China Grand Pharmaceutical and Healthcare Holdings Limited
遠大醫藥健康控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00512)

VOLUNTARY ANNOUNCEMENT

Entered into Subscription Agreement, Exclusive Licensing and Commercial Partnership Agreement with Telix; Entered into Memorandum of Strategic Cooperation with Jiangsu Institute of Nuclear Medicine; and Entered into Share Purchase Agreement with Puer Weiye

The Board is pleased to announce that the Group has entered into the following transactions in the field of radionuclide-drug conjugates (RDC), focusing on highly innovative and high-barrier radiological diagnostic and therapeutic drugs.

1) The Group and Telix Pharmaceuticals Limited (ASX:TLX) ("**Telix**", together with its wholly owned subsidiaries, the "**Telix Group**") have:

   - Entered into a share subscription agreement ("**Subscription Agreement**"), pursuant to which the Group will invest US$25 million to subscribe approximately 7.6% equity interests of Telix after fulfilling the relevant conditions stipulated in the Subscription Agreement;

   - Entered into an exclusive licensing, co-development and commercialization agreement ("**Licensing Agreement**"), with upfront prepayment and milestones payments up to US$225 million in aggregate and royalty fee for each licensed product as a % of annual net sales amount in the licensed region, pursuant to which the Group will obtain the exclusive development, manufacturing and commercialization rights in Mainland China, Hong Kong SAR, Macau SAR and Taiwan (the "**Greater China Region**") for radionuclide-drug conjugates developed by Telix Group, including: (1) TLX591 (^{177}Lu-DOTA-Rosopatamab) for treatment of prostate cancer, which has completed phase II clinical trial; (2) TLX250 (^{177}Lu-DOTA-Girentuximab) for treatment of clear cell renal cell carcinoma (ccRCC), which is going to commence two phase II clinical trials in combination with current immuno-oncology therapies; (3) TLX101 (^{131}I-IPA) for treatment of glioblastoma, which has been granted orphan drug designation by the United States Food and Drug Administration ("**FDA**") and is undergoing Phase I/II clinical trial;

- Entered into an exclusive commercial partnership agreement ("**Partnership Agreement**"), pursuant to which the Group will obtain the commercialization rights in the Greater China Region for innovative radionuclide-drug conjugates developed by Telix Group, including: (1) TLX591-CDx (^{68}Ga-HBED-CC-PSMA11) for imaging diagnostics of prostate cancer, which has filed New Drug Application (NDA) to the FDA; (2) TLX250-CDx (^{89}Zr-DFO-Girentuximab), which has been granted breakthrough therapy designation by the FDA for imaging of ccRCC and is currently studied in a phase III clinical trial; (3) TLX599-CDx (^{99m}Tc-EDDA/HYNIC-iPSMA) for imaging diagnostics of prostate cancer.

2) The Group and Jiangsu Institute of Nuclear Medicine have entered into a memorandum of strategic cooperation to reach an agreement on the development, manufacturing, testing and standard formulation, preclinical research and intellectual property of radionuclide-drug conjugates, and to establish a well-functioning mechanism for long-term cooperation, which will enhance the Group's capabilities in development, preclinical research and commercialization of radionuclide-drug conjugates.

3) The Group and Beijing Puer Weiye Biotechnology Co., Ltd. ("**Puer Weiye**") have entered into a share purchase agreement, pursuant to which the Group will acquire 100% equity interests in Puer Weiye for a consideration of not more than RMB10 million subject to conditions precedent. Upon completion of this acquisition, Puer Weiye will become a wholly owned subsidiary of the Group, and the Group will obtain the "Radioactive Pharmaceutical Production License" and "Radioactive Pharmaceutical Trading License", and obtain the relevant qualifications for the development, production and trading of various radionuclide-drug conjugates such as ^{68}Ga, ^{177}Lu, ^{89}Zr, ^{90}Y in Mainland China.

This announcement is made by the board of directors (the "**Board**") of China Grand Pharmaceutical and Healthcare Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis.

