

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibilities 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.*



## **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)

### **CONTINUING CONNECTED TRANSACTIONS AMENDMENT AGREEMENTS**

Reference is made to (a) the announcement of the Company dated 24 May 2012 in relation to (i) the Istaroxime Licensing Agreement with Sigma-Tau, (ii) the Rostaquo Licensing Agreement with Rostaquo and (iii) the Sigma-Tau Licensing Agreement with Sigma-Tau; (b) the announcement of the Company dated 23 November 2012 in relation to the Gimatecan Licensing Agreement between Lee's HK and Sigma-Tau; and (c) the announcement of the Company dated 26 February 2013 in relation to the revision of annual caps.

On 15 October 2013 (after trading hours of the Stock Exchange), CVie Therapeutics, a subsidiary of the Company, entered into (i) the Istaroxime Amendment Agreement with Sigma-Tau; (ii) the Rostaquo Amendment Agreement with Rostaquo; and (iii) the Sigma-Tau Amendment Agreement with Sigma-Tau, to amend the Istaroxime Option, the Rostaquo Rostafuroxin Option and the Sigma-Tau Rostafuroxin Option, respectively.

Sigma-Tau and Rostaquo are both controlled companies of STF, which directly and indirectly owns 100% equity interest in Defiante, a Substantial Shareholder, holding 25.61% of the total issued share capital of the Company as at the date of this announcement. Sigma-Tau and Rostaquo are both associates of Defiante and therefore are connected persons of the Company within the meaning of the Listing Rules.

In view of the fact that both CVie Therapeutics and Lee's HK are subsidiaries of the Company and both Sigma-Tau and Rostaquo are associates of STF, and that the Amendment Agreements together with the Istaroxime Licensing Agreement, the Rostaquo Licensing Agreement, the Sigma-Tau Licensing Agreement and the Gimatecan Licensing Agreement are all entered into with them, both of which are associated with STF, the annual caps for the Amendment Agreements, the Istaroxime Licensing Agreement, the Rostaquo Licensing Agreement, the Sigma-Tau

Licensing Agreement and the Gimatecan Licensing Agreement may be aggregated under rule 14A.25 of the Listing Rules. As certain applicable percentage ratios for the consideration under the Amendment Agreements calculated on an annual basis by reference to the estimated aggregate annual amount payable to Sigma-Tau and Rostaquo under the Amendment Agreements, the Istaroxime Licensing Agreement, the Rostaquo Licensing Agreement, the Sigma-Tau Licensing Agreement and the Gimatecan Licensing Agreement for each of the years ending 31 December 2015 on an annual basis is more than 0.1% but less than 5%, the entering into of the Amendment Agreements is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and exempted from the requirement of independent shareholders' approval.

Reference is made to (a) the announcement of Lee's Pharmaceutical Holdings Limited (the "**Company**") dated 24 May 2012 (the "**Announcement**") in relation to (i) the Istaroxime Licensing Agreement with Sigma-Tau, (ii) the Rostaquo Licensing Agreement with Rostaquo and (iii) the Sigma-Tau Licensing Agreement with Sigma-Tau; (b) the announcement of the Company dated 23 November 2012 in relation to the entering into of the licensing agreement between Lee's Pharmaceutical (HK) Limited, a wholly-owned subsidiary of the Company ("**Lee's HK**"), and Sigma-Tau for the Gimatecan products (the "**Gimatecan Licensing Agreement**"); and (c) the announcement of the Company dated 26 February 2013 in relation to the revision of annual caps. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

On 15 October 2013 (after trading hours of the Stock Exchange), CVie Therapeutics, a subsidiary of the Company, entered into (i) the amendment agreement with Sigma-Tau to amend the Istaroxime Option in the Istaroxime Licensing Agreement (the "**Istaroxime Amendment Agreement**"); (ii) the amendment agreement with Rostaquo to amend the Rostaquo Rostafuroxin Option in the Rostaquo Licensing Agreement (the "**Rostaquo Amendment Agreement**"); and (iii) the amendment agreement with Sigma-Tau to amend the Sigma-Tau Rostafuroxin Option in the Sigma-Tau Licensing Agreement (the "**Sigma-Tau Amendment Agreement**"; together with Istaroxime Amendment Agreement and Rostaquo Amendment Agreement collectively, the "**Amendment Agreements**").

