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CATHAY INTERNATIONAL PHARMA

MANUFACTURE AND DISTRIBUTION LANSEN PHARMACEUTICAL HOLDINGS LIMITED

(CHINA) LIMITED

(incorporated in the British Virgin Islands with limited liability)



朗生醫藥控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 503)

JOINT ANNOUNCEMENT

- (1) PROPOSAL FOR THE PRIVATISATION OF
LANSEN PHARMACEUTICAL HOLDINGS LIMITED BY
CATHAY INTERNATIONAL PHARMA MANUFACTURE
AND DISTRIBUTION (CHINA) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT
(2) PROPOSED WITHDRAWAL OF LISTING OF
LANSEN PHARMACEUTICAL HOLDINGS LIMITED
(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER
AND
(4) RESUMPTION OF TRADING**

Financial adviser to the Offeror



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

Independent financial adviser to the Independent Board Committee

ALTUS CAPITAL LIMITED

INTRODUCTION

On 8 September 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders which will involve the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation and extinguishment of all the Scheme Shares and the simultaneous allotment and issue of an equivalent number of new Shares to the Offeror, subject to conditions.

As at the Last Trading Date, the Offeror and the Offeror Concert Parties are interested in 286,107,359 Shares, representing approximately 68.23% of the total issued Shares. The Offeror Concert Party Subject to the Scheme beneficially owns 23,035 Shares, representing approximately 0.01% of the total issued Shares, whereas the Offeror and Offeror Concert Party Not Subject to the Scheme beneficially own 286,084,324 Shares, representing approximately 68.22% of the total issued Shares.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to each Scheme Shareholder as at the Scheme Record Date of the Scheme Consideration of HK\$1.80 in cash for each Scheme Share cancelled and extinguished;
- (b) the issued share capital of the Company will be maintained at the amount immediately before the cancellation and extinguishment of the Scheme Shares by the simultaneous allotment and issuance to the Offeror of the same number of new Shares as the number of Scheme Shares cancelled and extinguished, and the credit arising in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror;
- (c) the Offeror and the Offeror Concert Party Not Subject to the Scheme will in aggregate own 100% of the total number of Shares in issue; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

THE PROPOSAL

Under the Proposal, if the Scheme becomes unconditional, the Scheme Shareholders will receive from the Offeror the Scheme Consideration of HK\$1.80 in cash for each Scheme Share, as consideration for the cancellation and extinguishment of the Scheme Shares held as at the Effective Date.

As at the date of this joint announcement, the Company has 419,328,434 Shares in issue. There are no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company. The Company does not have any outstanding dividends declared and has no intention to declare such dividend prior to completion of the Proposal.

The Scheme Consideration will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Scheme Consideration.

If, after the date of the this joint announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Scheme Consideration by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement or any other announcement or document to the Scheme Consideration will be deemed to be a reference to the Scheme Consideration as so reduced.

The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the offer period in relation to the Proposal. As at the date of this joint announcement, there is no outstanding dividend in respect of the Shares that has been announced but not yet paid.

The Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the section headed “Conditions of the Proposal” below. All Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse.

Confirmation of financial resources

Payment of the Scheme Consideration in cash under the Proposal by the Offeror will be financed by internal cash resources of the Offeror.

Yu Ming, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of Scheme Consideration required to effect the Proposal.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being issued fully paid to the Offeror) and the share certificates for the Scheme Shares cancelled and extinguished will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

A detailed expected timetable for the implementation of the Proposal (including but not limited to the dates of the Court Meeting and the General Meeting, the last day for dealing in the Shares, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange) will be included in the Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1(a) of the Takeovers Code on making subsequent offers, to the effect that, neither the Offeror nor the Offeror Concert Parties, nor any person who is subsequently acting in concert with any of them, may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, a board which receives an offer must, in the interests of shareholders, establish an independent committee of the board to make a recommendation as to whether the offer is, or is not, fair and reasonable and as to acceptance or voting, and the members of the independent board committee should comprise all non-executive directors who have no direct or indirect interest in the offer.

