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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)**

**MAJOR TRANSACTION  
THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF  
SIRTEX MEDICAL LIMITED**

On 21 May 2018, CDH Genetech submitted a binding offer to Sirtex to acquire 100% of the shares in Sirtex by way of a scheme of arrangement.

On 14 June 2018, Sirtex, CDH Genetech and the Company entered into the binding Scheme Implementation Deed pursuant to which CDH Genetech and the Company will jointly acquire 100% of the Sirtex Shares. The Acquisition will be implemented by way of a scheme of arrangement in accordance with Part 5.1 of the Corporations Act at a cash price of A\$33.60 per Sirtex Share (less the amount of any Permitted Dividend of up to A\$0.30 per Sirtex Share).

Based on the Scheme Consideration of A\$33.60 per Sirtex Share (equivalent to approximately HK\$197.65) and the total number of Sirtex Shares expected to be in issue on the Record Date (being 56,553,702 Sirtex Shares, assuming all existing Sirtex Rights are exercised on or before the Record Date), the Scheme Consideration for all the Sirtex Shares would be approximately A\$1,900,204,387 (approximately HK\$11,177,672,865).

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in relation to the Acquisition (including the Joint Venture Formation) exceeds 25% but all of them are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. The Company's participation in the Acquisition is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

**GENERAL**

The SGM will be convened and held to consider and, if thought fit, approve, among other things, the Company's participation in the Acquisition (including the Joint Venture Formation) and the transactions contemplated thereunder.

A circular containing, among other things, further details of (i) the Acquisition (including the Joint Venture Formation) and the transactions contemplated thereunder; (ii) financial and other information of the Group; (iii) financial and other information of Sirtex; and (iv) pro forma

financial information of the enlarged Group upon completion of the Acquisition, and a notice convening the SGM and a form of proxy, will be despatched to the Shareholders on or before 13 July 2018.

**WARNING:**

**The Company's participation in the Acquisition is conditional on the obtaining of the Shareholders' approval. The Acquisition is also subject to the satisfaction of a number of conditions under the Scheme Implementation Deed. Therefore, the Acquisition may or may not become unconditional. There remains the possibility that the Acquisition may not proceed. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 23 May 2018 in relation to the Company's proposed participation in the Acquisition.

In that announcement, it was stated that the Company proposed to participate in the offer made by CDH Genetech on 21 May 2018 to acquire 100% of the shares of Sirtex by way of a scheme of arrangement, pursuant to which the Company will provide 49% of the equity funding for the Acquisition.

On 14 June 2018, Sirtex, CDH Genetech and the Company entered into the binding Scheme Implementation Deed in connection with the Acquisition.

The major terms of the Acquisition and other information relating thereto are set out below.

## **SCHEME IMPLEMENTATION DEED**

On 14 June 2018, Sirtex, CDH Genetech and the Company entered into the binding Scheme Implementation Deed pursuant to which CDH Genetech and the Company will jointly acquire 100% of the Sirtex Shares.

CDH Genetech and the Company are jointly and severally responsible and liable for all obligations attributed to the Bidders under the Scheme Implementation Deed except that the Company is solely responsible for the payment of the reimbursement fee to Sirtex as further described in the paragraph headed "Break fee, reimbursement fee and other indemnities".

The Acquisition is conditional upon the fulfilment of certain conditions as set out in the paragraph headed "Pre-conditions to the Scheme" below.

The principal terms of the Scheme Implementation Deed are as follows:

### **Outline of the Scheme**

Subject to the Scheme becoming effective in accordance with its terms, the general effect of the Scheme will be as follows:

- (i) 100% of the Sirtex Shares will be transferred to the Bidders or the Bidders' Nominee in accordance with the terms of the Scheme; and
- (ii) the Sirtex Shareholders will receive the Scheme Consideration from the Bidders or the Bidders' Nominee in accordance with the terms of the Scheme.

