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LOKNA

Laekna, Inc.

來凱醫藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2105)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Sole Overall Coordinator and Sole Placing Agent

 **CITIC SECURITIES**

The Board is pleased to announce that on November 21, 2024 (before trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Sole Placing Agent, an aggregate of 17,636,000 Placing Shares to not less than six Placees at a price of HK\$13.36 per Placing Share.

The Placing Price of HK\$13.36 per Placing Share was determined after arm's length negotiations between the Company and the Sole Placing Agent and represents (i) a discount of approximately 15.01% to the closing price of HK\$15.72 per Share as quoted on the Stock Exchange on November 20, 2024, being the trading day immediately preceding the date of the Placing Agreement and (ii) a premium of approximately 12.84% to the average closing price of HK\$11.84 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of the Placing Agreement.

The Placing Shares will represent approximately 4.52% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.33% of the enlarged issued share capital of the Company immediately following the Closing (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 Closing). The Placing Shares will be allotted and issued under the General Mandate, and will not be subject to any approval by the Shareholders.

Assuming all the 17,636,000 Placing Shares are subscribed for in full, upon the Closing, the gross proceeds will be HK\$235.62 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\$230.3 million.

The Placing is conditional upon, among others, the listing committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the Closing).

Shareholders and potential investors should note that the Closing 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 Board is pleased to announce that on November 21, 2024 (before trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Sole Placing Agent, an aggregate of 17,636,000 Placing Shares to not less than six Placees at a price of HK\$13.36 per Placing Share. The principal terms of the Placing Agreement are summarized below:

THE PLACING AGREEMENT

Date: November 21, 2024

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

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Sole Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing

The Sole Placing Agent has conditionally agreed to procure on a best effort basis the placing of 17,636,000 Placing Shares at the Placing Price of HK\$13.36 per Placing Share.

The Placees

The Sole Placing Agent will procure to place the Placing Shares to professional, institutional, or other investors who and whose ultimate beneficial owners are Independent Third Parties. It is expected that none of the Placees 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 Closing, the 17,636,000 Placing Shares under the Placing represents approximately 4.52% of the issued share capital of the Company as at the date of this announcement, and approximately 4.33% 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\$176.36.

The Placing Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the Closing Date including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Placing Price

The Placing Price is HK\$13.36 per Placing Share which represents:

- (i) a discount of approximately 15.01% to the closing price of HK\$15.72 per Share as quoted on the Stock Exchange on the trading day immediately preceding the date of the Placing Agreement; and
- (ii) a premium of approximately 12.84% to the average closing price of approximately HK\$11.84 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding 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\$13.06 per Share.

The Placing Price was determined on an arm's length basis between the Company and the Sole 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 passed on June 14, 2024, pursuant to which the Board is authorized to allot, issue and deal with a maximum of 78,020,070 Shares, representing 20% of the number of Shares in issue (excluding treasury shares) as at the date of passing of the resolution granting the General Mandate. As at the date of this announcement, the Company had not utilized the General Mandate and the Placing Shares under the Placing represents approximately 22.60% of the General Mandate.

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

Conditions precedent and Closing

Closing of the Placing Agreement is conditional upon, among others:

- (i) the listing committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares and such listing and permission not subsequently being revoked prior to the Closing (the “**Listing Condition**”);
- (ii) before the Closing, there shall not have occurred:
 - a. any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group taken as a whole; or
 - b. any suspension or limitation of trading (A) in any of the Company's securities by the Stock Exchange (save and except for any trading halt in relation to the Placing) or any other exchange or over the counter market on which the Company's securities are admitted or listed for trading, or (B) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
 - c. any outbreak or escalation of hostilities or other state of emergency or calamity or crisis or lock-down, act of terrorism, diseases or epidemics or pandemics including, but not limited to, Severe Acute Respiratory Syndromes (SARS), H1N1, H5N1, the declaration by Hong Kong, the Cayman Islands, the PRC, Singapore, the United States, the United Kingdom or any other member of the European Economic Area or any other jurisdictions relevant to the Group or the Placing (together, the “**Relevant Jurisdictions**“, each a “**Relevant Jurisdiction**”) of a national emergency or war or other calamity or crisis; or
 - d. any material disruption in commercial banking or securities settlement or clearance services in any Relevant Jurisdiction and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any Relevant Jurisdiction; or

- e. any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any Relevant Jurisdiction or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Sole Placing Agent, would make the Placing or the enforcement of contracts to subscribe for or purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (iii) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date;
- (iv) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Closing Date; and
- (v) the Sole Placing Agent having received on the Closing Date the relevant legal opinions and other documentation as set out in the Placing Agreement.