The Board currently has two non-executive Directors and four independent non-executive Directors. Mr. Wu Zhen Tao, who is a non-executive Director and the ultimate beneficial owner of the Offeror, is not considered to be independent for the purpose of making a recommendation to the Disinterested Scheme Shareholders, and is therefore not included as members of the Independent Board Committee. Dr. Zhu Xun, who is an independent non-executive Director and holder of 140,836 Shares (representing approximately 0.1% of the Scheme Shares) as at the date of this joint announcement, is also a Disinterested Scheme Shareholder under the Scheme and is considered to be independent for the purpose of making a recommendation to the Disinterested Scheme Shareholders.

As such, the Independent Board Committee, comprising Ms. Liu Xuezi, a non-executive Director, and all four independent non-executive Directors, namely, Mr. Chan Kee Huen, Michael, Mr. Yeung Tak Bun, Allen, Ms. Chan Ching Har, Eliza and Dr. Zhu Xun, has been established to advise the Disinterested Scheme Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable, and whether to vote in favour of the Proposal and the Scheme at the Court Meeting and the implementation of the Proposal at the General Meeting.

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Scheme Shareholders on the Proposal and the Scheme and as to voting, and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser as to whether the Proposal and the Scheme are or are not fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Court Meeting and the General Meeting, will be set out in the Scheme Document.

SCHEME DOCUMENT

The Scheme Document including, among other things, further details of the Proposal and the Scheme, an explanatory statement as required under the rules of the Grand Court, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the General Meeting will be despatched to the Shareholders as soon as practicable and in compliance with the Takeovers Code, the Listing Rules, the Companies Act, the rules of the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 11 September 2023, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 18 September 2023.

WARNINGS

Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and Conditions of the Proposal, including details of how to vote on the Proposal. Any approval or rejection of the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions.

INTRODUCTION

On 8 September 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders which will involve the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving cancellation and extinguishment of all the Scheme Shares and simultaneous allotment and issue of an equivalent number of new Shares to the Offeror.

As at the Last Trading Date, the Offeror and the Offeror Concert Parties were interested in 286,107,359 Shares, representing approximately 68.23% of the total issued Shares. The Offeror Concert Party Subject to the Scheme beneficially owns 23,035 Shares, representing approximately 0.01% of the total issued Shares, whereas the Offeror and Offeror Concert Party Not Subject to the Scheme beneficially owns 286,084,324 Shares, representing approximately 68.22% of the total issued Shares.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to each Scheme Shareholder as at the Scheme Record Date of the Scheme Consideration of HK\$1.80 in cash for each Scheme Share cancelled and extinguished;
- (b) the issued share capital of the Company will be maintained at the amount immediately before the cancellation and extinguishment of the Scheme Shares by the simultaneous allotment and issuance to the Offeror of the same number of new Shares as the number of Scheme Shares cancelled and extinguished, and the credit arising in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror;

- (c) the Offeror and the Offeror Concert Party Not Subject to the Scheme will in aggregate own 100% of the total number of Shares in issue; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

THE PROPOSAL

Scheme Consideration

Under the Proposal, if the Scheme becomes unconditional, the Scheme Shareholders will receive from the Offeror the Scheme Consideration of HK\$1.80 in cash for each Scheme Share, as consideration for the cancellation and extinguishment of the Scheme Shares held as at the Effective Date.

As at the date of this joint announcement, the Company has 419,328,434 Shares in issue. There are no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company. The Company does not have any outstanding dividends declared and has no intention to declare such dividend prior to completion of the Proposal.

The Scheme Consideration will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Scheme Consideration.

If, after the date of the this joint announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Scheme Consideration by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement or any other announcement or document to the Scheme Consideration will be deemed to be a reference to the Scheme Consideration as so reduced.

The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the offer period in relation to the Proposal. As at the date of this joint announcement, there is no outstanding dividend in respect of the Shares that has been announced but not yet paid.

