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## **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)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF TARGET LAND PARCEL IN THE PRC**

#### **TARGET LAND PARCEL AND CONFIRMATION LETTER**

The Board is pleased to announce that on 8 September 2015, the Group, through the Purchaser, won the bid for the land use right in respect of the Target Land Parcel at RMB111,500,000 (approximately HK\$136,030,000), through the public listing-for-sale processes of the Target Land Parcel as evidenced by the Confirmation Letter.

The Target Land Parcel is specifically for medical and sanitary use (醫療衛生用地) and is located at Huangge Da Dao West, Huangge Zhen, Nansha District, Guangzhou, the PRC (中國廣州南沙區黃閣鎮黃閣大道西地塊). The Target Land Parcel has a total site area of approximately 36,656 sq.m. with a total planned GFA of approximately 65,981 sq.m. The purpose of the Acquisition is for the building and operating of a new private hospital in the future.

The Group is actively considering the expansion of its businesses into hospital operations, and the Board believes that the Target Land Parcel is well placed for the construction of hospital building and the operations of a new private hospital, and its consideration is fair and reasonable.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

\* *for identification purpose only*

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## **THE LAND USE RIGHT GRANT CONTRACT**

The Purchaser is expected to enter into a Land Use Right Grant Contract (國有建設用地使用權出讓合同) with the Vendor within 5 business days (being 15 September 2015) after the issue of the Confirmation Letter.

## **Consideration and Payment Terms of the Target Land Parcel**

The consideration for the Acquisition is RMB111,500,000 (approximately HK\$136,030,000), which was arrived at after a public listing-for-sale process organised and held by Bureau of Land Resources and Housing Management of Guangzhou Municipality (廣州市國土資源和房屋管理局). In determining the bidding price of the Target Land Parcel for submission by the Purchaser in the public listing-for-sale process (i.e. the consideration for the Acquisition in the sum of RMB111,500,000 (approximately HK\$136,030,000)), the Group has taken into account various factors including the market value of comparable land located in the vicinity of the Target Land Parcel and the development potentials of the Target Land Parcel for hospital operations. The Purchaser will satisfy the consideration from internal resources of the Group.

## **Term of the Land Use Right of the Target Land Parcel**

The term of the land use right of the Target Land Parcel, specifically for medical and sanitary use (醫療衛生用地), shall be 50 years commencing from the delivery thereof to the Purchaser.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The principal activities of the Group are the development of, manufacturing of and sales and marketing of pharmaceutical products. As part of its business expansion plan to enter into hospital operations to leverage on its well established key opinion leader (KOL) network in certain medical specialty, the Group's hospital project will consist of specialty centers such as cancer treatment center, rehab center, etc, through partnership with experience operators. As such, this will be a greenfield project that requires land resources specifically for medical and sanitary use for the construction of hospital buildings. The Target Land Parcel is well placed for the construction thereof, and its consideration is fair and reasonable. The Directors consider that the Acquisition is in line with the overall development plan of the Group, and has positive influence on the long-term development of the Company.

The Board considers that the terms of the Land Use Right Grant Contract to be entered into are on normal commercial terms and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

## **INFORMATION ON THE PURCHASER, THE VENDOR AND THE GROUP**

### **The Purchaser**

The Purchaser is a company incorporated under the PRC laws with limited liability and an indirect wholly owned subsidiary of the Company.

### **The Vendor**

The Vendor is a governmental body in the PRC and is responsible for, among other things, administering the examination and approval of land planning, assignment and transfer of the land use rights of the state-owned land in Nansha District, Guangzhou, the PRC, and issue of different land certificates. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **The Group**

The principal activities of the Group are the development of, manufacturing of and sales and marketing of pharmaceutical products in the PRC, and is actively considering the expansion of its businesses into hospital operations.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios for the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Acquisition”	the acquisition of the land use rights of the Target Land Parcel pursuant to the Land Use Right Grant Contract
“Board”	the board of Directors of the Company
“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
“Confirmation Letter”	the confirmation letter dated 8 September 2015 issued by the Vendor in respect of the Target Land Parcel
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Use Right Grant Contract”	the land use right grant contract which is expected to be entered into between the Purchaser and Vendor within 5 business days (being 15 September 2015) after the issue of the Confirmation Letter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Purchaser”	Guangzhou Zhaokang Hospital Company Limited* (廣州兆康醫院有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares of the Company
“Shares”	ordinary share(s) with a par value of HK\$0.05 each in the issued share capital of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Land Parcel”	the land parcel specifically for medical and sanitary use (醫療衛生用地) which is located at Huangge Da Dao West, Huangge Zhen, Nansha District, Guangzhou, the PRC (中國廣州南沙區黃閣鎮黃閣大道西地塊)
“Vendor”	Bureau of Land Resources and Housing Management of Guangzhou Municipality (廣州市國土資源和房屋管理局)
“%”	per cent

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

Hong Kong, 8 September 2015

*As at the date of this announcement, Ms. Lee Siu Fong (Chairman), Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi are executive Directors, Dr. Marco Maria Brughera is a non-executive Director, Dr. Chan Yau Ching, Bob, Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl are independent non-executive Directors.*

*In this announcement, RMB has been converted to HK\$ at the rate of approximately RMB1 = HK\$1.22 for illustrative purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been, or could be converted at the above rate or at any other rates or at all.*