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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 and Sole Placing Agent**

**Morgan Stanley**

On October 11, 2024, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, an aggregate of 31,700,000 Placing Shares to not less than six Placées at a price of HK\$61.28 per Placing Share.

The Placing Price of HK\$61.28 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents (i) a discount of approximately 4.99% to the closing price of HK\$64.50 per Share as quoted on the Stock Exchange on October 10, 2024, being the last full trading day prior to the date of the Placing Agreement; and (ii) a discount of approximately 11.30% to the average closing price of HK\$69.09 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 3.66% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.53% 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 any additional Shareholders' approval.

Assuming all the 31,700,000 Placing Shares are subscribed for in full, upon completion of the Placing, the gross proceeds will be HK\$1,942.58 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\$1,924.20 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: October 11, 2024

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

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agent is an Independent Third Party.

### **The Placing**

The Placing Agent has conditionally agreed to place or procure the placing of 31,700,000 Placing Shares at the Placing Price of HK\$61.28 per Placing Share during the Placing Period (or, failing which, to purchase itself as principal).

The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent 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 Agent will place the Placing Shares to professional, institutional, or other investors that are Independent Third Parties. 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. The Placing Agent will use its reasonable endeavors, based on information available to the Placing Agent, information provided by the Company and confirmations from the Placees procured by the Placing Agent, to ensure that each Placee procured by the Placing Agent 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 31,700,000 Placing Shares under the Placing represents approximately 3.66% of the issued share capital of the Company as at the date of this announcement, and approximately 3.53% 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\$317.

### **Placing Price**

The Placing Price is HK\$61.28 per Placing Share which represents:

- (i) a discount of approximately 4.99% to the closing price of HK\$64.50 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 11.30% to the average closing price of approximately HK\$69.09 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\$60.70 per Share.

The Placing Price was determined on an arm's length negotiation between the Company and the Placing Agent 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 30, 2024, pursuant to which the Board is authorized to allot and issue up to 173,171,435 Shares. As at the date of this announcement, the Company had not utilized the General Mandate and the 31,700,000 Placing Shares under the Placing represents approximately 18.31% 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 October 21, 2024, being the long stop date, or such other date to be agreed between the Company and the Placing Agent 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 October 21, 2024 or such other date to be agreed between the Company and the Placing Agent in writing (the "**Closing Date**").

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

The Company undertakes to the Placing Agent to procure, that for a period of 90 days 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 Agent.

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 pursuant to any restricted share unit scheme or share option scheme adopted by the Company.

## **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 Agent 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 173,171,435 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 any additional Shareholders' approval.

## **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\$1,942.58 million and approximately HK\$1,924.20 million respectively. The net placing price per Placing Share will be approximately HK\$60.70.

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 Agent. 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) 70% will be used for global and China clinical development of core products, and other clinical pipeline products in oncology and immunology;
- (ii) 20% will be used for the commercialization of existing approved products; and
- (iii) 10% will be used for general corporate use.

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 conducted the following equity fund raising activity during the past 12 months immediately before the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
March 21, 2024 and March 28, 2024	Placing of shares under general mandate	Approximately HK\$1,170.2 million	<p>(i) Approximately HK\$760.6 million for R&amp;D in terms of: (a) various pre-clinical programs advancing to IND stage; (b) development of technology platforms (i.e., ADC platform); and (c) expediting the global clinical trial of cadonilimab (PD-1/CTLA-4), ligufalimab (AK117, CD47), etc;</p> <p>(ii) Approximately HK\$292.6 million for commercialization of Cadonilimab and Ivonescimab; and</p> <p>(iii) Approximately HK\$117.0 million for other general corporate purposes where appropriate.</p>	<p>(i) Approximately HK\$289.7 million for R&amp;D in terms of: (a) various pre-clinical programs advancing to IND stage; (b) development of technology platforms (i.e., ADC platform); and (c) expediting the global clinical trial of cadonilimab (PD-1/CTLA-4), ligufalimab (AK117, CD47), etc;</p> <p>(ii) Approximately HK\$213.2 million for commercialization of Cadonilimab and Ivonescimab; and</p> <p>(iii) Approximately HK\$98.2 million for other general corporate purposes where appropriate.</p>

Save as disclosed above, 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 31,700,000 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)	
	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>
The Placees	–	–	31,700,000	3.53%
Other Shareholders	<u>865,857,176</u>	<u>100.00%</u>	<u>865,857,176</u>	<u>96.47%</u>
Total	<u>865,857,176</u>	<u>100.00%</u>	<u>897,557,176</u>	<u>100.00%</u>

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 30, 2024



“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	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
“Placee(s)”	any professional, institutional and other investor whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of 31,700,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Morgan Stanley Asia Limited
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated October 11, 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 Agent may agree in writing)
“Placing Price”	HK\$61.28 per Placing Share
“Placing Shares”	31,700,000 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, October 13, 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 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.*