### **Formation of the Bidders' Nominee**

It is intended that the Company and CDH Genetech will establish the Bidders' Nominee which will be nominated to acquire the Sirtex Shares pursuant to the Scheme Implementation Deed.

Upon establishment of the Bidders' Nominee, it is intended that the Company (or through its wholly-owned subsidiary) will hold 49% of the issued share capital of the Bidders' Nominee, and CDH Genetech will hold 51% of the issued share capital of the Bidders' Nominee.

### **Implementation of the Scheme**

The board of directors of Sirtex unanimously recommends that Sirtex Shareholders vote in favour of the Scheme and intend to vote Sirtex Shares in their control in favour of the Scheme, subject to Sirtex not receiving a superior proposal and the Independent Expert concluding that the Scheme is in the best interests of Sirtex Shareholders.

Prior to the business day before the First Court Date, the Bidders must nominate the Bidders' Nominee to acquire the Sirtex Shares under the Scheme by providing a written notice which sets out the details of Bidders' Nominee to Sirtex, and Sirtex and the Bidders must procure that the Sirtex Shares transferred under the Scheme are transferred to the Bidders' Nominee rather than the Bidders.

Based on the Scheme Consideration of A\$33.60 per Sirtex Share (equivalent to approximately HK\$197.65) and the total number of Sirtex Shares expected to be in issue on the Record Date (being 56,553,702 Sirtex Shares, assuming all existing Sirtex Rights are exercised on or before the Record Date), the Scheme Consideration for all the Sirtex Shares would be approximately A\$1,900,204,387 (approximately HK\$11,177,672,865).

Sirtex is permitted to pay to the Sirtex Shareholders a Permitted Dividend for its financial year from 1 July 2017 to 30 June 2018 of up to A\$0.30 per Sirtex Share. The Scheme Consideration payable by the Bidders will be reduced by the amount of any Permitted Dividend paid to Sirtex Shareholders.

The Bidders shall pay (i) the Initial Deposit immediately after execution of the Scheme Implementation Deed; (ii) the Second Deposit within 10 business days after the date of the Scheme Implementation Deed; and (iii) the Scheme Consideration less the sum of the Initial Deposit and Second Deposit no later than the business day prior to the date of the Scheme Meeting to the Deposit Holder, to be held by the Deposit Holder as independent stakeholder in accordance with the Deposit Agreement.

The implementation of the Scheme will be subject to the terms of the Scheme Implementation Deed and other customary conditions contained therein.

### **Pre-conditions to the Scheme**

The Scheme will not become effective and the obligations of the Bidders will not become binding unless each of the following conditions precedent is satisfied or waived in accordance with the Scheme Implementation Deed:

Conditions precedent for benefit of all parties

- (a) **Termination of Varian Transaction:** the scheme implementation deed in respect of the Varian Transaction is terminated;
- (b) **Shareholder approval:** Sirtex Shareholders approve the Scheme by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act at the Scheme Meeting;
- (c) **FIRB approval:** before 8am on the Second Court Date, the Treasurer of the Commonwealth of Australia (or his delegate) either:
  - (i) gives the Bidders written advice, which is unconditional or subject only to conditions that are acceptable to the Bidders acting reasonably, that the Commonwealth Government does not object under FATA or its foreign investment policy to the transaction; or
  - (ii) is or, by passage of time, becomes precluded from making an order under FATA in respect of the transaction, and remains so precluded until that time;
- (d) **US anti-trust clearance:** all applicable waiting periods (and any extensions thereof) under the Hart Scott Rodino Antitrust Improvements Act of 1976 expire or are otherwise terminated;
- (e) **No restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction in, or government agency of, Australia, the United States of America, Germany, Italy, Belgium, the United Kingdom or Ireland preventing or imposing any legal restraint on the transaction is in effect in each case as at 8am on the Second Court Date;
- (f) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;

