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ClouDr Group Limited

智雲健康科技集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9955)

DISCLOSEABLE TRANSACTION LICENSE AGREEMENT

INTRODUCTION

The Board is pleased to announce that on June 23, 2024, the Company entered into the License Agreement with the Licensor and the Seller, pursuant to which the Seller agreed to transfer an exclusive sub-licensable license previously granted by the Licensor to utilize the Licensed IP for the development, manufacturing, marketing, promotion, distribution, and sale of the Products within the Territory to the Company; the Licensor has agreed to the aforementioned transfer and agreed to grant the Company an exclusive sub-licensable license to utilize the Licensed Marks solely in conjunction with the manufacturing, promotion, marketing, distribution, sale, and use of the Products, within the Territory.

THE LICENSE AGREEMENT

The principal terms of the License Agreement are set out as follows:

Date

June 23, 2024

Parties

- (1) the Licensor;
- (2) the Company; and
- (3) the Seller.

Term

Unless terminated earlier in accordance with the terms of the License Agreement, the License Agreement shall become effective on June 23, 2024 (the “**Effective Date**”) and shall remain in full force and effect until terminated by written agreement between the Parties or in accordance with provisions for early termination under the License Agreement.

Grant of License

The Licensor and the Seller previously entered into an agreement (the “**Previous Agreement**”) pursuant to which the Licensor had granted Seller an exclusive license to utilize the Licensed IP for the development, manufacturing, marketing, promotion, distribution, and sale of the Products within the Territory.

Pursuant to the License Agreement, the Seller has agreed to transfer, and the Company has agreed to accept, an exclusive right and license, with the right to grant and authorize sublicenses, to utilize the Licensed IP, to (a) make, have made, use, sell, offer for sale, and import the Products in or into the Territory, (b) make (or have made) modifications, enhancements, updates, extensions, derivative works, formulations and further developments to the Products in the Territory, including the right to conduct clinical trials to demonstrate the safety and efficacy of the Products, and (c) otherwise promote, market, distribute, sell, license, and commercially exploit the Products within the Territory. The Licensor is amenable to the aforementioned transfer and has agreed to grant the Company the exclusive license to utilize such Licensed IP, free from any restrictions or limitations under the Previous Agreement, and in accordance with the terms and conditions set forth in the License Agreement.

In addition, the Licensor has agreed to grant to Company, and the Company has agreed to accept, an exclusive right and license, with the right to grant and authorize sublicenses, to utilize the Licensed Marks solely in conjunction with the manufacturing, promotion, marketing, distribution, sale, and use of the Products, within the Territory. The Company is expressly authorized under the License Agreement to apply for, obtain and maintain registrations for the Licensed Marks, including any translations or transliterations thereof, in its own name with relevant administrative authorities in the Territory, including without limitation the China National Intellectual Property Administration.

Consideration and Payment Method

In consideration for the rights and licenses granted to the Company under the License Agreement, the Company shall pay to the Seller:

- (a) an upfront payment of US\$25,000,000 (approximately RMB177.99 million) in two installments, including (i) US\$1,000,000 (approximately RMB7.12 million) payable on the Effective Date and (ii) US\$24,000,000 (approximately RMB170.87 million) payable within ninety (90) calendar days after the Effective Date; and
- (b) an annual maintenance fee of US\$200,000 (approximately RMB1.42 million) to maintain the license until otherwise re-negotiated.

All payments due shall be paid within thirty (30) calendar days of receipt by the Company of the Seller's invoice therefor.

The Licensor expressly acknowledges and confirms that the Company's payments to Seller as set out above constitute sufficient and adequate considerations for the license granted by the Licensor to the Company under the License Agreement, and the Licensor shall not seek, nor be entitled to, any further considerations or monetary compensations from the Company nor shall any separate payments due thereunder.

The Company currently intends to settle the consideration under the License Agreement in cash through internal resources.

Basis of the Consideration

The consideration under the License Agreement was determined after arms' length negotiations between the Parties with reference to various factors, including but not limited to (i) the status of research and development of the Products; (ii) the future prospects of the development and commercialization of the Products in the Territory based on addressable patient population in the Territory, expected demand for the Products, as well as discount taking into account the probability of success; (iii) comparable transactions for acquiring similar rights in similar drug candidates; and (iv) the factors set out in the section headed "Reasons for and Benefits of Entering into the License Agreement" in this announcement.

INFORMATION ABOUT THE PARTIES

The Company

The Company is incorporated under the laws of the Cayman Islands as an exempted company with limited liability and is an investment holding company. The Group is principally engaged in providing supplies and software as a service (SaaS) to hospitals and pharmacies, digital marketing services to pharmaceutical companies, and online consultation and prescriptions to patients, all centered around chronic condition management.