The Board is pleased to announce that the Group has entered into the following agreements in the field of cancer diagnostics and treatment, focusing on highly innovative and high-barrier radiological diagnostic and therapeutic drugs.

1) Subscribe Shares of Telix and Product Cooperation

The Group has entered into a Subscription Agreement with Telix, pursuant to which the Group will invest US$25 million to subscribe approximately 7.6% equity interests of Telix after fulfilling the relevant conditions stipulated in the Subscription Agreement.

Furthermore, the Group has entered into a Licensing Agreement with Telix Group, pursuant to which the Group will obtain the exclusive development, manufacturing and commercialization rights in the Greater China Region for Telix Group's innovative radionuclide-drug conjugates TLX591, TLX250 and TLX101 ("**Licensed Products**") that have the potential to become First in Class therapy for tumor treatment. The Group will pay Telix Group upfront prepayment and milestones payments, up to US$225 million in aggregate subject to various regulatory and commercial milestones, and pay Telix Group a royalty fee for each licensed product as a % of annual net sales amount in the licensed region.

Lastly, the Group has entered into a Partnership Agreement with Telix Group, pursuant to which the Group will obtain the exclusive commercialization rights in the Greater China Region for Telix Group's innovative radionuclide-drug conjugates TLX591-CDx, TLX250-CDx and TLX599-CDx that have the potential to become First in Class diagnostic method for cancer detection, and the Group will purchase related products from Telix Group pursuant to the Partnership Agreement.

In addition, within a certain future period, the Group will have the first right of negotiating exclusive development, manufacturing and commercialization rights in the Greater China Region for future pipeline products of Telix Group.

Headquartered in Melbourne, Australia, Telix is a biopharmaceutical company focused on the development of innovative cancer diagnostic and therapeutic radionuclide-drug conjugates, using Molecularly Targeted Radiation (MTR) and conjugation technology platform to carry out the development and application of radionuclide-drug conjugates. Telix Group's management team and key members of the R&D team have extensive experience in drug development and commercialization, and have solid academic backgrounds in nuclear medicine and radioactive pharmaceuticals. Its R&D pipeline covers a variety of cancer types with high morbidity and mortality, such as prostate cancer, renal carcinoma and glioblastoma. At present, Telix Group is conducting over ten clinical trials globally. Three of its pipeline products (TLX101, TLX101-CDx and TLX102) have been granted orphan drug designation, and one product (TLX250-CDx) has been granted breakthrough therapy designation by the FDA.

TLX591 (^{177}Lu-DOTA-Rosopatamab) is a radionuclide-antibody conjugated therapeutic radiopharmaceutical product targeting prostate-specific membrane antigen (PSMA). TLX591-CDx (^{68}Ga-HBED-CC-PSMA11) and TLX599-CDx (^{99m}Tc-EDDA/HYNIC-iPSMA) are the companion diagnostic products of TLX591 for diagnostics of metastatic prostate cancer. TLX591 and TLX591-CDx form an integrated diagnostics and treatment combination for metastatic castrate-resistant prostate cancer. According to data from the World Health Organization in 2018, the standardized incidence rate of prostate cancer in China is 9.1 per 100,000. And the statistics released by the National Cancer Center in 2019 showed that the incidence of prostate cancer in China has been rising recently and it is currently the sixth most common type of cancer for males. Telix Group has completed phase II clinical trial for TLX591 and is currently planning to start phase III clinical trial in Australia and the United States. Telix Group has submitted NDA to the FDA for TLX591-CDx in September of this year.

TLX250 (^{177}Lu-DOTA-Girentuximab) is a radionuclide-antibody conjugated therapeutic radiopharmaceutical product that targets a cell-surface antigen called Carbonic Anhydrase IX (CAIX). TLX250-CDx (^{89}Zr--DFO-Girentuximab) is the companion diagnostic product for indeterminate renal mass. TLX250 and TLX250-CDx form an integrated diagnostics and treatment combination for ccRCC, which is the most common invasive renal carcinoma, accounting for 70-85% of the total cases. According to data from the World Health Organization in 2018, the standardized incidence rate of renal carcinoma in China is 3.4 per 100,000. Menet.com expects that the market size of domestic renal carcinoma drugs may reach RMB5 billion. TLX250 uses girentuximab to deliver a therapeutic dose of radiation to target cancer cells. Telix Group is preparing to commence two phase II clinical trials to assess the efficacy of TLX250 in combination with current immuno-oncology therapies for

ccRCC. TLX250-CDx has been granted breakthrough therapy designation and is currently being studied in a phase III clinical trial.