Condition precedent for benefit of the Bidders only

- (g) **No prescribed occurrence:** no prescribed occurrence event as set out in the Scheme Implementation Deed (including, amongst other things, any new issuance of shares or options over shares by any member of the Sirtex Group or winding up, liquidation or receivership of any member of the Sirtex Group) occurs between the date of the Scheme Implementation Deed and 8am on the Second Court Date;

Condition precedent for benefit of Sirtex only

- (h) **Independent Expert:** the Independent Expert issues a report which concludes that the Scheme is in the best interests of Sirtex Shareholders before the time when the Scheme booklet is registered with ASIC and the Independent Expert has not publicly withdrawn or qualified this conclusion before 8am on the Second Court Date; and

- (i) **No bidder insolvency event:** neither Bidder suffers an insolvency event between the date of the Scheme Implementation Deed and 8am on the Second Court Date.

Waiver of conditions precedent

The conditions precedent (a), (b), (c), (d) and (f) above cannot be waived.

The conditions precedent (e) above may only be waived by both of the Bidders and Sirtex in writing.

The condition precedent (g) above may only be waived by the Bidders in writing.

The conditions precedent (h) and (i) above may only be waived by Sirtex in writing.

If a condition precedent is not fulfilled or waived

If a condition precedent cannot be fulfilled (or has not been fulfilled or waived) by the time or date specified in the Scheme Implementation Deed, or the Scheme has not become effective by the End Date, Sirtex and the Bidders must consult in good faith to determine whether:

- (a) the Scheme may proceed by way of alternative means or methods and, if so, agree on the terms of such alternative means or methods;
- (b) to extend the relevant time for satisfaction of the condition precedent;
- (c) to adjourn or change the date of the Scheme Meeting; or
- (d) to extend the End Date.

**CFIUS Approval**

Pursuant to the terms of the Scheme Implementation Deed, Sirtex and the Bidders agree to use their reasonable endeavours to take any and all such actions and agree to such requirements or conditions to mitigate any national security concerns as may be requested or required by CFIUS in connection with the approval from CFIUS of the transaction subject to the terms of the Scheme Implementation Deed.

**Termination**

The Bidders or Sirtex may terminate the Scheme Implementation Deed without any liability to the other party because of that termination (except for any obligation of a party to pay the bidder facilitation/break fee or reimbursement fee (as applicable)) if:

- (i) the Scheme has not become effective by the End Date; or
- (ii) any event occurs which would, or in fact does, prevent a condition precedent being satisfied and that condition precedent is not waived by Sirtex or the Bidders or both (as applicable),

The Scheme Implementation Deed may also be terminated:

- (i) by Sirtex if any Bidder is in material breach of the terms of the Scheme Implementation Deed or of the representations and warranties given by it and such breach is not remedied within 10 business days;
- (ii) by the Bidders if Sirtex is in material breach of the terms of the Scheme Implementation Deed or of the representations and warranties given by it and such breach is not remedied within 10 business days;
- (iii) by the Bidders if a majority of the members of the board of Sirtex have changed, withdrawn or modified their recommendation that Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting as permitted under the Scheme Implementation Deed;
- (iv) by Sirtex if a majority of the board of Sirtex publicly recommends a bona fide competing proposal that is a superior proposal under the terms of the Scheme Implementation Deed;
- (v) by Sirtex if the Independent Expert concludes in its report that the Scheme is not in the best interests of the Sirtex Shareholders; and
- (vi) if agreed to in writing by Sirtex and the Bidders.

**Break fee, reimbursement fee and other indemnities**

Sirtex agrees to pay an amount equal to 1% of the total Scheme Consideration (approximately A\$19.0 million (approximately HK\$111.8 million)) payable for all the Sirtex Shares under the Scheme (excluding the reducing impact of any Permitted Dividend) to the Bidders if the Scheme does not proceed because of certain events as stated in the Scheme Implementation Deed, including, amongst other things:

- (i) announcement and completion within 12 months of announcement of certain forms of a competing proposal for the Sirtex Shares or the shares of any material subsidiary of Sirtex by a third party (except where the Independent Expert concludes in its report that the Scheme is not in the best interests of the Sirtex Shareholders (other than where the reason for the conclusion is a competing proposal));
- (ii) a majority of the members of the board of Sirtex make a public statement withdrawing or adversely changing or modifying their recommendation that Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting (except if the Independent Expert concludes in its report that the Scheme is not in the best interests of the Sirtex Shareholders (other than where the reason for the conclusion is a competing proposal)); or
- (iii) Sirtex validly terminates the Scheme Implementation Deed due to the Independent Expert concluding in its report that the Scheme is not in the best interests of Sirtex Shareholders (where the reason for the conclusion is a competing proposal); or
- (iv) the Bidders validly terminate the Scheme Implementation Deed as a result of a material breach by Sirtex.

The Company agrees to pay the bidder facilitation/break fee of A\$220 million (approximately HK\$1,294.1 million) (including 10% GST) to Sirtex within 5 business days of the date of termination of the Scheme Implementation Deed if the Scheme does not proceed because:

- (i) the Scheme is not effective by the End Date and any of the conditions precedent (c), (d), (e) and (i) has not been satisfied or waived;
- (ii) any event occurs which would, or in fact does, prevent any of the conditions precedent (c), (d), (e) and (i) being satisfied and that condition precedent is not waived;
- (iii) Sirtex and the Bidders agree in writing to voluntarily withdraw the joint voluntary notice of the transaction to CFIUS and the Scheme Implementation Deed is terminated; or
- (iv) Sirtex validly terminates the Scheme Implementation Deed as a result of a material breach by the Bidders.

The bidder facilitation/break fee payable by the Company to Sirtex will be satisfied by the Initial Deposit and the Second Deposit being paid out of the Deposit Account to Sirtex.

The Bidders agree that, while the Company shall be responsible for the bidder facilitation/break fee upon entering the Scheme Implementation Deed (which is signed before the Bidders' Nominee is established), the Bidders' Nominee, when established, shall become fully responsible for the bidder facilitation/break fee.

Under the Scheme Implementation Deed, the Bidders also agree to indemnify Sirtex for, amongst other things, (i) any reasonable third party cost or expense incurred by Sirtex from actions taken by Sirtex in relation to the fulfilment of conditions precedent (c), (d) and (e); (ii) any reasonable third party cost or expense incurred by Sirtex from any action taken by Sirtex for obtaining the approval from CFIUS in relation to the Acquisition; and (iii) the amount of any reimbursement fee or break fee payable by Sirtex to Varian Medical Systems, Inc. under the scheme implementation deed of the Varian Transaction.

#### **Exclusive China commercialisation rights**

If the Scheme Implementation Deed is terminated in circumstances where Sirtex is entitled to payment of the bidder facilitation/break fee due to (i) the Scheme is not effective by the End Date and any of the conditions precedent (c), (d) and (e) have not been satisfied or waived; (ii) any event occurs which would, or in fact does prevent any of the conditions precedent (c), (d) and (e) being satisfied and that condition precedent is not waived; or (iii) Sirtex and the Bidders agree in writing to voluntarily withdraw the joint voluntary notice of the transaction to CFIUS, and Sirtex has received payment of the bidder facilitation/break fee, Sirtex and the Bidders acknowledge and agree to use their respective best endeavours to finalise the entry into a formal legal agreement that governs the grant by Sirtex of exclusive China commercialisation rights in favour of the Bidders for the China market including but not limited to any one or more of distribution rights, cooperation rights and licensing rights in respect of intellectual property of Sirtex.

If Sirtex and the Bidders do not reach agreement on terms within 40 business days from the date of the Scheme Implementation Deed, the Bidders shall have a right of first refusal under which Sirtex may not enter into an agreement with any third party for the grant of such China commercialisation rights for a period of three years following termination of the Scheme Implementation Deed without first offering to enter into an agreement with either or both Bidders on terms no less favourable to it or them (as applicable) than those proposed to be entered into with the third party. The right of first refusal must be accepted by the either or both Bidders within 20 business days of being notified by Sirtex in writing of the material terms of its proposed agreement with the third party, failing which the offer lapses.

