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**JW (Cayman) Therapeutics Co. Ltd**

**藥明巨諾（開曼）有限公司\***

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

**(Stock Code: 2126)**

## **GRANT OF EXTENSION OF WAIVER FROM STRICT COMPLIANCE WITH RULES 14A.52 AND 14A.53 OF THE LISTING RULES UNDER THE LICENSE AND STRATEGIC ALLIANCE AGREEMENT**

Reference is made to the audited consolidated financial statements for the year ended December 31, 2023 of JW (Cayman) Therapeutics Co. Ltd (the “**Company**” or “**JW Therapeutics**”) published on April 26, 2024 (the “**2023 Annual Report**”) in relation to the non-exempt continuing connected transactions under the license and strategic alliance agreement (the “**License and Strategic Alliance Agreement**”) entered into between the Company and Juno Therapeutics, Inc. (“**Juno**”), one of the Company’s substantial shareholders. Capitalized terms used in this announcement shall have the same meanings as those defined in the 2023 Annual Report unless otherwise defined.

### **BACKGROUND OF THE LICENSE AND STRATEGIC ALLIANCE AGREEMENT**

Pursuant to the License and Strategic Alliance Agreement, Juno granted the Company a series of rights and licenses in certain of Juno’s engineered T-cell pipeline product candidates and platform technology in the field of treatment or amelioration of cancer or auto-immune disorders for further development and commercialization in the Territory. The License and Strategic Alliance Agreement became effective on December 13, 2017 and shall continue until the later of (i) the expiration or termination of all then existing Juno pipeline product licenses; or (ii) the expiration of the royalty term.

In consideration of the rights granted to the Company, the Company is required to make various upfront, milestone, royalty payments and reimbursement to Juno under the License and Strategic Alliance Agreement.

## **PRINCIPAL TERMS OF THE LICENSE AND STRATEGIC ALLIANCE AGREEMENT**

For details of the principal terms on the upfront payment, milestone payment, royalty payments and reimbursement, please refer to the section headed “Report of Directors — Non-exempt Continuing Connected Transactions — License and Strategic Alliance Agreement with Juno” in the 2023 Annual Report.

### **THE ANNUAL CAPS**

For details of the annual caps for milestone payment, royalty payment and reimbursement, please refer to the section headed “Report of Directors — Non-exempt Continuing Connected Transactions — License and Strategic Alliance Agreement with Juno” in the 2023 Annual Report.

### **LISTING RULES IMPLICATIONS AND WAIVER GRANTED BY THE STOCK EXCHANGE**

Pursuant to Rule 14A.07(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Juno is a connected person of the Company. Therefore, the transactions contemplated under the License and Strategic Alliance Agreement with Juno constitute continuing connected transactions of the Company under the Listing Rules.

Rule 14A.52 of the Listing Rules provides that “the period for the agreement must be fixed and reflect normal commercial terms or better. It must not exceed three years except in special circumstances where the nature of the transaction requires a longer period. In this case, the listed issuer must appoint an independent financial advisor to explain why the agreement requires a longer period and to confirm that it is normal business practice for agreements of such type to be of such duration”.

Rule 14A.53 of the Listing Rules provides that “the listed issuer must set an annual cap for the continuing connected transactions. The cap must be: (1) expressed in monetary terms; (2) determined by reference to previous transactions and figures in the published information of the listed issuer’s group. If there were no previous transactions, the cap must be set based on reasonable assumptions; and (3) approved by shareholders if the transaction requires shareholders’ approval”.

On October 21, 2020, the Company applied to the Stock Exchange, and the Stock Exchange granted to the Company, a waiver from strict compliance with the requirement under Rule 14A.52 and Rule 14A.53 of the Listing Rules in respect of the non-exempt continuing connected transactions under the License and Strategic Alliance Agreement subject to a series of conditions for a term of three years ending on December 31, 2022 (the “**Waiver**”). On July 21, 2022, the Stock Exchange approved the Company’s application for an extension of the Waiver to cover the period ending on August 31, 2024. For details of the series of conditions, please refer to the section headed “Report of Directors — Non-exempt Continuing Connected Transactions — License and Strategic Alliance Agreement with Juno” in the 2023 Annual Report.

