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

THE GROUP INTRODUCED A GLOBAL INNOVATIVE ADVANCED HEART FAILURE THERAPEUTIC SYSTEM

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 strategic cooperation with United Stated based **CoRISMA MCS Systems, Inc** ("**CoRISMA**"). The Group will obtain approximately 22.2% equity interests of **CoRISMA** with USD12 million consideration, and will further invest in the follow-up to obtain the exclusive development, manufacturing and commercialization rights of CoRISMA series products, an innovative medical device for the treatment of heart failure, in Greater China (including Mainland China, Hong Kong, Macau and Taiwan), Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam ("**Licensed Region**"), and to enable the commercialization of the products in the Licensed Region. The CoRISMA product line is another global innovative product of the Group in the field of precision intervention and joins our drug-coated balloon for vascular intervention, our neuro-interventional stent retriever, our intravascular and cardiac diagnostic equipment, and our laser ablation platform. It is an important strategic plan of the Group in building a world-leading cerebro-cardiovascular precision interventional diagnosis and treatment platform.

Heart failure refers to the failure of the heart to adequately circulate blood to meet the body's metabolic demands. This can result when illness, medical treatment, or disease weakens the heart. According to the "European Journal of Heart Failure", heart failure is affecting more than 26 million patients worldwide. Among which, there are approximately 13.70 million patients with heart failure in China. The weighted prevalence of heart failure is 1.3% among 35-year-old or older people. In the past 15 years, the overall prevalence of heart failure in China has increased by 44%. According to the New York Heart Association (NYHA) heart function classification, heart failure is divided into stages I to IV, and patient with end-stage heart failure in stages IIIB and IV account for approximately 15%. Patients with end-stage heart failure can benefit from continuous mechanical circulatory support, including heart transplantation (HTX) or ventricular assist device ("**VAD**"). However, due to various limiting factors, only very few patients with end-stage heart failure have received treatments, representing huge unmet potential clinical needs. In addition, as aging population increasing in China, the incidence of chronic diseases that can cause or induce heart failure, such as coronary heart disease, hypertension, diabetes, and obesity, are still increasing. Therefore, there is a huge market potential in China.

CoRISMA, founded in 2018, is an innovative medical device company that spun out of the Bonde Artificial Heart Laboratory at Yale University, is focused on the development of global innovative medical devices for patients with severe heart failure. The American College of Cardiology's guideline for the management of heart failure gave a Class IIa recommendation for VAD treatment for patient with poor drug treatment effect and NYHA heart function class III to IV. However, currently VAD devices that commonly used in clinical practice have many complications, such as pump thrombosis, stroke, and VAD related infections, which greatly limit its clinical application. CoRISMA's product is a fully implanted transcatheter device that uses the world class wireless power transmission technology. Through minimally invasive surgery, CoRISMA devices will be designed to provide a treatment method with less trauma, higher safety, no power cord infection, and fewer complications for patients with end-stage heart failure.

The field of cerebro-cardiovascular precision interventional diagnosis and treatment is one of the Group's core strategic areas which covers five strategic markets; vascular intervention, neurointervention, structural cardiac disease, electrophysiology and heart failure. For the purpose of a comprehensive deployment, a product cluster of technologically innovative high-end medical devices are in place. After the completion of this transaction, the Group will have nine products covering our five strategic markets, two of our products have been approved for commercialization in China, and six of our products are expected to be approved for commercialization in China before the end of 2025. Two of our vascular intervention devices have been approved for commercialization in China. One is RESTORE DEB, which is the only coronary artery intervention drug-coated balloon product in the market with two indications of de novo coronary artery lesions and in-stent restenosis, and the other is APERTO OTW, which is the first drug-coated balloon for the indication of shunt restenosis in arteriovenous fistulas of hemodialysis patient. The product LEGFLOW OTW for peripheral vascular diseases has also entered into clinical research stage and is expected to be commercialized in 2024. The intravascular shockwave calcification treatment system, for the treatment of vascular calcification, is working hard in the preparation for development works in the United States and China. The NOVASIGHT Hybrid, a coronary diagnosis product, can simultaneously show the ultrasound and optical image. It was enrolled in the special review approval process of innovative medical device in 2019, and is expected to obtain the approval for commercialization in China in 2023. For structural cardiac disease, there is a diagnosis product FORESIGHT ICE, which is a 3D intracardiac echocardiography product and was approved for commercialization in the United States and Canada. Currently it is actively prepared for the clinical registration works in China. The valve products will be further enhanced in the future. For neurointervention, the Group is independently developing a new stent retriever, which is expected to be approved for commercialization by 2025. For electrophysiology, HeartLight X3, a laser ablation product for the treatment of atrial fibrillation has been approved for commercialization in the United States and Europe, and is currently preparing for registration and application in China. The obtainment of CoRISMA's products will complete the layout of the Group in the field of heart failure, further enrich the Group's product pipeline in the field of cerebro-cardiovascular precision intervention and establish an overseas research and development ("**R&D**") platform for the precision interventional sector. In the future, regarding "introduction and landing" and "synchronously independent and localized R&D" as its development direction, the Group will realize the construction of a dual system of local + global R&D and production, as well as accelerate product launches and improve our internal R&D capability. With the belief of "persistence is the key to success", it is the Group's target to build this segment into a leading "cerebro-cardiovascular precision interventional diagnosis and treatment platform" in China and throughout the world.

The Group always focuses on new, innovative, patient-centric technologies and will continue to increase its investment in the world-class innovative products and advanced technologies to

meet unmet clinical needs,enrich product pipeline, and improve supply chain. The Group adopts the strategy of "global expansion and dual-cycle operation", forming a new pattern of domestic and international cycles that synergize with each other. In this way, the Group can make full use of its industrial advantages and R&D capabilities, to accelerate commercialization process for innovative products and provide patients with more advanced and diverse treatment options in the world.

Warning

The aforementioned product is still in the R&D stage. The approval of commercialization of such product is 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
Chairman
Dr. Tang Weikun

Hong Kong, 5 August 2021

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

** For identification purpose only*