Sirtex's and the Bidders' obligation above does not apply if it is finally determined that all or any of the obligations of, or restrictions applying to, Sirtex and the Bidders in relation to the China commercialisation rights (i) is unlawful or would if performed be, unlawful; (ii) involves a breach of the duties of the directors of Sirtex; or (iii) constitutes unacceptable circumstances within the meaning of the Corporations Act.

### **Irrevocable Undertakings**

The Company is obliged to obtain shareholders' approval of the Acquisition in accordance with the requirements under the Listing Rules.

Each of Outwit, East Ocean Capital (Hong Kong) Company Limited, Shanghai China Grand Asset Finance Investment Management Co., Limited (上海遠大產融投資管理有限公司) and China Grand Enterprises Incorporation (中國遠大集團有限責任公司), the shareholders of the Company which in aggregate, directly or indirectly, hold approximately 58.6% of the issued share capital in the Company as at the date of this announcement, has irrevocably undertaken to the Company, CDH Genetech and Sirtex that it will vote or procure the relevant shareholders to vote in favour of the relevant resolution(s) at the special general meeting to be convened by the Company to approve the Acquisition.

### **Completion**

Pursuant to the terms of the Scheme Implementation Deed, on the Implementation Date, the Bidders agree in favour of Sirtex that, in consideration of the transfer to the Bidders' Nominee of each Sirtex Share under the Scheme, the Bidders' Nominee will accept such transfer, and the Bidders will pay or procure the payment of the Scheme Consideration at the direction of Sirtex as trustee for the Sirtex Shareholders, in accordance with the terms of the Scheme.

All of the Sirtex Shares will be transferred to the Bidders' Nominee in accordance with the terms of the Scheme.

Sirtex will become wholly-owned by the Bidders' Nominee and the Sirtex Shares will be delisted from ASX.

The Bidders' Nominee will be accounted for as an associated company of the Company. Upon completion of the Acquisition, Sirtex will become an associated company of the Company.

### **FUNDING CONTRIBUTIONS OF THE ACQUISITION**

Details of the proposed funding contributions of the Acquisition are set forth below:

<u>Contributions</u>	<u>A\$</u>	<u>HK\$</u>
Equity contribution from CDH Fund V, L.P. ....	493,104,238	2,900,613,165
Debt facilities to CDH Genetech .....	933,333,333	5,490,196,076
Debt facilities to the Company.....	473,766,816	2,786,863,624
<b>Total Scheme Consideration.....</b>	<b><u>1,900,204,387</u></b>	<b><u>11,177,672,865</u></b>

The Company intends to finance its funding contribution for the Acquisition from a debt facility, internal resources, and/or other financial resources.

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

The cash price of the Acquisition and the consideration for the Acquisition was determined based on arm's length negotiations between the Company and CDH Genetech with reference to the following reasons and benefits:

Sirtex is a global life science company that develops and delivers effective oncology products. Its core product, SIR-Spheres Y-90 resin microspheres, uses novel small particle (microsphere) technology to deliver radiation directly to the effected liver tissue. Radiotherapy is a major pillar in the treatment of cancer with external beam radiotherapy being limited due to the sensitivity of the uninvolved, healthy liver parenchyma. Direct delivery of the microspheres via the hepatic arteries in a procedure called Selective Internal Radiation Therapy (SIRT), is a targeted radiotherapy technology for liver cancer, which helps to achieve maximum disease control through optimal tumour coverage, with the microspheres lodging preferentially in the microvasculature of the tumour, maximising tumouricidal effects and minimising effects on uninvolved liver parenchyma. SIR-Spheres Y-90 resin microspheres are a permanent single-use implantable medical product loaded with the radioisotope Yttrium-90 for the treatment of primary and secondary liver tumours. Over 1,160 treatment centers worldwide have delivered more than 86,000 doses. The therapy works, has regulatory and reimbursement approvals across most major global geographies, and is included in many international clinical guidelines, including the new version of EASL Clinical Practice Guidelines: Management of hepatocellular carcinoma published in 2018, and the Liver Cancer Treatment Guidelines published by the National Health and Family Planning Commission of PRC in 2017.