TLX101 (^{131}I-IPA) is a radionuclide-antibody conjugated therapeutic radiopharmaceutical product for the treatment of glioblastoma multiforme, which has been granted orphan drug designation by the FDA. Glioblastoma is the second most common brain tumor after meningioma, with a 5-year survival rate of only 5%. TLX101 is designed to exploit the difference between nutrient requirements of normal cells and cancer cells to target cancer cells with cytocidal radiation to achieve the therapeutic effect. The combination of TLX101 and external beam radiation is currently being studied in a phase I/II clinical trial at several hospital locations across Europe and Australia.

2) Memorandum of Strategic Cooperation with Jiangsu Institute of Nuclear Medicine

The Jiangsu Institute of Nuclear Medicine has a scientific research team comprised of outstanding young and middle-aged professionals in nuclear physics, radiochemistry, medicine, pharmacy, biology, etc. and is equipped with a number of cutting-edge experimental apparatus including Micro-PET and specific laboratories. It is the Key Laboratory of Nuclear Medicine of the National Health Commission of the PRC, the Key Laboratory of Molecular Nuclear Medicine of Jiangsu Province, and the Key Discipline (Laboratory) of Nuclear Medicine of Jiangsu Province. The institute has become a research base of nuclear medicine that is influential both at home and abroad, integrating scientific research, clinical study, information collection and technology development. Under the strategic memorandum of cooperation entered into between the Group and Jiangsu Institute of Nuclear Medicine, the parties will jointly build a platform for radioactive pharmaceuticals, co-develop innovative radiopharmaceutical drugs, and accelerate the introduction of advanced technology as well as manufacturing, development and application of products that are under development or have been marketed overseas.

3) Share Purchase Agreement with Puer Weiye and Acquisition of the Radioactive Pharmaceutical Production and Trading Licenses

The Group and Puer Weiye has entered into a share purchase agreement, pursuant to which the Group will acquire 100% equity interest of Puer Weiye. Upon the completion of this acquisition, Puer Weiye will become a wholly owned subsidiary the Group. Puer Weiye holds licenses for radioactive pharmaceutical production and trading including "Radioactive Pharmaceutical Production License", "Radioactive Pharmaceutical Trading License" and “Permit for Radiation Safety”. After the acquisition of Puer Weiye, in accordance with relevant regulations, the Group will become the second Hong Kong listed company permitted to engage in the production, commercialization and development of radioactive pharmaceuticals.

According to data released by Statista, the size of the global nuclear medicine/radiopharmaceuticals market was around US$3.98 billion in 2018 and is expected to reach US$5.06 billion by 2023, with a compound annual growth rate (CAGR) of 4.9%. Frost & Sullivan's forecast predicted that the CAGR of China’s radiopharmaceuticals market is about 18.6%, and the total domestic market size is expected to reach RMB9 billion by 2021. In recent years, the FDA has approved a number of innovative radionuclide-drug conjugates, of which the radionuclide plays a role in imaging diagnostics or destroying cancer cells, and the molecular targeted drug or antibody can precisely target tumor cells. This technology can

effectively improve tumor diagnostics and therapeutic effects while reducing side effects. It has also shown distinctive advantages in many cancer types compared to other treatment methods; thus, it has attracted investment and acquisitions by plenty of well-known enterprises, including multinational pharmaceutical companies. Telix Group's innovative radionuclide conjugation technologies enable molecular targeted drug or antibody to carry radiation, and enhance the imaging diagnostics and treatment for multiple cancer types. By leveraging the radionuclide conjugation technologies of Telix Group, the Group will be able to provide Chinese patients with integrated diagnostics and treatment solutions for multiple cancer types.

