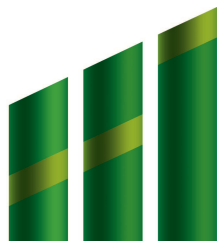


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# 昊天發展集團有限公司

## Hao Tian Development Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00474)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO FORMATION OF JOINT VENTURE AND PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS**

Reference is made to the announcement (the “**Announcement**”) of Hao Tian Development Group Limited (the “**Company**”) dated 13 July 2020 in relation to the formation of a joint venture between Aceso Life Science, a subsidiary of the Company, and Promethera Biosciences and the subscription of convertible bonds issued by Promethera Biosciences. Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement.

The Board would like to provide the Shareholders and potential investors of the Company with additional information in relation to the JV Company and the CB Subscription.

#### **THE FORMATION OF JOINT VENTURE**

##### **Incorporation of the JV Company**

The Board is pleased to announce that the JV Company, namely Aceso-Promethera Asia Company Limited (“**Aceso-Promethera**”) has been incorporated on 17 July 2020.

##### **Capital Contribution and IP Contribution**

As disclosed in the Announcement and pursuant to the JV Agreement, Aceso Life Science shall contribute or secure the initial working capital for the JV Company of no more than Euro 1,000,000. The JV Company shall explore different means of fundraising, assess the financial implication of such fundraising and stage of the relevant development of the Products and provide necessary funds associated with the clinical trial(s) of the Products.

Any further financial contribution by Aceso Life Science shall be subject to compliance with the applicable Listing Rules and further announcement(s) will be made if and when appropriate.

The Board is pleased to announce that the JV Company and Promethera Biosciences entered into the IP Contribution Agreements on 28 July 2020, for the assignment of, and the grant of sublicense of the relevant Project IP to the JV Company. The IP Contribution Agreements comprised of a master agreement for assignment and four sublicense agreements for the Project IP. The IP Contribution Agreements set out the terms and conditions with respect to the assignment/sublicense of the Project IP by Promethera Biosciences and its subsidiary to the JV Company for the development and commercialization of the Products, which include:

- (i) allogeneic “off-the shelf” liver derived cell therapy (HepaStem and H2Stem) for the treatment of UCD, ACLF, NASH and Coronavirus Disease 2019 (COVID-19);
- (ii) antibody asset Atrosab and Atrosimab for the treatment of liver indications and other inflammatory autoimmune diseases; and
- (iii) antibody asset Novotarg for the treatment of solid tumors.

*Assigned Project IP*

The master assignment agreement was entered into between the JV Company and Promethera Biosciences on 28 July 2020, which sets out the terms and condition of the assignment of 32 patents and patent applications from Promethera Biosciences and its subsidiary to the JV Company, of which:

- (i) 23 patents and patent applications are related to the treatment of liver diseases using liver-derived cell covering producing liver cells, liver progenitor cells expressing HLA-E, use of liver progenitor cell for treating ACLF, use of liver progenitor cells for non-alcoholic fatty liver disease, encapsulated liver cell composition and isolating urea, which are registered or applied for in China, Hong Kong, Singapore, Taiwan and Vietnam, and which are granted by the European Patent Office and the World Intellectual Property Organization; and
- (ii) 9 patents and patent applications are related to the bispecific antibody targeting CD20/CD95 antibody and anti-TNFR1 blocking antibody which are registered or applied for in China, Hong Kong, Singapore and Taiwan.

### *Licensed Project IP*

Four sublicense agreements were entered into between Promethera Biosciences or its subsidiary (as sub-licensor(s)) and the JV Company (as the sub-licensee) on 28 July 2020 to sublicense certain patents and know-hows that are licensed to Promethera Biosciences and/or its subsidiary from head licensors in various head-license agreements, including:

- (i) Patent and Know-How License Agreement between Spoptec SA, Universite catholique de Louvain and Promethera Biosciences in respect of the liver derived cell therapy HepaStem;
- (ii) Exclusive License Agreement between Universität Stuttgart and Celonic AG (currently Baliopharm AG) in respect of antibody asset Atrosab and Atrosimab;
- (iii) Exclusive License Agreement between APO Patente GbR and Baliopharm AG in respect of antibody asset Novotarg; and
- (iv) Exclusive License Agreement between Synimmune GmbH and Baliopharm AG in respect of antibody asset Novotarg.

### **Collaboration with Itochu Corporation**

On 21 July 2020, Aceso Life Science, Itochu Corporation and Promethera Biosciences entered into a memorandum of understanding, pursuant to which, a novated and amended collaboration agreement will be entered into between Itochu Corporation and the JV Company in relation to the collaboration to commence joint study on the therapeutic use of certain Project IP and, subject to satisfactory results and negotiation on the commercial terms on a case by case basis, proceed with collaboration distribution, licensing and sales of the Products in Asia.

Itochu Corporation is an established Japanese conglomerate with presence in the medical, healthcare and bioscience space. Itochu Corporation and its subsidiaries have deep expertise in the licensing, development, manufacturing, distribution and commercialization of pharmaceutical products in China and South East Asia.

The Board believes that Itochu Corporation has extensive experience and network on therapeutic use of intellectual property rights and would be a valuable partner of the JV Company in relation to the development and distribution of the Products in the Territories.