According to the report of IMS Health, for the 5-years' time till 2015, the compound growth rate of the world-wide anti-tumour medicine market was approximately 7.4%, in which the tumour treatment medicine had a compound growth rate of approximately 9.8%. It is expected that the size of the global anti-tumour medicine will reach US\$150 billion by 2020, up by nearly 50% increment compared with approximately US\$107 billion in 2015.

The Company sees significant potential to introduce Sirtex's liver cancer treatment product, SIR-Spheres Y-90 resin microspheres, into China. Liver cancer is a leading cause of deaths in China, and China alone accounts for over half of the world's population of liver cancer patients. However, the effectiveness of prevailing treatments is limited, and Chinese patients are facing fewer treatment options than those in developed countries.

The acquisition of Sirtex offers an opportunity for the Company to venture into the field of interventional oncology. Together the Company and CDH Genetech are ideally positioned to grow Sirtex's existing global business, especially to unlock the great potential of SIR-Spheres Y-90 resin microspheres in China. The Company has significant experience in R&D, academic promotion and product commercialisation of innovative medical products in China and is able to leverage its well-established distribution network. CDH Genetech is recognised as a leading healthcare private equity investor in China and has participated in and completed a number of well-known investment and restructuring projects that have also helped many of its healthcare projects establish a good market credit and reputation, and enabled the invested company to achieve high-speed growth and outstanding performance.

Through the acquisition, the Company and CDH Genetech will take full advantage of their respective capabilities, and actively and effectively expand the global business of Sirtex. In particular expansion will be pursued in geographies where the benefits of Sirtex's main products have the greatest potential for development, such as China. The introduction of such global

innovative medical products from Sirtex to the Chinese market will strengthen the pipeline of products available to the Group and will become one of the core drivers of the Group's expected rapid growth in the mid- to long-term.

Taking into account the above factors, the Directors consider that the terms and conditions of the Acquisition (including the Joint Venture Formation) are fair and reasonable and entering into the Scheme Implementation Deed and the transactions contemplated thereunder are in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE COMPANY**

The Company is the holding company of the Group which is listed on the Main Board of the Stock Exchange. The Group is mainly engaged in the research and development, manufacturing and sales of pharmaceutical preparations, pharmaceutical intermediates, specialised pharmaceutical raw materials and healthcare products.

## **INFORMATION ON CDH GENETECH**

CDH Genetech is a company incorporated in the Cayman Islands whose principal business is investment holding. It is wholly-owned by CDH Fund V, L.P. (a limited partnership formed under the laws of Cayman Islands), whose general partner is CDH V Holdings Company Limited.

As at the date of this announcement, CDH Giant Health I Limited (which is wholly-owned by CDH Fund V, L.P.) holds: (i) 108,408,000 shares of the Company (representing 4.70% of the total issued share capital of the Company); (ii) convertible bonds issued by the Company which are convertible into 222,222,222 shares of the Company (representing approximately 9.63% of the total issued share capital of the Company); and (iii) a put option granted by Outwit pursuant to which it has the right to sell 108,408,000 shares in the Company to Outwit.

Saved as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, CDH Genetech and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **INFORMATION ON SIRTIX**

Sirtex is an Australian-based global life-sciences company that generates revenue through the sale of SIR-Spheres, a targeted radiation therapy for liver cancer. Sirtex's SIR-Spheres have been supplied to over 40 countries with revenue primarily generated in the United States. The shares of Sirtex are listed on the ASX.