## **GROUND FOR APPROVAL SOUGHT IN RELATION TO A FURTHER EXTENSION OF THE WAIVER**

On April 2, 2024, the Company has applied to the Stock Exchange for a further extension of the Waiver based on the following grounds:

- As of the date of this announcement, Relma-cel has two commercialized indications: (1) Relma-cel was approved by the National Medical Products Administration (the “**NMPA**”) as a treatment for adult patients with relapsed and refractory large B-cell lymphoma after two or more lines of systemic therapy (“**3L LBCL**”) in September 2021; and (2) Relma-cel was approved by the NMPA as a treatment for adult patients with follicular lymphoma that is refractory or that relapses within 24 months of second-line or above systemic treatment (“**3L FL**”) in October 2022. An additional indication (i.e. relapsed or refractory mantle cell lymphoma (“**r/r MCL**”) and an earlier line of treatment (i.e. second-line treatment for LBCL (“**2L LBCL**”)) for relma-cel are currently in clinical development. Please refer to the diagram headed “Our Product Pipeline” under the “Management Discussion and Analysis” section in the 2023 Annual Report for details of the development stages of each indication and line of treatment;
- The Company currently expects that new drug application (“**NDA**”) approvals relating to relma-cel for r/r MCL and 2L LBCL will be granted in the third quarter of 2024 and the second half of 2026, respectively, and that net sales of relma-cel for r/r MCL and 2L LBCL will have a significant impact on royalties paid to Juno under the License and Strategic Alliance Agreement in the two financial years ending December 31, 2026. The addressable markets of relma-cel for 3L FL, 3L MCL and 2L LBCL, taken together, are expected to be significant as compared to the addressable market for 3L LBCL;

- Any informed estimates of the royalty payment for the next three financial years against which the Company could set monetary caps (the “**Proposed Monetary Caps**”) would pertain only to the 3L LBCL and 3L FL indications. However, there was only one full year of commercialization for 3L FL, which cannot be used as the basis for extrapolation concerning future growth. Moreover, the limited available historical data on the rate of growth in sales of relma-cel for 3L LBCL do not form an adequate basis for estimates about the future rate of growth in sales of relma-cel for 3L FL or r/r MCL. Given the expected differences in rates of sales growth for different indications, any estimation of total net sales based on just two full years of historical sales of relma-cel for 3L LBCL alone would be at best speculative and would not form a reasonable basis for the Company to determine the Proposed Monetary Caps. Therefore, the Company’s historical sales of relma-cel are far from being complete and indicative for the purpose of preparing the Proposed Monetary Caps for all indications and lines of treatment; and
- There is no benchmark for the adoption rate, and there are no competitors whose published sales figures or sales growth rates could be used as a basis for reasonable assumptions about future growth in sales of relma-cel for 3L FL, r/r MCL or 2L LBCL. Accordingly, any assumptions about the future growth in sales of relma-cel for these indications or lines of treatment would necessarily be speculative; and imposing an arbitrary monetary cap set on the basis of speculative assumptions would be unduly burdensome and not in the interests of the Company’s shareholders.