Comparison of value

The Scheme Consideration of HK\$1.80 per Scheme Share represents:

- (a) a premium of approximately 26.76% over the closing price of HK\$1.42 per Share as quoted on the Stock Exchange on the Last Trading Date;

- (b) a premium of approximately 24.14% over the average closing price of approximately HK\$1.45 per Share as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Date;
- (c) a premium of approximately 22.45% over the average closing price of approximately HK\$1.47 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 20.00% over the average closing price of approximately HK\$1.50 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 20.81% over the average closing price of approximately HK\$1.49 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 23.29% over the average closing price of approximately HK\$1.46 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (g) a discount of approximately 21.05% to the Audited NAV per Share of approximately HK\$2.28 as at 31 December 2022; and a premium of approximately 2.27% over the Audited NTA per Share of approximately HK\$1.76 as at 31 December 2022; and
- (h) a discount of approximately 22.08% to the Unaudited NAV per Share of approximately HK\$2.31 as at 30 June 2023; and a premium of approximately 0.56% over the Unaudited NTA per Share of approximately HK\$1.79 as at 30 June 2023.

Basis of determining the Scheme Consideration

The Scheme Consideration has been determined after taking into account, among others, the recently traded prices of the Shares on the Stock Exchange and the publicly available financial information of the Company, and with reference to prevailing privatisation transactions in Hong Kong.

Highest and lowest prices

During the six-month period preceding the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.72 on 14 July 2023 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.24 on 2 June 2023.

Total consideration

On the basis of the Scheme Consideration of HK\$1.80 per Scheme Share and 133,244,110 Scheme Shares in issue as at the date of this joint announcement and assuming no further Shares will be issued on or before the Scheme Record Date, the maximum amount of cash required to effect the Proposal would be HK\$239,839,398.

Confirmation of financial resources

Payment of the Scheme Consideration in cash under the Proposal by the Offeror will be financed by internal cash resources of the Offeror.

Yu Ming, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of Scheme Consideration required to effect the Proposal.

Conditions of the Proposal

The Proposal (including the Scheme) will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by Scheme Shareholders representing not less than 75% in value of the Scheme Shares present and voting in person or by proxy at the Court Meeting in accordance with the requirements of Section 86 of the Companies Act as at the date of the Court Meeting, provided that:
 - (i) the Scheme is approved (by way of poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either present and voting in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all Disinterested Scheme Shareholders.
- (b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting to approve and give effect to:
 - (i) any reduction of the issued share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares;

- (ii) the maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by the simultaneous allotment and issuance to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation of the Scheme Shares in paying up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, to the Offeror; and
 - (iii) the withdrawal of listing of the Shares from the Stock Exchange upon the Scheme becoming effective.
- (c) the Grand Court's sanction of the Scheme (with or without modification) under Section 86 of the Companies Act and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (d) all necessary authorisations, approvals, permissions, waivers and consents and all registrations and filings (including without limitation any which are required or desirable under or in connection with any applicable laws or regulations or any licences, permits or contractual obligations of the Company) in connection with the Proposal or its implementation and the withdrawal of listing of the Shares from the Stock Exchange in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (e) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms) other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (f) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms (if any); and

- (g) there having been no adverse material change in the business, assets, financial or trading position, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms) whether or not as a result of the implementation of the Proposal, which is material in the context of the Group as a whole or in the context of the Proposal or its implementation in accordance with its terms.

The Offeror reserves the right to waive Conditions (d) to (g) either in whole or in part, either generally or in respect of any particular matter to the extent that such waiver would not make the Proposal or the Scheme or its implementation in accordance with its terms illegal. Conditions (a) to (c) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

As at the date of this joint announcement, the Offeror is not aware of any of the authorisations, approvals, permissions, waivers, consents, registrations and filings, or any legal or regulatory obligations as set out in Conditions (d) and (f) other than those set out in Conditions (a) to (c); or any such action, proceeding, suit, investigation or enquiry as set out in Condition (e).

