shareholders.

### **APPLICATION FOR LISTING**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is an integrated drug discovery platform in the PRC. Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$1,181.72 million and approximately HK\$1,170.18 million respectively. The net placing price per Placing Share will be approximately HK\$47.18.

The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agents. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Placing will be used for the following purposes:

- (i) 65% will be used for research and development in terms of: (a) various preclinical programs advancing to IND stage; (b) development of technology platforms (i.e. ADC platform); and (c) expediting the global clinical trial of Cadonilimab (AK104, PD-1/CTLA-4), ligufalimab (AK117, CD47), etc;
- (ii) 25% will be used for the commercialization of Cadonilimab and Ivonescimab; and
- (iii) 10% will be used for other general corporate purposes where appropriate.

The Board is of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for its future development. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

## **FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activity during the past 12 months immediately before the date of this announcement.

## SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PLACING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming all 24,800,000 Placing Shares are placed and there is no change in the issued share capital of the Company from the date of this announcement up to the completion of the Placing) are set out as follows:

	As of the date of this announcement		Immediately upon completion of the Placing (Assuming all the Placing Shares have been issued and allotted)	
	Number of Shares held	Approximate % of total Shares in issue	Number of Shares held	Approximate % of total Shares in issue
Dr. XIA Yu and corporations controlled by her (Note 1 and Note 5)	104,454,871	12.42%	104,454,871	12.06%
Dr. LI Baiyong and corporations controlled by him (Note 2 and Note 5)	53,673,194	6.38%	53,673,194	6.20%
Dr. WANG Zhongmin Maxwell and corporations controlled by him (Note 3 and Note 5)	45,199,323	5.37%	45,199,323	5.22%
Mr. XIA Yu (Ph.D.) (Note 4)	5,019,296	0.60%	5,019,296	0.58%
The Placees	–	–	24,800,000	2.86%
Other Shareholders	<u>632,710,492</u>	<u>75.23%</u>	<u>632,710,492</u>	<u>73.07%</u>
Total	<u>841,057,176</u>	<u>100.00%</u>	<u>865,857,176</u>	<u>100.00%</u>

### Notes:

- Dr. XIA Yu is an executive Director and controls 104,454,871 Shares through (a) Golden Oaks LLC, which holds 21,000,000 Shares and is controlled by Dr. XIA Yu, (b) The Gemstone Living Trust which holds 57,771,042 Shares and whose settlor and trustee is Dr. XIA Yu, and (c) Aquae Hyperion Limited, which holds 25,683,829 Shares with Zedra Trust Company (Cayman) Limited as the trustee and Dr. XIA Yu as the enforcer.
- Dr. LI Baiyong is an executive Director and controls 53,673,194 Shares through (a) Kampfired LLC, which holds 10,934,640 Shares and is controlled by Dr. LI Baiyong and (b) The Sunny Beach Living Trust which holds 42,738,554 Shares and whose settlor and trustee is Dr. LI Baiyong.
- Dr. WANG Zhongmin Maxwell is an executive Director and controls 45,199,323 Shares through (a) Blazing Rosewood LLC, which holds 31,492,881 Shares and is controlled by Dr. WANG Zhongmin Maxwell and (b) The Max Mahogany Living Trust, which holds 13,706,442 Shares and whose settlor and trustee is Dr. WANG Zhongmin Maxwell.
- Mr. XIA Yu (Ph.D.) is an executive Director and is interested in 5,019,296 Shares.
- Dr. Xia Yu also controls the voting right entrusted to her by Dr. LI Baiyong, Dr. WANG Zhongmin Maxwell, Dr. ZHANG Peng and their controlled corporations in respect of 132,030,582 Shares held by them.

Given that the completion of the Placing may or may not take place, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“Company”	Akeso, Inc., a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 9926)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to the resolutions of the Shareholders dated June 28, 2023
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China or clinical trial notification in Australia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	March 28, 2024 or such later date as the parties to the Placing Agreement may agree in writing



“Placee(s)”	any professional, institutional and other investor whom the Placing Agents has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of 24,800,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent(s)”	Morgan Stanley Asia Limited and CLSA Limited
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agents dated March 21, 2024 in relation to the Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Placing Agents may agree in writing)
“Placing Price”	HK\$47.65 per Placing Share
“Placing Shares”	24,800,000 Placing Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of US\$0.00001 each
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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*

Hong Kong, March 21, 2024

*As at the date of this announcement, the Board of the Company comprises Dr. XIA Yu as chairwoman and executive Director, Dr. LI Baiyong, Dr. WANG Zhongmin Maxwell and Mr. XIA Yu (Ph.D.) as executive Directors, Dr. ZHOU Yi and Mr. XIE Ronggang as non-executive Directors, and Dr. ZENG Junwen, Dr. XU Yan and Mr. TAN Bo as independent non-executive Directors.*