On April 22, 2024, the Stock Exchange granted to the Company an extension of the Waiver in relation to Rule 14A.52 of the Listing Rules such that the License and Strategic Alliance Agreement is for an indefinite term since the License and Strategic Alliance Agreement will, unless terminated in accordance with its terms, continue in full force. Furthermore, the Stock Exchange granted to the Company an extension of the Waiver in relation to Rule 14A.53 of the Listing Rules which shall cover the period from September 1, 2024 to December 31, 2026, subject to the following conditions:

- the Company will disclose in its annual reports alternative caps (a formula based on rates expressed as a percentage of the annual net sales of relma-cel or a related diagnostic product (i.e. annual cap for royalty payment and reimbursement =  $16\% \times$  annual net sales of the relevant products) (the “**Formula**”)) and it will comply with the announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules if there is any change to the Formula;
- the Company will comply with the announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules if there is any material change to the terms of the License and Strategic Alliance Agreement;

- the Company will designate a team to execute and ensure that the transactions in relation to the License and Strategic Alliance Agreement are undertaken in accordance with the terms therein;
- the Company's CEO, Dr. Yiping James Li, will use his best endeavours to supervise the compliance with the terms of the License and Strategic Alliance Agreement and applicable Listing Rules requirements to the extent not waived by the Stock Exchange on a regular basis;
- the independent non-executive directors and the auditors of the Company will review the transactions in relation to the License and Strategic Alliance Agreement on an annual basis and confirm in the Company's annual reports the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively;
- the Company will disclose in an announcement the background for entering into the License and Strategic Alliance Agreement, the terms of the License and Strategic Alliance Agreement, the grounds for the waiver sought and the Directors' views on the fairness and reasonableness of the transactions under the License and Strategic Alliance Agreement;
- the Company will set monetary caps by making announcement(s) (where appropriate) for the purpose of Rule 14A.53 of the Listing Rules (subject to such waivers, if any, as the Stock Exchange may grant upon application from the Company); and such transaction will be subject to, among others, circular and independent shareholders' approval requirements if the highest applicable percentage ratio is more than 5%. In addition, the Company will disclose in its annual report a clear description of the basis for calculating the fees payable to Juno under the License and Strategic Alliance Agreement and any changes to such basis would be subject to independent shareholders' approval;
- in the event of any future amendments to the Listing Rules imposing more stringent requirements than those as at the date of this announcement, the Company will take immediate steps to ensure compliance with such new requirements;
- apart from requirements under Chapter 14A of the Listing Rules with respect to which waivers have been sought and obtained, the Company will comply with all other requirements under Chapter 14A of the Listing Rules;
- for as long as Juno remains a connected person of the Company, continuing connected transactions under the License and Strategic Alliance Agreement will comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirement under Chapter 14A of the Listing Rules (subject to such waivers, if any, as the Stock Exchange may grant upon application from the Company); and

- if there is any material deviation on the arrangement under the License and Strategic Alliance Agreement and the Company has more certainty on the anticipated level of net sales of relma-cel, the Company will re-apply for a cap in compliance with Chapter 14A.

## **REASONS FOR ENTERING INTO THE LICENSE AND STRATEGIC ALLIANCE AGREEMENT AND DIRECTORS' VIEWS**

The licenses, technologies and know-how granted by Juno are essential to the Company's development process since Juno specializes in research, development, production and commercialization of CAR-T products. The long-term and exclusive cooperative relationship between Juno and the Company under the License and Strategic Alliance Agreement provides a strategic advantage for the Company to expand its drug portfolio covering treatment of immunological diseases to maintain the Company's competitiveness. The Directors are of the view that the transactions under the License and Strategic Alliance Agreement are fair and reasonable and are in the best interests of the Company and its shareholders as a whole.

By order of the Board  
**JW (Cayman) Therapeutics Co. Ltd**  
藥明巨諾(開曼)有限公司\*  
**Yiping James Li**  
*Chairman*

Shanghai, PRC, April 26, 2024

*As at the date of this announcement, the Board of Directors of the Company comprises Dr. Yiping James Li as Chairman and executive Director, Ms. Xing Gao, Dr. Sungwon Song and Dr. Cheng Liu as non-executive Directors, and Mr. Yiu Leung Andy Cheung, Mr. Kin Cheong Kelvin Ho, Dr. Debra Yu, Dr. Krishnan Viswanadhan and Dr. Ann Li Lee as independent non-executive Directors.*

\* *For identification purpose only*