### **Board and Management of the JV Company**

The board of the JV Company consists of five directors, of which three directors are appointed by Aceso Life Science and two directors are appointed by Promethera Biosciences. The chairman of the board will be appointed by Aceso Life Science.

The JV Company intends to set up a scientific advisory committee (the “**Committee**”) to complement the expertise of the board in developing liver related bioscience assets in China. The committee will be chaired by Dr. Wang Yu (王宇博士) (“**Dr. Wang**”). Dr. Wang is previously the director of Institute of Liver Disease, Peking University Health Science Center (PUHSC) (北京醫科大學肝病研究所所長), deputy director in biochemistry

technology R&D centre (國家科技部中國生物技術發展中心副主任) and vice director in Rural & Social Department of Ministry of Science and Technology of PRC (科技部農村與社會發展司副司長). Dr. Wang served as director general of the Chinese Centre for Disease Control and Prevention (中國疾病預防控制中心主任) from June 2004 to August 2017. Dr. Wang is currently managing director of Chinese Medical Association (中華醫學會常務理事), and committee member of the Global Commission for the Certification of Poliomyelitis Eradication (Western Pacific Region) (世界衛生組織全球消滅脊髓炎質炎西太醫區專家委員會委員).

The JV Company will hire a team of life science executives with significant bioscience asset development experience in China and South East Asia to cope with the business development of the JV Company.

### **Business Plan**

In the second half of 2020, the JV Company will commence the evaluation of contract research organisations (“CROs”) with strong track record in antibody and cell therapy clinical development based on their ability to undertake future clinical trials of the Products in China.

For each Product, the JV Company will investigate specific business development opportunities including self-development, co-development, out-licensing and sale at each stage of development and on a case-by-case basis. If the JV Company undertakes the self-development route, additional capital will be raised via a combination of debt (shareholders or external) or equity financing.

The Company will make further announcement(s) on material development of the JV Company and further capital contribution and comply with the Listing Rules requirement as and when appropriate.

### **PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS ISSUED BY PROMETHERA BIOSCIENCES**

As disclosed in the Announcement, the Convertible Bonds, nominal amount and accrued interest, may be converted at the Conversion Value of Euro 210.3 million (equivalent to HK\$1,842.1 million) upon the Optional Conversion or Qualified Listing Conversion. Based on the Conversion Value of Euro 210.3 million, the Promethera Conversion Shares will be issued at a price of Euro 220 each (equivalent to HK\$1,927.2). As at the date of the CB Subscription, Promethera Biosciences had 955,959 shares in issue and certain share options and convertible bonds outstanding.

The Conversion Value was arrived after arm’s length negotiation between the Company and Promethera Biosciences with reference to the post-money valuation of Promethera Biosciences of Euro 210.3 million from previous round of fund raising completed in November 2019, which was conducted on arm’s length discussions between various institutional and individual investors and Promethera Biosciences after consideration of the business development of Promethera Biosciences and the fulfilment of key clinical trial milestones.

Upon full conversion of the Convertible Bonds, being the principal amount of the Euro 10 million plus estimated accrued interest of Euro 600,000, the Company will hold approximately 4.14% of the issued share capital of Promethera Biosciences based on 1,165,113 shares on fully diluted basis as enlarged by the (1) issue of Promethera Conversion Shares; (2) new shares to be issued for the additional Euro 10 million financing as required for completing the second tranche of the Convertible Bonds convertible at same Conversion Value; and (3) new shares to be issued upon exercise of all existing share options and conversion of existing convertible bonds of Promethera Biosciences.

### **Financial Information of Promethera Biosciences**

Set out below the audited financial information of Promethera Biosciences for the years ended 31 December 2018 and 2019 prepared in accordance with International Financial Reporting Standards:

<i>(Euro'000)</i>	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2018</b>
Revenue	642	845
Profit/(loss) before taxes	(39,695)	(27,848)
Profit/(loss) after taxes	(39,785)	(27,870)

The net asset value as at 31 December 2019 was approximately Euro 19.86 million.

### **Listing Rules Implications**

Conversion of the Convertible Bonds in the event of a Qualified Listing Conversion is not at the discretion of the Company. According to Rule 14.74 of the Listing Rules, on the subscription of the Convertible Bonds, the transaction will be classified as if the subscription right attached to the Convertible Bonds has been exercised and be treated as a transaction and classified by reference to the percentage ratios pursuant to Rule 14.73 of the Listing Rules. Since one of the applicable percentage ratios for the acquisition of equity interest in Promethera Biosciences upon conversion of the Convertible Bonds exceeds 5% but is less than 25%, such possible acquisition upon a Qualified Listing Conversion constitutes a notifiable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

By order of the Board  
**Hao Tian Development Group Limited**  
**Fok Chi Tak**  
*Executive Director*

Hong Kong, 3 August 2020

*As of the date of this announcement, the Board comprises three executive directors, namely Mr. Xu Haiying, Dr. Zhiliang Ou, JP (Australia) and Mr. Fok Chi Tak and three independent non-executive directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing, and Mr. Lee Chi Hwa, Joshua.*