## **ISTAROXIME AMENDMENT AGREEMENT**

### **Date**

15 October 2013

### **The Parties**

- (1) Sigma-Tau, as licensor; and
- (2) CVie Therapeutics, as licensee.

**Subject matter**

CVie Therapeutics can, at its own discretion, exercise the Istaroxime Option, to extend the coverage of the Territory to the Extended Territory under the Istaroxime Licensing Agreement, and such option shall be exercised by 31 December 2014.

The consideration for the exercise of the Istaroxime Option comprises the following:

- (i) Option Exercise Payment of US\$950,000 (equivalent to approximately HK\$7,410,000), which shall be paid within 60 days after the exercise of the Istaroxime Option;
- (ii) Option Milestone Payment of US\$1,000,000 (equivalent to approximately HK\$7,800,000) which shall be paid within 60 days from the obtaining of the first Marketing Authorization of the Istaroxime Products either in the USA or in the EU.

All other terms and conditions of the Istaroxime Licensing Agreement remain unchanged and legally binding.

**Consideration**

CVie Therapeutics shall pay US\$50,000 (equivalent to approximately HK\$390,000) to Sigma-Tau as the consideration for the amendment to the Istaroxime Option, which shall be payable within 30 days from the date of the Istaroxime Amendment Agreement.

**ROSTAQUO AMENDMENT AGREEMENT****Date**

15 October 2013

**The Parties**

- (1) Rostaquo, as licensor; and
- (2) CVie Therapeutics, as licensee.

**Subject matter**

CVie Therapeutics can, at its own discretion, exercise the Rostaquo Rostafuroxin Option, to extend the coverage of the Territory to the Extended Territory under the Rostaquo Licensing Agreement, and such option shall be exercised by 31 December 2014.

The consideration for the exercise of the Rostaquo Rostafuroxin Option comprises the following:

- (i) Option Exercise Payment of US\$913,000 (equivalent to approximately HK\$7,121,400), which shall be paid within 60 days after the exercise of the Rostaquo Rostafuroxin Option;
- (ii) Option Milestone Payments of US\$1,000,000 (equivalent to approximately HK\$7,800,000), which shall be paid within 60 days from the obtaining of the first Marketing Authorization of the Rostafuroxin Products either in the USA or in the EU.

All other terms and conditions of the Rostaquo Licensing Agreement remain unchanged and legally binding.

### **Consideration**

CVie Therapeutics shall pay US\$87,000 (equivalent to approximately HK\$678,600) to Rostaquo as the consideration for the amendment to the Rostaquo Rostafuroxin Option, which shall be payable within 30 days from the date of the Rostaquo Amendment Agreement.

## **SIGMA-TAU AMENDMENT AGREEMENT**

### **Date**

15 October 2013

### **The Parties**

- (1) Sigma-Tau, as licensor; and
- (2) CVie Therapeutics, as licensee.

### **Subject matter**

CVie Therapeutics can, at its own discretion, exercise the Sigma-Tau Rostafuroxin Option, to extend the coverage of the Territory to the Extended Territory under the Sigma-Tau Licensing Agreement, and such option shall be exercised by 31 December 2014.

No consideration is required to be paid for the exercise of the Sigma-Tau Rostafuroxin Option.

All other terms and conditions of the Sigma-Tau Licensing Agreement remain unchanged and legally binding.

## **Consideration**

CVie Therapeutics shall pay US\$43,000 (equivalent to approximately HK\$335,400) to Sigma-Tau as the consideration for the amendment to the Sigma-Tau Rostafuroxin Option, which shall be payable within 30 days from the date of the Sigma-Tau Amendment Agreement and deducted from the Royalties payable to Sigma-Tau under the Sigma-Tau Licensing Agreement.

## **REASONS FOR AND BENEFITS OF THE AMENDMENT AGREEMENTS**

The Directors considered that the extension of the date for the exercise of the Istaroxime Option, the Rostaquo Rostafuroxin Option and the Sigma-Tau Rostafuroxin Option could allow greater flexibility for the Group to observe the feedback for the Products in the medical industry and to project the prospective marketability of each of the Products in the Territory and the Extended Territory.