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

If approved and implemented, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

ARRANGEMENTS MATERIAL TO THE PROPOSAL

As at the date of this joint announcement:

- (a) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares which might be material to the Proposal (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (b) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror and/or the Offeror Concert Parties;
- (c) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal;
- (d) neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal;
- (e) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or the Offeror Concert Parties has borrowed or lent;
- (f) no benefit (other than statutory compensation) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal;
- (g) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror and Offeror Concert Parties and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependent upon the Proposal; and
- (h) there is no other understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (a) the Offeror or Offeror Concert Parties, or (b) the Company, its subsidiaries or associated companies.

SHAREHOLDING STRUCTURE OF THE COMPANY

On the assumption that there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon completion of the Proposal:

	As at the date of this joint announcement		Immediately upon completion of the Proposal	
	No. of Shares	%	No. of Shares	%
A. Offeror ^{Note 1}	217,281,593	51.81%	350,525,703	83.59%
B. Offeror Concert				
Party Not Subject to the Scheme				
Cosmos Skyland Limited ^{Note 2}	68,802,731	16.41%	68,802,731	16.41%
C. Offeror Concert				
Party Subject to the Scheme				
Mr. Patrick Sung ^{Note 3}	23,035	0.01%	—	—
Sub-total(A+B+C):	286,107,359	68.23%	419,328,434	100.00%
D. Disinterested				
Scheme				
Shareholders				
Dr. Zhu Xun ^{Note 4}	140,836	0.03%	—	—
Public				
Shareholders	133,080,239	31.74%	—	—
Sub-total:	133,221,075	31.77%	—	—
Total	419,328,434	100.00%	419,328,434	100.00%
E. Scheme				
Shareholders (C+D)	133,244,110	31.78%	—	—

For the avoidance of doubt, the Scheme Shares comprise the Shares beneficially owned, controlled or directed by the Offeror Concert Party Subject to the Scheme and the Disinterested Scheme Shareholders.

Notes:

1. The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by First Lucky Star Trust, the settlor of which is Mr. Wu Zhen Tao, and beneficiaries includes Mr. Wu Zhen Tao and his family members. Upon the Scheme becoming effective, the share capital of the Company will be maintained at its former amount by the simultaneous allotment and issuance to the Offeror of the same number of the Shares as the number of Scheme Shares cancelled and extinguished, and the credit arising in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror.
2. Cosmos Skyland Limited is a company incorporated in the British Virgin Islands with limited liability, it is directly wholly-owned by Mr. Wu Zhen Tao.
3. Mr. Patrick Sung is a director of the Offeror.
4. Dr. Zhu Xun being an independent non-executive Director and holder of 140,836 Shares (representing approximately 0.1% of the Scheme Shares) as at the date of this joint announcement, is also a Disinterested Scheme Shareholder under the Scheme.

All Scheme Shareholders will be entitled to attend and vote on the Scheme at the Court Meeting. For the purpose of Rule 2.10 of the Takeovers Code, only votes cast by the Disinterested Scheme Shareholders will be counted. Each of the Offeror and Offeror Concert Parties will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting.

The Offeror and each of the Offeror Concert Parties will undertake to the Grand Court to be bound by the terms of the Scheme and to execute and do and procure to be executed and done all such documents and things as may be necessary or desirable to be executed or done by each of them for the purposes of giving effect to the Scheme.

All Shareholders will be entitled to vote on the special resolution to be proposed at the General Meeting to approve and give effect to the Scheme, including the issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares, which is set out in Condition (b) in the section headed "Conditions of the Proposal" above. The Offeror has indicated that, if the Scheme is approved at the Court Meeting, the Offeror will vote in favour of such resolution to be proposed at the General Meeting.

Upon the Scheme becoming effective, the Offeror and the Offeror Concert Party Not Subject to the Scheme will hold 100% of the total number of Shares in issue.

REASONS FOR AND BENEFITS OF THE PROPOSAL

The Offeror is of the view that the Proposal is beneficial to the Company and the terms of the Proposal are favorable to the Scheme Shareholders for the following reasons.

