

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



李 氏 大 藥 廠

## **Lee's Pharmaceutical Holdings Limited**

**李 氏 大 藥 廠 控 股 有 限 公 司 \***

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

**(Stock Code: 950)**

### **CONNECTED TRANSACTION SUBSCRIPTION FOR SHARES IN A CONNECTED SUBSIDIARY**

#### **CONNECTED TRANSACTION**

On 22 October 2018, each of LPI (a wholly-owned subsidiary of the Company) and PCH subscribed for 65,000 and 35,000 shares of COF at the consideration of US\$13,975,000 and US\$7,525,000 respectively. Upon completion of the Subscriptions, the entire issued shares of COF were held by LPI and PCH as to 65% and 35% respectively.

#### **LISTING RULES IMPLICATIONS**

##### **PCH Subscription**

As at the date of the Subscriptions, Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi were the Directors and substantial Shareholders who were connected persons of the Company. Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi altogether held a total of approximately 59.82% of the issued ordinary and preferred shares in PCH and therefore, PCH was an associate of Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi, and was a connected person of the Company.

As PCH is a connected person of the Company, the PCH Subscription constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, such a subscription was fully exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.92(1) of the Listing Rules because the number of shares of COF subscribed for by PCH in the PCH Subscription was done on a pro-rata basis as per the shareholding proportion of COF.

**LPI Subscription**

As at the date of the Subscriptions, COF was a non-wholly owned subsidiary of the Company which was owned as to 65% by LPI and 35% by PCH, which is a connected person of the Company. As PCH exercises and controls 10% or more of the voting power of COF, COF is a connected subsidiary of the Company under the Listing Rules. Accordingly, the LPI Subscription constituted a connected transaction of the Company under Chapter 14A of the Listing Rules, which shall be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules as all of the relevant percentage ratios for the LPI Subscription and Previous LPI Subscriptions, on a standalone and on an aggregated basis, exceeded 0.1% but was less than 5%.

**CONNECTED TRANSACTION**

Reference is made to the announcements of the Company dated 3 January 2018 and 14 March 2018 in relation to the Previous LPI Subscriptions.

On 22 October 2018, each of LPI (a wholly-owned subsidiary of the Company) and PCH subscribed for 65,000 and 35,000 shares of COF at the consideration of US\$13,975,000 and US\$7,525,000 respectively. Upon completion of the Subscriptions, the entire issued shares of COF were held by LPI and PCH as to 65% and 35% respectively.

The consideration for each of the LPI Subscription and PCH Subscription was determined with reference to the potential investments and the working capital needs of COF and the proportion of the respective shareholding of LPI and PCH in COF. The consideration for each of the LPI Subscription and PCH Subscription was paid in cash.

**INFORMATION ON THE GROUP, LPI, PCH AND COF**

The principal activities of the Group are the development, manufacturing and sales and marketing of pharmaceutical products.

LPI is a wholly-owned subsidiary of the Company and is an investment holding company.

PCH is principally engaged in investment holding.

The entire issued shares of COF is held as to 65% and 35% by LPI and PCH. COF is principally engaged in development of oncology pharmaceutical products.

According to the management accounts of COF as at 30 September 2018, the unaudited net liabilities of COF was approximately HK\$47,860,043.

The audited net loss before taxation and extraordinary items and net loss after taxation and extraordinary items of COF for the two financial years immediately preceding the LPI Subscription were as follows:

	<b>Year ended 31 December 2016 HK\$</b>	<b>Year ended 31 December 2017 HK\$</b>
Net loss before taxation and extraordinary items	(20,182,924)	(6,621,340)
Net loss after taxation and extraordinary items	(20,182,924)	(6,621,340)

### **REASONS FOR AND BENEFITS DERIVED FROM THE LPI SUBSCRIPTION**

The Board considers that the LPI Subscription will strengthen COF's financial standing and capabilities to promote its principal business.

The Directors (including the independent non-executive Directors) consider the terms of the LPI Subscription are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and are in the interest of the Group and the Shareholders as a whole.

Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi, being executive Directors and substantial Shareholders, are interested in the issued share capital of PCH, and in view of such interests, they are considered to have an interest in the transactions contemplated under the LPI Subscription, and is required to abstain or has abstained from, voting on the relevant Board resolutions to approve the LPI Subscription. Save for the above, no Director has a material interest in the transactions contemplated under the LPI Subscription, and none of them is required to abstain or has abstained from, voting on the relevant Board resolutions to approve the LPI Subscription.

### **LISTING RULES IMPLICATIONS**

#### **PCH Subscription**

As at the date of the Subscriptions, Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi were the Directors and substantial Shareholders who were connected persons of the Company. Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi altogether held a total of approximately 59.82% of the issued ordinary and preferred shares in PCH and therefore, PCH was an associate of Ms. Leelalertsuphakun Wanee, Ms. Lee Siu Fong and Dr. Li Xiaoyi, and was a connected person of the Company.

As PCH is a connected person of the Company, the PCH Subscription constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, such a subscription was fully exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.92(1) of the Listing Rules because the number of shares of COF subscribed for by PCH in the PCH Subscription was done on a pro-rata basis as per the shareholding proportion of COF.

## **LPI Subscription**

As at the date of the Subscriptions, COF was a non-wholly owned subsidiary of the Company which was owned as to 65% by LPI and 35% by PCH, which is a connected person of the Company. As PCH exercises and controls 10% or more of the voting power of COF, COF is a connected subsidiary of the Company under the Listing Rules. Accordingly, the LPI Subscription constituted a connected transaction of the Company under Chapter 14A of the Listing Rules, which shall be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules as all of the relevant percentage ratios for the LPI Subscription and Previous LPI Subscriptions, on a standalone and on an aggregated basis, exceeded 0.1% but was less than 5%.

## **DEFINITIONS**

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

“Board”	board of Directors
“COF”	China Oncology Focus Limited, a company incorporated in the British Virgin Islands
“Company”	Lee’s Pharmaceutical Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its issued shares listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“LPI”	Lee’s Pharmaceutical International Ltd, a company incorporated under the laws of the British Virgin Islands
“LPI Subscription”	the subscription of 65,000 shares of COF by LPI on 22 October 2018

“PCH”	Perfect Concept Holdings Ltd, a company incorporated under the laws of Hong Kong
“PCH Subscription”	the subscription of 35,000 shares of COF by PCH on 22 October 2018
“percentage ratios”	has the meaning as ascribed under the Listing Rules
“Previous LPI Subscriptions”	the subscriptions of 7,799, 11,700, 1,300, 650, 4,550, 5,200, 4,550, 2,730, 2,470 and 6,500 shares of COF by LPI on 19 September 2014, 13 October 2014, 3 February 2015, 29 May 2015, 11 December 2015, 12 September 2016, 2 December 2016, 23 January 2017, 23 February 2017 and 14 March 2018 respectively
“PRC”	People’s Republic of China
“Shareholders”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	the LPI Subscription and the PCH Subscription
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board of  
**Lee’s Pharmaceutical Holdings Limited**  
**Lee Siu Fong**  
*Chairman*

Hong Kong, 22 October 2018

\* *For identification purpose only*

*As at the date of this announcement, Ms. Lee Siu Fong (Chairman), Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi are executive directors of the Company, Mr. Simon Miles Ball is a non-executive director of the Company, Dr. Chan Yau Ching, Bob, Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl are independent non-executive directors of the Company.*