The consideration under the Amendment Agreements was determined after arm's length negotiation by CVie Therapeutics with Rostaquo and Sigma-Tau, with reference to, among other things, (a) the expected revenue and profit that can be generated by the Products; and (b) the reduction of consideration payable upon the exercise of the option. CVie Therapeutics will pay the consideration under the Amendment Agreements with its paid-up capital and its internal resources.

The Directors (including the independent non-executive Directors) considered that each of the Amendment Agreements, which has been entered into after arm's length negotiation with Rostaquo and Sigma-Tau, are on normal commercial terms, and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **AGGREGATION ON THE ANNUAL CAPS**

In view of the fact that both CVie Therapeutics and Lee's HK are subsidiaries of the Company and both Sigma-Tau and Rostaquo are associates of STF, and that the Amendment Agreements together with the Istaroxime Licensing Agreement, the Rostaquo Licensing Agreement, the Sigma-Tau Licensing Agreement and the Gimatecan Licensing Agreement are all entered into with them, both of which are associated with STF, the annual caps for the Amendment Agreements, the Istaroxime Licensing Agreement, the Rostaquo Licensing Agreement, the Sigma-Tau Licensing Agreement and the Gimatecan Licensing Agreement may be aggregated under rule 14A.25 of the Listing Rules.

The following table sets out the aggregated annual caps for the Amendment Agreements, the Istaroxime Licensing Agreement, the Rostaquo Licensing Agreement, the Sigma-Tau Licensing Agreement and the Gimatecan Licensing Agreement for the years ending 31 December 2015 (up to expiration of the initial term):

	<b>2013</b> <i>(HK\$)</i>	<b>2014</b> <i>(HK\$)</i>	<b>2015 (up to expiration of the initial term)</b> <i>(HK\$)</i>
Istaroxime Amendment Agreement	390,000	–	–
Rostaquo Amendment Agreement	678,600	–	–
Sigma-Tau Amendment Agreement	335,400	–	–
Istaroxime Licensing Agreement	3,000,000	4,000,000	–
Rostaquo Licensing Agreement	1,170,000	–	–
Sigma-Tau Licensing Agreement	3,000,000	4,000,000	–
Gimatecan Licensing Agreement	1,000,000	1,000,000	4,900,000
<b>Total aggregated Annual Caps</b>	<b><u>9,574,000</u></b>	<b><u>9,000,000</u></b>	<b><u>4,900,000</u></b>

#### **LISTING RULES IMPLICATIONS**

Sigma-Tau and Rostaquo are both wholly-owned subsidiaries of STF, which ultimately owns 100% equity interest in Defiante, a Substantial Shareholder of the Company holding 25.61% of the Company's shareholding as at the date hereof. Sigma-Tau and Rostaquo are associates of STF and therefore are connected persons of the Company within the meaning of the Listing Rules.

As certain applicable percentage ratios for the consideration under the Amendment Agreements calculated on an annual basis by reference to the estimated aggregate annual amount payable to Sigma-Tau and Rostaquo under the Amendment Agreements, the Istaroxime Licensing Agreement, the Rostaquo Licensing Agreement, the Sigma-Tau Licensing Agreement and the Gimatecan Licensing Agreement for each of the years ending 31 December 2015 on an annual basis is more than 0.1% but less than 5%, the entering into of the Amendment Agreements is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and exempted from the requirement of independent shareholders' approval.

Save that Mr. Mauro Bove, a non-executive Director, is a representative of Defiante, none of the Directors has any material interest in the transactions as contemplated under the Amendment Agreements. Mr. Mauro Bove is required to abstain, or has abstained, from voting on the board resolution for approving the Amendment Agreements and the transactions as contemplated thereunder.

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

Hong Kong, 15 October 2013

\* *For identification purpose only*

*As at the date thereof, Ms. Lee Siu Fong (Chairman of the Company), Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi are executive Directors; Mr. Mauro Bove is non-executive Director, Dr. Chan Yau Ching, Bob, Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl are independent non-executive Directors.*