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**LANSEN PHARMACEUTICAL HOLDINGS LIMITED**

**朗生醫藥控股有限公司**

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

**(Stock code: 503)**

**EXEMPTED CONNECTED TRANSACTION**

**Extension of exercise period of the put option granted by Natural Dailyhealth**

**INTRODUCTION**

Reference is made to the Subscription Agreement executed by the wholly-owned subsidiary of the Company, Lansen Pharmaceutical Holdings Limited (incorporated in the British Virgin Islands) and Natural Dailyhealth on 24 March 2016.

According to the Subscription Agreement, Natural Dailyhealth granted the Put Option to the Subscriber. At any time during the Put Option Period, the Subscriber is, at its absolute discretion, entitled to exercise the Put Option to require Natural Dailyhealth to purchase all (but not part) of the Subscription Shares then held by the Subscriber at the Put Option Strike Price.

The Put Option Period will expire on 24 June 2018. The Subscriber and Natural Dailyhealth agreed to extend the Put Option Period for twelve months. Save for the extension of the Put Option Period, all other terms of the Subscription Agreement remain unchanged. Further details of the extension of the Put Option Period are set out below.

**IMPLICATIONS UNDER THE HK LISTING RULES**

As at the date of this announcement, CIH owns 50.56% of the equity interest in the Company, and is therefore a substantial Shareholder of the Company and a connected person of the Company. CI Biotechnology is a wholly and indirectly owned subsidiary of CIH. Each of CI Biotechnology and Natural Dailyhealth, being an associate of CIH, are both connected persons of the Company. However, as the extension of the exercise period of the Put Option is granted to the Subscriber at no extra cost, each of the applicable percentage ratios in respect of such transaction is less than 0.1% and such extension is fully exempt from the reporting and announcement requirements and the independent shareholders' approval requirement pursuant to Rule 14A.76(1) of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 24 March 2016 (the “Announcement”) in relation to, inter alia, the subscription agreement (the “Subscription Agreement”) executed by the wholly-owned subsidiary of the Company, Lansan Pharmaceutical Holdings Limited (incorporated in the British Virgin Islands) (the “Subscriber”), and Natural Dailyhealth (formerly known as Haotian Holdings Limited).

## **BACKGROUND**

As mentioned in the Announcement, according to the Subscription Agreement, the Subscriber completed subscription of the first tranche Subscription Shares representing approximately 19.1% of the enlarged issued share capital of Natural Dailyhealth. With the approval obtained by the Company at an extraordinary general meeting convened on 13 July 2016, the Subscriber completed the second tranche Subscription Shares and, together with the first tranche Subscription Shares, owns 30% of the enlarged issued share capital of Natural Dailyhealth.

According to the Subscription Agreement, Natural Dailyhealth granted a put option (the “Put Option”) to the Subscriber. At any time during the period of three months commencing immediately after the second anniversary of the date of the Subscription Agreement (the “Put Option Period”), the Subscriber is, at its absolute discretion, entitled to exercise the Put Option to require Natural Dailyhealth to purchase all (but not part) of the Subscription Shares then held by the Subscriber at the Put Option Strike Price. The Put Option Period will expire on 24 June 2018.

## **EXTENSION OF PUT OPTION PERIOD – SUPPLEMENTAL AGREEMENT**

On 24 June 2018, the Subscriber and Natural Dailyhealth entered into a supplemental conditional agreement to the Subscription Agreement (the “Supplemental Agreement”) pursuant to which the parties agreed that the expiry date of the Put Option Period shall be extended for twelve months to 24 June 2019 on the condition that CIH having obtained the relevant simple majority approvals in respect of the transactions contemplated under the Supplemental Agreement in accordance with the Listing Rules for the London Stock Exchange. Circle Finance Limited and Mega Worldwide Services Limited, the shareholders of CIH together holding more than 50% of the issued share capital of CIH, have given an undertaking to vote in favour of the resolution in respect of the Supplemental Agreement.

Save for the extension of the Put Option Period, all other terms of the Subscription Agreement remain unchanged.