Set out below is a summary of the audited consolidated financial information of Sirtex (as extracted from its annual reports and prepared in accordance with Australian Accounting Standards) for the two financial years ended 30 June 2017:

	<b>For the financial year ended 30 June</b>	
	<b>2016</b>	<b>2017</b>
	<i>(audited)</i>	<i>(audited)</i>
Net profit/ (loss) before tax	A\$69,998,039	(A\$40,953,964)
Net profit/ (loss) after tax	A\$53,582,392	(A\$26,257,188)
		<b>As at 30 June 2017</b>
		<i>(audited)</i>
Net assets		A\$149,467,490

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in relation to the Acquisition (including the Joint Venture Formation) exceed 25% but all of them are less than 100%, the Company's participation in the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

## **GENERAL**

The SGM will be convened and held to consider and, if thought fit, approve, among other things, the Company's participation in the Acquisition (including the Joint Venture Formation) and the transactions contemplated thereunder.

CDH Genetech and its respective associates (to the extent they have an existing interest in the shares of the Company) will abstain from voting on the resolution(s) relating to the Company's participation in the Acquisition at the SGM. To the best of the Directors' knowledge, information and belief, save as aforesaid, no other Shareholders have any material interest in the Acquisition and are required to abstain from voting on the relevant resolution(s) at the SGM.

A circular containing, among other things, further details of (i) the Acquisition (including the Joint Venture Formation) and the transactions contemplated thereunder; (ii) financial and other information of the Group; (iii) financial and other information of Sirtex; and (iv) pro forma financial information of the enlarged Group upon completion of the Acquisition, and a notice convening the SGM and a form of proxy, will be despatched to the Shareholders on or before 13 July 2018. The circular will be despatched more than 15 business days after the publication of this announcement to allow sufficient time to prepare the content of the circular, including but not limited to the financial information of Sirtex to be included in the circular.

## **WARNING:**

**The Company's participation in the Acquisition is conditional on the obtaining of the Shareholders' approval. The Acquisition is also subject to the satisfaction of a number of conditions under the Scheme Implementation Deed. Therefore, the Acquisition may or may not become unconditional. There remains the possibility that the Acquisition may not proceed. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the meanings as follows:

“Acquisition”	the proposed acquisition of 100% of the Sirtex Shares by way of the Scheme
“ASIC”	Australian Securities and Investments Commission
“ASX”	ASX Limited or the securities market operated by it
“Bidders”	CDH Genetech and the Company
“Bidders’ Nominee”	the special purpose vehicle proposed to be established to acquire the Sirtex Shares pursuant to the Scheme Implementation Deed, which is intended to be owned as to 51% by CDH Genetech, and 49% by the Company
“Board”	the board of directors of the Company
“CDH Genetech”	CDH Genetech Limited, a company incorporated in the Cayman Islands with limited liability
“CFIUS”	The Committee on Foreign Investment of the United States of America
“China”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of China and Taiwan
“Company”	China Grand Pharmaceutical and Healthcare Holdings Limited (遠大醫藥健康控股有限公司), a company incorporated in Bermuda with limited liability, and the issued shares of which are listed on the Main Board of the Stock Exchange
“Corporations Act”	Corporations Act 2001 (Cth) of Australia
“Court”	Federal Court of Australia (NSW registry) or such other court of competent jurisdiction under the Corporations Act agreed to in writing between the parties to the Scheme Implementation Deed
“Deposit Account”	an interest bearing A\$ denominated bank account with an Australian bank opened in the name of the Deposit Holder as trustee for Sirtex and the Bidders