For the Scheme Shareholders

The Proposal is intended to give Scheme Shareholders an opportunity to realise their Scheme Shares for the Scheme Consideration at a premium over the current market price. The Scheme Consideration represents (i) approximately 75.78% premium over the lowest closing price of HK\$1.024 per Share in the Relevant Period; and (ii) approximately 2.45% premium over the highest closing price of HK\$1.757 per Share in the Relevant Period. During the Relevant Period, the Company has conducted share repurchases on the market (“Share Repurchase(s)”) in two periods of time, lasting intermittently for 43 and 23 trading days respectively. It is noted that during the Share Repurchases period, the closing prices of Shares increased by 30.2% and 37.1% when comparing the closing prices of the Shares prior to each Share Repurchase period to closing price on the last trading day of the periods. In addition, the lowest closing price during the Relevant Period was on the 5th trading day prior to the first Share Repurchase period, whereas the highest closing price was on the 5th trading day after the first Share Repurchase period, this show the upward price movement was stimulated by the Share Repurchase.

In addition, the average daily trading volume of the Shares during the Relevant Period was approximately 154,000 Shares per day, representing only approximately 0.04% of the issued Shares as at the Last Trading Day. Such average daily trading volume has included the improved daily trading volume of the Shares during Share Repurchases period. For the trading days the Company conducted Share Repurchases, the average trading volume was approximately 329,000 Shares per day, representing approximately 0.08% of the issued Shares as at the Last Trading Day, whereas for other trading days when the Company did not conduct Share Repurchases, the average trading volume was approximately 90,000 Shares per day, representing only approximately 0.02% of the issued Shares as at the Last Trading Day. The low trading liquidity of the Shares could make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares especially when any event that has an adverse impact on the Share price occurs.

Scheme Shareholders who prefer to switch investment of their holding in the Shares into other investments with better prospects or higher share trading volume might not be able to do so in the absence of the Proposal because of the thin trading volume of the Shares. For some Scheme Shareholders, given the current state of the economy and the uncertainty on the timing of a recovery, they may find the Proposal particularly timely and attractive.

For the Company

During the Relevant Period, the Shares have been trading at (i) a discount from approximately 23.94% to 55.67% to the Unaudited NAV per Share as at 30 June 2023 (calculated by the lowest and the highest closing price of the Shares over the Unaudited NAV per Share of approximately HK\$2.31); and (ii) a discount from approximately 1.84% to 42.79% to the Unaudited NTA per Share as at 30 June 2023 (calculated by the lowest and the highest closing price of the Shares over the Unaudited NTA per Share of approximately HK\$1.79).

Considering the relative underperformance in the trading price of the Shares, as well as the low liquidity as mentioned above and a high compliance cost for maintaining listing status (including regulatory compliance, disclosure and publication of financial statements), the Company's current listing platform lost its primary function of supporting the Group as a source of funding sufficiently for its long-term growth, and the cost and expenses outweigh the benefit from maintaining the listing status of the Company.

Following the implementation of the Proposal, the Company is expected to substantially reduce the administrative costs and management resources to be committed in maintaining its listing status and compliance with regulatory requirements.

INTENTION OF THE OFFEROR IN RESPECT OF THE GROUP

The Offeror intends to continue the existing business of the Group, which principally comprises of pharmaceutical businesses. The Offeror does not have any plan to make any material change to the existing principal businesses of the Group, including any major redeployment of the fixed assets of the Group or the continued employment of the employees of the Group (other than in the ordinary course of business). The Offeror does not have any plan to list the Shares in any stock exchange following withdrawal of the listing of the Shares on the Stock Exchange.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by First Lucky Star Trust, the settlor of which is Mr. Wu Zhen Tao, and the beneficiaries include Mr. Wu Zhen Tao and his family members. The Offeror is an investment holding company. The directors of the Offeror are Mr. Siu Ka Chi Eric and Mr. Patrick Sung.