## **REASONS FOR AND BENEFITS OF EXTENSION OF THE EXERCISE PERIOD OF THE PUT OPTION**

It is the business strategy of the Group to continue to develop prescription drugs for the treatment of autoimmune disorders in rheumatology and dermatology, as well as to proactively develop medical cosmetology and healthcare product business, in order to become a top and sizeable healthcare industrial group. In order to enhance its competitiveness in the aspects of plant extract and healthcare products, and to separate the Group’s healthcare business from the specialty drugs business, the Group subscribed shares in Natural Dailyhealth in 2016. Leveraging on the production capacity and cost advantage

of Natural Dailyhealth, the Group develops plant extract and healthcare product business through Natural Dailyhealth.

Upon the subscription of shares in Natural Dailyhealth, the Company now manages the day to day operations of Natural Dailyhealth, and has been adjusting the management, sales and organisational structure of Natural Dailyhealth. The management integration and business development has taken longer than expected, but Natural Dailyhealth is continuing to move forward with its business plans and strategies, for example, in terms of productivity, the modification of the multifunctional production line and expansion of the berries extraction production line have been completed. The filing for ginkgo extraction has been approved by China Food and Drug Administration, and it is also expected that approval for various healthcare products will be obtained soon.

On 1 March 2018, Mr. Chen Li took over as Chief Executive Officer of the Company, and he will continue to expand the entire business of the Group including the development of healthcare product business.

The board of directors of the Company considers that the extension of the Put Option Period would provide appropriate and reasonable time to the Group and its management to evaluate the performance and potential of Natural Dailyhealth.

Therefore, the Directors (including the independent non-executive Directors) are of the view that the entering into the Supplemental Agreement is in the interests of the Company and the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole. No director was considered to have material interest in the Supplemental Agreement and therefore no director had abstained from voting to approve the Supplemental Agreement.

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

As at the date of this announcement, CIH owns 50.56% of the equity interest in the Company, and is therefore a substantial Shareholder of the Company and a connected person of the Company. CI Biotechnology is a wholly and indirectly owned subsidiary of CIH. Each of CI Biotechnology and Natural Dailyhealth, being an associate of CIH, are both connected persons of the Company. However, as the extension of the exercise period of the Put Option is granted to the Subscriber at no extra cost, each of the applicable percentage ratios in respect of such transaction is less than 0.1% and such extension is fully exempt from the reporting and announcement requirements and the independent shareholders' approval requirement pursuant to Rule 14A.76(1) of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:-

“associate(s)”	has the meaning given to it under the HK Listing Rules
“Board”	the board of Directors
“CI Biotechnology”	Cathay International Biotechnology and Pharmaceutical (China) Limited, a company

	incorporated in the British Virgin Islands with limited liability
“CIH”	Cathay International Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the London Stock Exchange
“Company”	Lansen Pharmaceutical Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning given to it under the HK Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“HK Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Natural Dailyhealth”	Natural Dailyhealth Holdings Limited (formerly known as Haotian Holdings Limited), a company incorporated in the British Virgin Islands with limited liability
“percentage ratios”	the percentage ratios under Rule 14.07 of the HK Listing Rules
“PRC”	The People’s Republic of China
“Put Option Strike Price”	the aggregate of the Subscription Price times the number of Subscription Shares then held by the Subscriber, and interest calculated at one-year Hong Kong fixed deposit rate to be accrued daily on a simple basis from the relevant completion dates of the Subscription and up to the date on which Natural Dailyhealth settles the obligation under the Put Option. Natural Dailyhealth shall pay the Put Option Strike Price to the Subscriber in cash within six months from the date of the exercise of the Put Option
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Subscription Price”	RMB 59.92 million (equivalent to approximately USD8.99 million at the time).
“Subscription Shares”	The shares issued to the Subscriber by Natural Dailyhealth pursuant to the Subscription Agreement, representing 30% of the enlarged issued share capital of Natural Dailyhealth
“USD”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

By order of the Board  
**Lansen Pharmaceutical Holdings Limited**  
**Wu Zhen Tao**  
*Chairman*

Hong Kong, 25 June 2018

*As at the date of this announcement, the executive managing Director is Mr. Chen Li; the executive Director is Mr. Hou Song; the non-executive Directors are Mr. Wu Zhen Tao, Mr. Lee Jin Yi, Mr. Stephen Burnau Hunt and Ms. Liu Xue Zi; the independent non-executive Directors are Mr. Chan Kee Huen, Michael, Mr. Tang Chiu Ping, Raymond and Mr. Fritz Heinrich Horlacher.*