The Licensor

The Licensor is a company incorporated under the laws of Australia in 2011. It is principally engaged in the development, manufacturing, and sale of prescription drugs and non-prescription medicines. As at the date of this announcement, the Licensor is ultimately and beneficially owned by Mr. Vijaykumar Chhotabhai Kalidas Patel (a businessman).

The Seller

The Seller is a company incorporated under the laws of the British Virgin Islands on January 6, 2016. It is principally engaged in investment in and resale of pharmaceutical products. As at the date of this announcement, the Seller is ultimately and beneficially owned by Mr. Li Jun Gu (a businessman) and his family.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Licensor and the Seller and their ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

INFORMATION ABOUT THE PRODUCTS

The Products refer to iloprost solution for infusion, in any forms, presentations, strengths, concentrations, delivery technologies, dosages, formulations, package configuration and modalities.

Iloprost is a prostacyclin analogue. The injectable form was launched in 2001, and the inhalation form was launched in 2003. Iloprost injection is available in countries including the United States, United Kingdom, Netherlands, Czech Republic, Israel, and New Zealand. The Products developed by the Licensor are the only type of generic drug in the world and there is currently no injectable products with the same content in the Chinese market.

The Products, given its eligibility for orphan drug designation, will be allowed for expedited review and approval through priority review programs, thereby shortening the time for launch. After being approved and launched, the Products are expected to meet the clinical needs of prostacyclin analogue injectable therapy for patients with severe pulmonary arterial hypertension and New York Heart Association (NYHA) Class IV heart function; improving blood supply in patients with thromboangiitis obliterans (also known as Buerger's disease); and addressing symptoms and improving quality of life in patients with peripheral arterial occlusive disease.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LICENSE AGREEMENT

The Company believes that the License Agreement and the development, manufacturing, marketing, promotion, distribution, and sale of the Products within the Territory will broaden the portfolio of the Group's proprietary products, strengthen our research and development capabilities and deepen its strategic cooperation with pharmaceutical companies, which represents a further step to achieve our "from patients to manufacturers" (P2M) strategy and is expected to bring additional revenue stream to the Group in the future and contribute to the long-term growth and success of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the License Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) of the transaction contemplated under the License Agreement is more than 5% but all of such ratios are less than 25%, the transaction under such agreement constitutes a discloseable transaction of the Company and will be subject to reporting and announcement requirements, but exempt from shareholders' approval requirements, under Chapter 14 of the Listing Rules.

The Company cannot guarantee that it will be able to develop, or ultimately market, the Products successfully. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

“Board”	board of Directors
“Company”	ClouDr Group Limited, an exempted company with limited liability incorporated in the Cayman Islands on August 24, 2015, and, where the context requires, its subsidiaries and consolidated affiliated entities from time to time
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	has the meaning ascribed to such term in the section headed “The License Agreement — Term” of this announcement
“Group”	the Company, its subsidiaries and the consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“License Agreement”	the license agreement dated June 23, 2024 entered into between the Licensor, the Company and the Seller, the principal terms of which are set out in this announcement
“Licensed IP”	any and all intellectual property which are owned by, licensed to, or otherwise acquired by the Licensor prior to, on, or after the Effective Date, and in connection with any or all of the Products, as defined in the License Agreement
“Licensed Marks”	those trademarks, brand names, service marks, trade names, trade dress, logos, domain names, copyrights to logos or pictorial depictions, and similar designations, anywhere in the world, whether registered or unregistered, and all applications and registrations related thereto, used in connection with any or all of the Products, whether now existing or subsequently created
“Licensor”	Clinect Pty Ltd

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Products”	iloprost solution for infusion, in any forms, presentations, strengths, concentrations, delivery technologies, dosages, formulations, package configuration and modalities
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	Bluefly Consulting Limited
“Share(s)”	the ordinary share(s) in the share capital of the Company, currently of a nominal value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Territory”	the People’s Republic of China, which, for the purpose of the License Agreement only, excludes Taiwan but includes Hong Kong and the Macao Special Administrative Region; provided, however, that the Territory may be amended in writing from time to time as agreed between the parties to the License Agreement
“US\$”	U.S dollars, the lawful currency of the United States of America

By Order of the Board
ClouDr Group Limited
Kuang Ming
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, June 24, 2024

As at the date of this announcement, the Board of the Company comprises Mr. Kuang Ming as the executive Director, and Dr. Hong Weili, Mr. Zhang Saiyin and Mr. Ang Khai Meng as the independent non-executive Directors.

For the purpose of this announcement, conversion of US\$ into RMB is based on the exchange rate of US\$1 to RMB7.1196. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in US\$ or RMB have been, could have been or may be converted at such or any other rate or at all.

* *For identification purpose only*