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## **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 AND BELGUIM BASED ETHERNA ENTERED INTO EXCLUSIVE STRATEGIC COOPERATION AND LICENSING AGREEMENT ON WORLD-CLASS INNOVATIVE PRODUCTS IN GREATER CHINA REGION**

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 further to the investment in Belgium based eTheRNA Immunotherapies NV (“**eTheRNA**”) in May this year, the Group has recently entered into strategic cooperative agreement and product licensing agreement with eTheRNA, pursuant to which the Group and eTheRNA will set up a joint venture company Nanjing AuroRNA Biotech Co., Ltd. (“**AuroRNA Biotech**”) in Mainland China to build an independent and integrated mRNA technology research and development (“**R&D**”) and production platform to conduct R&D and production of mRNA technology. The Group will invest EUR8.1 million and obtain 75% equity interests of AuroRNA Biotech. At the same time, AuroRNA Biotech will obtain the exclusive licenses of the world’s innovative HPV-positive head and neck cancer products and in Mainland China, Hong Kong SAR, Macau SAR and Taiwan (“**Greater China Region**”), as well as the right of first negotiation for future products. AuroRNA Biotech and eTheRNA will also develop mRNA products in the form of co-development or independent R&D, and will work closely with the international R&D center to be established by the Group in Brussels, Belgium to develop world-class innovative products in response to unmet clinical needs, which will give full play to the synergistic effect of international and domestic R&D centers that promote mutual development.

Up to now, the Group has completed the investment of EUR4.5 million out of EUR9 million as committed to subscribe preferred shares of eTheRNA. Together with the investment of setting up a joint venture company in China and the milestone payments for product development, the total contribution will be up to EUR30 million in aggregate.

Pursuant to the strategic cooperative agreement, AuroRNA Biotech will obtain the exclusive licenses of eTheRNA’s mRNA related technology platform in Greater China Region to independently develop world-class innovative mRNA products. eTheRNA will provide ongoing assistance to AuroRNA Biotech for technology transfer of mRNA related technology platform within a certain period. Upon the completion of technology transfer,

AuroRNA Biotech and eTheRNA will perform their respective R&D over eTheRNA technology platform, and will share the subsequent R&D results. eTheRNA will assist AuroRNA Biotech to build a R&D and manufacturing platform in China, provide constant technical support and assistance in R&D and production, as well as assist AuroRNA Biotech to build strong R&D and production platform.

At the same time, the Group entered into a product licensing agreement with eTheRNA, pursuant to which AuroRNA Biotech will exclusively obtain the development, production and commercialization rights of the world's innovative HPV-positive head and neck cancer project and related technologies in Greater China Region and also reserve the rights in Australia, New Zealand, South Korea and ASEAN, which includes Malaysia, Indonesia, Thailand, Vietnam, the Philippines, Singapore, Laos, Cambodia, Brunei, and Myanmar ("**Expanded Territories**"). In addition, AuroRNA Biotech has the right of first negotiation for exclusive licenses to cover eTheRNA's pipeline additional products in Greater China Region and even in Expanded Territories.

eTheRNA is a clinical-stage company applying innovative vaccine technology. It was established by Vrije Universiteit Brussel ("**VUB**") in 2013 and has obtained the globally exclusive license on TriMix related technology from VUB. The core management team of eTheRNA has rich experience in managing bio-technology company, clinical research and commercialization. eTheRNA secured EUR24 million in Series A financing in 2016, with investors including veteran biotech investment funds in Europe such as Life Science Partners and Boehringer Ingelheim Venture Fund. With the application of its mature mRNA manufacturing technology and lipid nanoparticles ("**LNP**") technology, eTheRNA has set up the R&D platform with wide-spread applicability and expandability, which is designed for the R&D of products related to tumor immunotherapy and vaccines for infectious diseases.

Through triggering adoptive immunity, the TriMix mRNA vaccine technology can be combined with existing immune checkpoint inhibitor and thus can effectively increase the response rate of cancer patients and improve clinical prognosis. Other than tumor immunotherapy, mRNA vaccines are also promising in the anti-infective field. Compared with conventional vaccines, mRNA vaccines have advantages including short production cycles, low production costs and high safety. Upon the maturity of this technology, the flexibility and adaptability of the platform will be further enhanced.

The mRNA vaccine is a technological field with high entry barrier. Leading companies around the world are mostly undertaking phase I and II clinical studies, and a few pharmaceutical manufacturers in China are also exploring in this field. Through working with eTheRNA, the Group is optimistic about obtaining certain market shares in this field through R&D, manufacturing and commercialization by introducing its advanced mRNA vaccines production technology and LNP technology ("**mRNA Vaccine Platform Technology**").

The scalability of mRNA Vaccine Platform Technology may further optimize the Group's strategic planning in tumor immunotherapy and infectious diseases treatment, and may create synergies with existing pipeline product. Furthermore, the protein replacement therapy developed by the mRNA Vaccine Platform Technology can be rapidly expanded to the treatment for multiple rare diseases and thus can further enrich the Group's product portfolio in rare diseases.

The Group always puts focus on the R&D of innovative products. Sticking to patients-centered and innovation-driven, the Group will continue to develop world-class innovative products in response to unmet clinical needs and enrich product pipeline and improve supply chain, dedicating itself into building a world-leading mRNA R&D and production platform for innovative drugs. 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 domestic industrial advantages and R&D capabilities, to accelerate commercialization process for innovative products and provide Chinese patients with more advanced and diverse treatment options.

### **Warning**

**The transactions contemplated are at an early stage and the aforementioned products are still under development. Whether it may or may not achieve the investment objective 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, 29 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*