The Group is insightful in the growth opportunities and future development of the radiopharmaceutical industry, and has started strategic planning since several years ago. In 2018, the Group acquired Sirtex Medical Pty Ltd ("**Sirtex**") and officially tapped into this field. In this sense, the Group is the pioneer in the globalization of radioactive pharmaceuticals in domestic market. This time, the Group entered into agreements with Telix Group, Jiangsu Institute of Nuclear Medicine and Puer Weiye, to obtain the commercial rights of related products in the Greater China Region and the qualification licenses for trading radioactive pharmaceuticals in China, which is another important strategic step for the Group in the expansion of radiopharmaceutical planning. The Group aims to create high technological entry barriers through radiopharmaceutical projects in both clinical and early R&D stages.

In August of this year, Sirtex received the "Approval Notice of Drug Clinical Trial" issued by the National Medical Products Administration of the PRC (NMPA), which confirmed that the SIR-Spheres® Y-90 resin microsphere was approved to file NDA based on clinical trial data obtained overseas. Upon entering the agreements mentioned above, the Group will initiate the clinical trials application of the six licensed products in the Greater China Region. Henceforth, in the field of anti-tumor radionuclide-drug conjugates, the Group owned a total of seven products for the diagnostics and treatment of colorectal liver metastases, prostate cancer, ccRCC and glioblastoma. The Group will continue to increase the investment in radionuclide-drug conjugates and to introduce world-class innovative products for different cancer indications in response to unmet clinical needs.

The equity control and in-licensing of Sirtex, Telix and Puer Weiye will accelerate the internationalization of the Group's radionuclide-drug conjugates supply chain. Through cooperation with well-known companies and institutes specializing in R&D, production, sales, supervision and other aspects, the Group intends to build and consolidate comprehensive capabilities and integrated supply chain in the field of radionuclide-drug conjugates, and to establish a world-leading radionuclide-drug conjugates platform.

Moreover, the core product TAVO™ of OncoSec Medical Incorporated, an associate of the Group in United States, in combination with anti-PD-1 checkpoint inhibitor KEYTRUDA® (Generic name: pembrolizumab) for the treatment of advanced metastatic melanoma demonstrated objective response rate (ORR) of 41%, and it plans to apply to the FDA for accelerated approval designation. Clinical trials of other projects such as triple negative breast cancer and squamous cell carcinoma are also advancing simultaneously.

The Group has been dedicated to the research and development of anti-tumor therapy for many years. It has 11 innovative products globally, of which 10 products are in clinical trials across different locations in the globe, covering 8 major solid tumors (including hepatocellular carcinoma, colorectal cancer, ccRCC, prostate cancer, glioblastoma, metastatic melanoma, triple negative breast cancer and squamous cell carcinoma). The variety and quantity of the

Group's product pipeline are at the leading level in this industry. The Group adopts the strategy of "global expansion and dual-cycle operation", which deems the Chinese market as a special market. The Group will continue to optimize product structure and enrich the pipeline in anti-tumor field by introducing international advanced products and technologies, in order to provide cancer patients with more treatment options and solutions, forming a new pattern of domestic and international cycles that synergize with each other.

The Group always puts focus on the R&D of innovative products and is actively involved in activities such as global in-licensing, investment and acquisition of high-quality products and assets in core therapeutic areas, in order to enrich product lines and innovative products pool. In order to strengthen the core products reserve of the Group and maintain long-term competitiveness through new product development, the Board considers that entering into the above agreements are in line with the strategy of the Group and in the overall interests of the shareholders of the Company.

Warning

The approval of commercialization and commencement of sales for aforementioned products in the transactions contemplated above and the corresponding benefits are subject to various factors with uncertainty. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Grand Pharmaceutical and Healthcare Holdings Limited
Liu Chengwei
Chairman

Hong Kong, 1 November 2020

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Liu Chengwei, Mr. Hu Bo, Dr. Shao Yan and Dr. Niu Zhanqi and three independent non-executive directors, namely, Ms. So Tosi Wan, Winnie, Dr. Pei Geng and Mr. Hu Yebi.

** For identification purpose only*