Mr. Wu Zhen Tao is a non-executive Director and chairman of the Company. He is also the founder and the executive chairman of Cathay International Holdings Limited, which indirectly wholly owns the entire equity interest of the Offeror, which in turn is interested in 217,281,593 Shares, representing approximately 51.81% of the total issued Shares as at the date of this joint announcement. The Cathay Group (comprising Cathay International Holdings Limited and its subsidiaries) has over 20 years' history of business and investment focused on the PRC. Mr. Wu Zhen Tao was born and educated in Beijing, he was graduated from the Beijing University of Technology in 1982 and he also hold a degree in Business Administration. Mr. Wu Zhen Tao acted as a senior executive in government scientific institutes in the PRC from 1982 to 1985 and as managing director of two newly established state-owned financial institutions in the PRC from 1986 to 1989. Since 1988, Mr. Wu Zhen Tao has, through companies, invested in and developed the Landmark Hotel (now called Crowne Plaza Hotel & Suites Landmark Shenzhen) in Shenzhen and established the Cathay International Water Limited group of companies, which made substantial investments in public utilities and infrastructure in the PRC, strategic shareholders of which included JP Morgan, Singapore Technologies, UBS, Banco Santander and Nomura JAFCO, and it was once the largest foreign investor in water and waste water treatment projects in the PRC with net assets of over US\$1 billion.

INFORMATION ON THE COMPANY

The Company is an exempted limited liability company incorporated in the Cayman Islands and has been listed on the Main Board of the Stock Exchange since 7 May 2010. The Group is principally engaged in the pharmaceutical businesses in the PRC.

Set out below is the financial information of the Group for the two years ended 31 December 2022 and the 6 months ended 30 June 2023, and as at 31 December 2021 and 2022 and 30 June 2023, as extracted from the annual report of the Company for the year ended 31 December 2022 and the interim report of the Company for the six months ended 30 June 2023:

	For the year ended 31 December		For the six month ended
	2021	2022	2023
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	54,180	65,558	31,386
Gross profit	34,409	44,295	20,540
Net profit before taxation	2,404	9,915	6,736
Profit attributable to owners of the Company	903	8,597	5,612

	As at 31 December		As at
	2021	2022	30 June
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>2023</i>
			<i>US\$ '000</i>
Net assets	116,601	121,950	123,640

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares cancelled and extinguished will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

A detailed expected timetable for the implementation of the Proposal (including but not limited to the dates of the Court Meeting and the General Meeting, the last day for dealing in the Shares, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange) will be included in the Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor the Offeror Concert Parties (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

OVERSEAS SHAREHOLDERS

The making of the Proposal to, and the acceptance of the Proposal by, the Scheme Shareholders who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions in which such Scheme Shareholders are located. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from the Scheme Shareholders in such jurisdiction.

Any acceptance by such Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Yu Ming, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders.

TAXATION ADVICE

Holders of Scheme Shares are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Company, Yu Ming, the Independent Financial Adviser or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, a board which receives an offer must, in the interests of shareholders, establish an independent committee of the board to make a recommendation as to whether the offer is, or is not, fair and reasonable and as to acceptance or voting, and the members of the independent board committee should comprise all non-executive directors who have no direct or indirect interest in the offer.

The Board currently has two non-executive Directors and four independent non-executive Directors. Mr. Wu Zhen Tao, who is a non-executive Director and the ultimate beneficial owner of the Offeror, is not considered to be independent for the purpose of making a recommendation to the Disinterested Scheme Shareholders, and is therefore not included as members of the Independent Board Committee. Dr. Zhu Xun, who is an independent non-executive Director and holder of 140,836 Shares (representing approximately 0.1% of the Scheme Shares) as at the date of this joint announcement, is also a Disinterested Scheme Shareholder under the Scheme and is considered to be independent for the purpose of making a recommendation to the Disinterested Scheme Shareholders.