“Deposit Agreement”	the deposit agreement dated 14 June 2018 entered into between Sirtex, the Bidders, Bank of China Limited Macau Branch and the Deposit Holder
“Deposit Holder”	the person so designated in the Deposit Agreement
“Director(s)”	director(s) of the Company
“End Date”	the date that is 12 months after the date of the Scheme Implementation Deed or such other date as is agreed in writing between the parties to the Scheme Implementation Deed
“FATA”	Foreign Acquisitions and Takeovers Act 1975 (Cth) of Australia
“FIRB”	Foreign Investment Review Board of the Government of Australia
“First Court Date”	the first day on which an application made to the Court for orders that the Scheme Meeting be convened is heard or the day of any adjourned application is heard
“Group”	the Company and its subsidiaries
“GST”	goods and services tax under the A New Tax System (Goods and Services Tax) Act 1999 (Cth) of Australia
“Hong Kong”	the Hong Kong Special Administrative Region of China
“Implementation Date”	the 5 <sup>th</sup> business day after the Record Date
“Independent Expert”	the independent expert in respect of the Scheme appointed by Sirtex
“Initial Deposit”	A\$165.0 million (approximately HK\$970.6 million, or such larger amount as may be determined by the Bidders up to a maximum amount of A\$220 million)
“Joint Venture Formation”	the formation of the Bidders’ Nominee as contemplated by the Scheme Implementation Deed
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Outwit”	Outwit Investments Limited, the direct controlling shareholder of the Company

“Permitted Dividend”	one or more dividends declared or determined by the board of Sirtex in respect of the period from 1 July 2017 to 30 June 2018, provided that the maximum aggregate amount paid or payable by Sirtex in respect of all such dividends is A\$0.30 per Sirtex Share
“Record Date”	7pm on the 5 <sup>th</sup> business day (or such other date as agreed in writing between Sirtex and the Bidders) after the date on which the Scheme becomes effective
“Scheme”	the scheme of arrangement between Sirtex and the Sirtex Shareholders as at the relevant record date under Part 5.1 of the Corporations Act as contemplated under the Scheme Implementation Deed
“Scheme Consideration”	the consideration per Sirtex Share to be provided by the Bidders (or the Bidders’ Nominee) in consideration for the transfer of the Sirtex Share to the Bidders (or the Bidders’ Nominee), being, in respect of each Sirtex Share, A\$33.60 less the amount of any Permitted Dividend paid in respect of the Sirtex Share
“Scheme Implementation Deed”	the scheme implementation deed dated 14 June 2018 entered into between Sirtex, CDH Genetech and the Company in connection with the Acquisition
“Scheme Meeting”	the meeting of Sirtex Shareholders ordered by the Court to be convened in respect of the Scheme
“Second Court Date”	the first day on which an application made to the Court for an order approving the Scheme is heard or the day of any adjourned application is heard
“Second Deposit”	an amount equal to A\$220 million less the amount of the Initial Deposit paid by the Bidders
“SGM”	the special general meeting of the Company to be convened and held for considering and if thought fit, approving, among others, the Acquisition (including the Joint Venture Formation) and the transactions contemplated thereunder
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Sirtex”	Sirtex Medical Limited, a company incorporated in Australia with limited liability and the shares of which are listed on the ASX (code: SRX)
“Sirtex Group”	Sirtex and each of its subsidiaries
“Sirtex Right”	a performance right or a contractual right granted by Sirtex which confers the right to acquire one unissued Sirtex Share

“Sirtex Shareholders”	the holders of Sirtex Shares
“Sirtex Share(s)”	fully paid ordinary share(s) in the capital of Sirtex
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Varian Transaction”	the proposed acquisition of Sirtex by Varian Medical Systems, Inc. (or a wholly owned subsidiary nominated by it) pursuant to the scheme implementation deed between Sirtex and Varian Medical Systems, Inc. dated 30 January 2018
“A\$”	Australian dollar, the lawful currency of Australia
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

*In this announcement:*

*(1) the English names of PRC nationals, entities, facilities and localities are unofficial translation or transliteration from their Chinese names and are for identification purposes only.*

*(2) amounts denominated in A\$ have been converted, for the illustration purpose only, into HK\$ at the exchange rate of HK\$1.00 = A\$0.170.*

By order of the Board  
**China Grand Pharmaceutical and  
Healthcare Holdings Limited**  
**Liu Chengwei**  
*Chairman*

Hong Kong, 14 June 2018

*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 two independent non-executive directors, namely Ms. So Tosi Wan, Winnie and Dr. Pei Geng.*