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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)**

**EXCEEDED 2023 ANNUAL CAPS FOR  
CONTINUING CONNECTED TRANSACTIONS  
MASTER MATERIALS AND SERVICES PROCUREMENT  
AGREEMENT WITH CHIA TAI TIANQING IN RELATION  
TO CLINICAL TRIAL OF PENPULIMAB  
(PD-1 MONOCLONAL ANTIBODY, AK105)**

Reference is made to the announcement of Akeso, Inc. (the “**Company**”) dated September 20, 2022 (the “**CCT Announcement**”) the Master Materials and Services Procurement Agreement entered into by CTTQ-Akeso (the Company’s subsidiary) with Chia Tai Tianqing, pursuant to which CTTQ-Akeso agreed to procure and Chia Tai Tianqing agreed to provide the Clinical Materials and Clinical Services in relation to the clinical trial of Penpulimab (PD-1 monoclonal antibody, AK105). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the CCT Announcement.

**EXCEEDED 2023 ANNUAL CAPS**

In the course of finalising the annual results of the Group for the year ended December 31, 2023 (“**FY2023**”), it came to the attention of the Company that the total purchase costs payable by CTTQ-Akeso to Chia Tai Tianqing under the Master Materials and Services Procurement Agreement for FY2023 was approximately RMB106.8 million (the “**Actual Purchase Costs**”), which exceeded the 2023 annual cap of RMB69 million by approximately RMB37.8 million (the “**Exceeded Purchase Costs**”). The Actual Purchase Costs comprised of approximately RMB61.7 million payable for Clinical Services and RMB45.1 million payable for Clinical Materials, which exceeded the 2023 annual caps of RMB60 million and RMB9 million as stated in the CCT Announcement by approximately RMB1.7 million and RMB36.1 million, respectively.

The Exceeded Purchase Costs are mainly attributable to the higher-than-expected orders for the Clinical Services and Clinical Materials placed by CTTQ-Akeso with Chia Tai Tianqing. As disclosed in the CCT Announcement, the proposed annual caps for the Transactions under the Master Materials and Services Procurement Agreement were determined with reference to, among others, the expected clinical progress of Penpulimab in the future and that the research and development activities on Penpulimab is expected to continue increase. As disclosed in the CCT Announcement, the Company expected that the transaction amount to be incurred for Clinical Services would increase while the transaction amount to be incurred for Clinical Materials would decrease, having considered (a) the procurement plan of Clinical Materials taking into account the clinical progress of Penpulimab; and (b) some of the Clinical Materials procured in previous year did not need to be further procured in the near future with reference to the expected clinical progress of Penpulimab. However, as a result of the latest clinical progress and research and development activities on Penpulimab undertaken by the Group during 2023, the Group had procured additional Clinical Materials for the research and development activities on Penpulimab than it had expected.

## **INTERNAL CONTROL MEASURES**

The Directors consider that the exceeding of the annual caps of FY2023 was an inadvertent oversight and an isolated event. In order to prevent the occurrence of similar events in the future, the Company will take the following measures to strengthen the internal monitoring procedures:

1. training sessions shall be provided to the Group's relevant employees of business operation and finance department, to solidify their knowledge of the relevant Listing Rules and their awareness of the importance of Listing Rules compliance;
2. the finance department of the Company shall record the transactions amount at least monthly. In the event that the Transaction amounts incurred and to be incurred is expected to reach the proposed annual caps, the finance department will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that an amendment to the proposed annual caps is required, report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance with the requirements under the Listing Rules;
3. more frequent reviews shall be conducted on the transactions between the Group and its connected persons. In particular, finance department and the compliance department of the Company will review and consider the relevant information and materials to ensure compliance with the Listing Rules; and
4. internal supervision shall be enhanced over the transaction amounts in relation to continuing connected transactions of the Group, including the monthly reporting to the Board and the finance department of the accumulated transaction amount of the continuing connected transactions and the percentage of annual caps reached by such accumulated transaction amount.

The Company will strictly comply with the requirements under the Listing Rules should there be any necessary adjustments on the annual caps of the Master Materials and Services Procurement Agreement for the year ending December 31, 2024.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Chia Tai Tianqing holds 50% equity interest in CTTQAkeso, a non-wholly owned and significant subsidiary of the Company. Therefore, Chia Tai Tianqing is a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules.

As at December 31, 2023, the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Master Materials and Services Procurement Agreement based on the Actual Purchase Costs exceeds 5%, the Transactions are subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As (i) the Board has approved the transactions contemplated under the Master Materials and Services Procurement Agreement (including Transactions relating to the Actual Purchase Costs); and (ii) the independent non-executive Directors have confirmed that the terms of the transactions contemplated under the Master Materials and Services Procurement Agreement (including Transactions relating to the Actual Purchase Costs) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Master Materials and Services Procurement Agreement is only subject to the reporting, announcement and annual review requirements and is exempt from the circular, independent financial advice and independent Shareholders' approval requirements.

By Order of the Board

**Akeso, Inc.**

**Dr. XIA Yu**

*Chairwoman and executive director*

Hong Kong, April 28, 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.*