As such, the Independent Board Committee, comprising Ms. Liu Xuezi, a non-executive Director, and all four independent non-executive Directors, namely, Mr. Chan Kee Huen, Michael, Mr. Yeung Tak Bun, Allen, Ms. Chan Ching Har, Eliza and Dr. Zhu Xun has been established to advise the Disinterested Scheme Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable, and whether to vote in favour of the Proposal and the Scheme at the Court Meeting and the implementation of the Proposal at the General Meeting.

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Scheme Shareholders on the Proposal and the Scheme and as to voting, and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser as to whether the Proposal and the Scheme are or are not fair and reasonable, and as to voting by the Scheme Shareholders at the Court Meeting and the General Meeting, will be set out in the Scheme Document.

SCHEME DOCUMENT

The Scheme Document including, among other things, further details of the Proposal and the Scheme, an explanatory statement as required under the rules of the Grand Court, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the General Meeting will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Listing Rules, the rules of the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting.

DISCLOSURE OF DEALINGS

Associates (as defined in the Takeovers Code) of the Offeror and the Company are reminded to disclose their dealings in the Shares under Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in any relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

As at the date of this joint announcement:

- (i) other than the Scheme Consideration for each Scheme Share cancelled and extinguished payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares;
- (ii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and the Offeror Concert Parties on one hand and the Scheme Shareholders and persons acting in concert with them on the other hand; and
- (iii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii) the Company, its subsidiaries or associated companies.

PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This joint announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this joint announcement include statements about the expected effects on the Company of the Proposal, the expected timing and scope of the Proposal, and all other statements in this joint announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which

the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or the Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or the Group operate and regional or general changes in asset valuations and disruptions or reductions in operations due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases such as the novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the date of this joint announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 11 September 2023, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 18 September 2023.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and Conditions of the Proposal, including details of how to vote on the Proposal. Any approval or rejection of the Proposal should be made only on the basis of information in the Scheme Document.

DEFINITIONS

“acting in concert”	has the meaning ascribed to it in the Takeovers Code, and “persons acting in concert” and “concert parties” shall be construed accordingly;
“Audited NAV”	the audited consolidated net asset value attributable to owners of the Company of approximately US\$121,950,000 (equivalent to approximately HK\$956,088,000) as at 31 December 2022;
“Audited NAV per Share”	the Audited NAV divided by 419,328,434 Shares in issue as at the Last Trading Date;

“Audited NTA”	the audited consolidated net tangible asset attributable to owners of the Company of approximately US\$93,913,000 (equivalent to approximately HK\$736,278,000) as at 31 December 2022 which is calculated by deducting the intangible assets and goodwill of the Company from the Audited NAV;
“Audited NTA per Share”	the Audited NTA divided by 419,328,434 Shares in issue as at the Last Trading Date;
“Board”	the board of Directors;
“Cathay Group”	Cathay International Holdings Limited and its subsidiaries;
“Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands, as revised from time to time;
“Company”	Lansen Pharmaceutical Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 503);
“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “Conditions of the Proposal” in this joint announcement;
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme will be voted upon;
“Director(s)”	the director(s) of the Company;
“Disinterested Scheme Shareholder(s)”	the Shareholder(s) other than the Offeror and the Offeror Concert Parties;
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms and the Companies Act;
“Executive”	the Executive Director of the Corporate Finance Division of SFC or any delegate of the Executive Director;
“General Meeting”	an extraordinary general meeting of the Company to be held immediately after the conclusion or adjournment of the Court Meeting convened on the same day and place for the Shareholders to consider and, if thought fit, approve, among others, all necessary resolution(s) for, among other things, the implementation of the Scheme;

