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Immunotech Biopharm Ltd

永泰生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6978)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION FRAMEWORK AGREEMENT WITH CHINA RESOURCES PHARMACEUTICAL GROUP LIMITED

This is a voluntary announcement made by Immunotech Biopharm Ltd (the “**Company**”), together with its subsidiaries, the “**Group**”) to provide shareholders of the Company and potential investors on the Group’s latest business development.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, on 17 September 2021, after trading hours, the Company and China Resources Pharmaceutical Group Limited (“**CR Pharma**”, together with the Company, the “**Parties**”) entered into a strategic cooperation framework agreement (the “**Framework Agreement**”), pursuant to which the Parties agreed to strategically cooperate in (i) sales and distribution of EAL[®] within the People’s Republic of China (“**PRC**”); (ii) operations and research and development (“**R&D**”); (iii) establishment of a fund in Shenzhen; and (iv) future financing arrangements (the “**Proposed Cooperation**”).

FRAMEWORK AGREEMENT

The Proposed Cooperation

Pursuant to the Framework Agreement, the scope of the Proposed Cooperation includes, among other things, the following:

EAL[®] sales and distribution within the PRC

After EAL[®] is approved for marketing and sales by the National Medical Products Administration of the PRC:

- the Company will give priority to CR Pharma or a third party designated by CR Pharma (“**Designated Third Party**”) as the Company’s service provider for the sales of EAL[®] in one or more regions in the PRC (for the purpose of the Framework Agreement, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan). The Parties will jointly carry out the commercialisation of EAL[®], including promotion in the medical market, market penetration, clinical medication management and patient management;
- subject to the CR Pharma’s distribution network and coverage and based on a service fee to be agreed between the Parties, the Company will give priority to CR Pharma or the Designated Third Party as the Company’s distributor for EAL[®]. CR Pharma or the Designated Third Party will complete the delivery of patients’ blood samples and EAL[®] finished products in accordance to the needs of the Company and the relevant regulatory requirements related to cell therapy drugs;

Operations and R&D

- CR Pharma will provide recommendations to the Company on its production safety, environmental protection, occupational health and product quality control, and the Company will cooperate to manage relevant risks;
- CR Pharma will be entitled to enquire information of the Company’s R&D projects on a confidential basis;
- CR Pharma will promote the realisation and implementation of the sales and distribution cooperation between the Parties, and the Company will provide the progress updates to CR Pharma in relation to such business cooperation;

Fund establishment and the engagement in fields of biomedical and cell therapy in Shenzhen

- the Parties will actively promote the establishment of biomedical industry investment fund in Longgang District, Shenzhen with the proposed name of Huarun Yongtai (Shenzhen) Biomedical Industry Investment Fund* (華潤永泰(深圳)生物醫藥產業投資基金), subject to the approval of the entity’s name by the relevant PRC government department. The fund shall be targeted at investments in the upstream and downstream industry chain of the cell therapy industry;
- leveraging on Shenzhen’s policy on promotion of the cell and gene therapy industry and supportive measures on the industry of Longgang District, the Parties will participate in the cell therapy pilot work; and

Future financing arrangements

- taking into account the progress of the commercialisation of the Group's pipeline products and EAL[®], CR Pharma do not rule out the possibility of participation in future financing arrangement(s) of the Company, where the Company and the major shareholders will assist CR Pharma or its designated third party in its participation. In the event any of such financing arrangement(s) by the Company materialises, CR Pharma will actively participate in the implementation of the related plan(s).

According to the Framework Agreement, the Framework Agreement is intended to record the Parties' preliminary intention to carry out the Proposed Cooperation, where the Parties may negotiate to enter into definitive agreement(s) to set out the specific terms of the Proposed Cooperation. The Framework Agreement is subject to further negotiations by the Parties in respect of implementation of the Proposed Cooperation as the specific terms of the Proposed Cooperation shall be agreed upon definitive agreement(s) (such as product sales services, product distribution services, joint venture establishment and other related agreements) is entered into by the Parties, if any.

INFORMATION ABOUT CR PHARMA

CR Pharma is a limited liability company registered in Hong Kong, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 3320). CR Pharma is a leading integrated pharmaceutical company in the PRC, primarily engaged in the R&D, manufacturing, distribution and retail of an extensive range of pharmaceutical and other healthcare products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, CR Pharma holds 51,458,400 ordinary shares in the Company, representing 10.0% of its entire issued share capital. CR Pharma is a substantial shareholder of the Company, and therefore, it is a connected person of the Company.

REASONS FOR THE PROPOSED COOPERATION

According to CR Pharma, it is one of the leading pharmaceutical groups in China, with strong pharmaceutical manufacturing capabilities and a large pharmaceutical sales network. The Group is a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy for almost 15 years. Since its establishment in 2006, it has focused on R&D and clinical applications of cellular immunotherapy drugs for cancers and other major diseases, by applying advanced theories in immunology, cell biology, and genetics. Under the Framework Agreement, the Parties agreed that it is in their interest to strengthen cooperation and establish long-term strategic cooperative relationship with each other. CR Pharma and the Company will utilise their respective advantages, coordinate their resources and jointly promote the development of the cellular immunotherapy industry in the PRC.

The Directors consider that the entering into the Framework Agreement is in line with the commercialisation strategies of the Group, which includes the sales and distribution of EAL[®] within the PRC, and the Directors believe that CR Pharma is an important partner in the field of cell therapy and the Group would be able to utilise and leverage CR Pharma's sales and distribution expertise and capabilities to further the Group's R&D efforts and commercialisation of its pipeline products. As such, the Directors consider that the terms of the Framework Agreement are fair and reasonable and the Proposed Cooperation is in the interest of the Company and its shareholders as a whole.

GENERAL

This announcement is made by the Company on a voluntary basis to provide information to its shareholders and potential investors.

The Board wishes to emphasise that the implementation of the transaction(s) contemplated under the Framework Agreement (if any) are subject to the definitive agreement(s) to be entered into between the Parties, and no definitive agreement in relation to the Proposed Cooperation has been entered into as at the date of this announcement. The Proposed Cooperation may not necessarily materialise or be implemented as contemplated under the Framework Agreement or at all. If any of the transaction under the Framework Agreement materialises, such may constitute notifiable transaction(s) and/or connected transaction(s) under Chapter 14 and/or Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company will comply with the applicable requirements under the Listing Rules and further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate. Shareholders and potential investors of the Company are reminded to exercise caution in dealing with the securities of the Company.

By order of the Board
Immunotech Biopharm Ltd
Tan Zheng
Chairman and executive Director

Hong Kong, 17 September 2021

In this announcement, the terms "connected person", "subsidiary" and "substantial shareholder" have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

As at the date of this announcement, the Board comprises Mr Tan Zheng as Chairman and executive Director, Dr Wang Yu and Mr Jung Hyun Chul as executive Directors, Mr Tao Ran, Mr Si Xiaobing and Mr Lu Yuan as non-executive Directors, and Professor Wang Yingdian, Mr Ng Chi Kit and Ms Peng Sujiu as independent non-executive Directors.

* *The English transliteration of the Chinese name in this announcement, where indicated, is included for information only, and should not be regarded as the official English name of such Chinese name*