The Sole Placing Agent in its sole discretion may waive any of the conditions (other than the Listing Condition which may not be waived), in whole or in part and with or without conditions, by notice to the Company. In the event that (i) the Listing Condition has not been satisfied by November 29, 2024 or such other date as may be agreed between the Company and the Sole Placing Agent; or (ii) any of the events set out in (ii) above occurs at any time between the date of the Placing Agreement and the Closing Date; or (iii) the Company does not deliver the Placing Shares on the Closing Date; or (iv) any of the conditions set out in (iii) to (v) above has not been satisfied or waived in writing on the dates specified therein, the Sole Placing Agent may elect, in its sole discretion, to terminate the Placing Agreement.

Lock-up Undertakings by the Company

Except for (a) the Placing; or (b) the allotment and issuance of any Shares pursuant to (1) the terms of any employee share option scheme or share award scheme of the Company from time to time in accordance with the applicable laws and regulations including the Listing Rules or (2) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association and the applicable laws and regulations including the Listing Rules, the Company shall not, without the prior written consent of the Sole Placing Agent, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by

delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing Agreement and ending on the date which is 90 days after the Closing Date.

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 a science-driven, clinical-stage biotechnology company focusing on the research and development of novel therapies targeting patients with cancer, metabolic diseases and liver fibrosis. 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\$235.62 million and approximately HK\$230.3 million respectively. The net proceeds from the Placing are expected to be fully utilized by December 31, 2026 and will be used for accelerating research and development of LAE102 and other drug assets targeting ActRII receptors.

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 Sole 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 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 twelve months immediately before the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON THE CLOSING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the Closing (assuming all 17,636,000 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 Closing) is set out as follows:

	As of the date of this announcement		Immediately upon the Closing (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	—	—	17,636,000	4.33%
Other Shareholders	<u>390,100,350</u>	<u>100.00%</u>	<u>390,100,350</u>	<u>95.67%</u>
Total	<u>390,100,350</u>	<u>100.00%</u>	<u>407,736,350</u>	<u>100.00%</u>

Shareholders and potential investors should note that Closing 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.

DEFINITIONS

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

“Board”	the board of Directors
“Closing”	closing of the Placing in accordance with the Placing Agreement
“Closing Date”	the date of closing of the Placing
“Company”	Laekna, Inc. (來凱醫藥有限公司), an exempted company incorporated in the Cayman Islands with limited liability on July 29, 2016
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“CSRC”	China Securities Regulatory Commission
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on February 17, 2023 (as amended, supplemented or otherwise modified from time to time)

“CSRC Filings”	the filing report (including any amendments, supplements and/or modifications thereof) in relation to the Placing and any transactions contemplated by the Placing Agreement and any relevant supporting materials (including, but not limited to, the PRC legal opinion to be issued by the counsel for the Company on the PRC laws, where applicable) to the CSRC pursuant to the CSRC Filing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Board pursuant to a resolution of the Shareholders passed on June 14, 2024
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Sole Placing Agent or their respective agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of 17,636,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Sole Placing Agent dated November 21, 2024 in relation to the Placing
“Placing Price”	HK\$13.36 per Placing Share
“Placing Shares”	17,636,000 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 share capital of the Company with a par value of US\$0.00001 each

“Shareholder(s)”	the holder(s) of Shares
“Sole Placing Agent”	CLSA Limited, being the sole placing agent and sole overall coordinator of the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Laekna, Inc.
Dr. LU Chris Xiangyang
Chairman

Hong Kong, November 21, 2024

As at the date of this announcement, the Board comprises Dr. LU Chris Xiangyang, Ms. XIE Ling and Dr. GU Xiang-Ju Justin as executive Directors; Dr. WANG David Guowei and Mr. SUN Yuan as non-executive Directors; and Dr. YIN Xudong, Dr. LI Min and Mr. ZHOU Jian as independent non-executive Directors.