“Grand Court”	the Grand Court of the Cayman Islands;
“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;
“Independent Board Committee”	an independent board committee of the Directors comprising Ms. Liu Xuezi, a non-executive Director and Mr. Chan Kee Huen, Michael, Mr. Yeung Tak Bun, Allen, Ms. Chan Ching Har, Eliza and Dr. Zhu Xun, all being the independent non-executive Directors;
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in relation to the Proposal and the Scheme;
“Last Trading Date”	7 September 2023, being the last day on which the Shares were traded on the Stock Exchange prior to the publication of this joint announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Long Stop Date”	means 30 April 2024, or such other date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive;
“Offeror”	Cathay International Pharma Manufacture And Distribution (China) Limited, a company incorporated in the British Virgin Islands with limited liability;
“Offeror Concert Party(ies)”	persons acting, or presumed to be acting, in concert with the Offeror (including but not limited to the Offeror Concert Party Not Subject to the Scheme and Offeror Concert Party Subject to the Scheme);
“Offeror Concert Party Not Subject to the Scheme”	Cosmos Skyland Limited, which is a party acting in concert with the Offeror but not subject to the Scheme;
“Offeror Concert Party Subject to the Scheme”	Mr. Patrick Sung, who is a party acting in concert with the Offeror but subject to the Scheme;

“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding the Macao Special Administrative Region of the PRC, Hong Kong and Taiwan);
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of listing of the Shares from the Stock Exchange;
“Relevant Period”	the 12 months period immediately prior to and including the Last Trading Date;
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal;
“Scheme Consideration”	the scheme consideration of HK\$1.80 per Scheme Share cancelled and extinguished, payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme;
“Scheme Document”	the scheme document of the Offeror and the Company containing, among other things, further details of the Proposal and the Scheme together with the additional information specified in the section headed “Scheme Document” in this joint announcement;
“Scheme Record Date”	the record date to be announced for determining the entitlements of the Scheme Shareholders to the Scheme Consideration under the Scheme;
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares as the Scheme Record Date;
“Scheme Share(s)”	the Share(s) in issue on the Scheme Record Date other than those held by the Offeror or the Offeror Concert Party Not Subject to the Scheme;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holders of the Share(s);
“Share(s)”	the ordinary share(s) with nominal value of US\$0.01 each of the Company;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;

“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities;
“Unaudited NAV”	the unaudited net asset value attributable to owners of the Company of approximately US\$123,640,000 (equivalent to approximately HK\$969,338,000) as at 30 June 2023;
“Unaudited NAV per Share”	the Unaudited NAV divided by 419,328,434 Shares in issue as at the Last Trading Date;
“Unaudited NTA”	the unaudited net tangible asset attributable to owners of the Company of approximately US\$95,739,000 (equivalent to approximately HK\$750,594,000) as at 30 June 2023, which is calculated by deducting the intangible assets and goodwill of the Company from the Unaudited NAV;
“Unaudited NTA per Share”	the Unaudited NTA divided by 419,328,434 Shares in issue as at the Last Trading Date;
“United States” or “US”	United States of America;
“US\$”	United States dollar, the lawful currency of the United States;
“Yu Ming”	Yu Ming Investment Management Limited, a corporation licenced under the SFC and permitted to carry out types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Proposal; and
“%”	per cent.

Exchange rate used for the purpose of this joint announcement is 1 US dollar equals to 7.84 Hong Kong dollars.

By order of the Board
**Cathay International Pharma Manufacture And
Distribution (China) Limited**
Siu Ka Chi Eric
Director

By order of the Board
Lansen Pharmaceutical Holdings Limited

Chen Li
Executive Director

Hong Kong, 15 September 2023

As at the date of this joint announcement, the Board comprises Mr. Chen Li being the executive managing Director, Mr. Wu Zhen Tao and Ms. Liu Xuezi being the non-executive Directors, and Mr. Chan Kee Huen, Michael, Mr. Yeung Tak Bun, Allen, Ms. Chan Ching Har, Eliza and Dr. Zhu Xun being the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of the Offeror and Mr. Wu Zhen Tao in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. Siu Ka Chi Eric and Mr. Patrick Sung. The ultimate beneficial owner of the Offeror is First Lucky Star Trust, the settlor of which is Mr. Wu Zhen Tao, and the beneficiaries include Mr. Wu Zhen Tao and his family members.

The directors of the Offeror and Mr. Wu Zhen Tao jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.