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**BBI LIFE SCIENCES CORPORATION**

**BBI生命科學有限公司**

**LJ FUTURE LTD.**  
*(incorporated in the British Virgin Islands with limited liability)*

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1035)**

**JOINT ANNOUNCEMENT**

**(1) PROPOSED PRIVATISATION OF  
BBI LIFE SCIENCES CORPORATION BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES LAW)**

**(2) PROPOSED WITHDRAWAL OF LISTING**

**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

**(4) IRREVOCABLE UNDERTAKINGS BY THE IU SHAREHOLDERS TO  
APPROVE THE PROPOSAL**

**AND**

**(5) RESUMPTION OF TRADING IN SHARES**

**Financial Adviser to the Offeror**



**INTRODUCTION**

The Offeror and the Company jointly announce that on 14 January 2020 (after trading hours), the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law. Upon completion of the Scheme and the share transfers pursuant to the SPA, the Company will become a wholly-owned subsidiary of the Offeror and the listing of the Shares will be withdrawn from the Stock Exchange.

## **TERMS OF THE PROPOSAL**

The Proposal will be implemented by way of the Scheme and the Option Offer. The Scheme will provide that, if it becomes effective, the Scheme Shares will be cancelled and extinguished in exchange for the Cancellation Price of HK\$3.50 in cash for every Scheme Share.

Upon the Scheme becoming effective, 242,657,399 Shares in issue, representing approximately 43.87% of the issued share capital of the Company, will be cancelled and extinguished, and the same number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished will be issued at par, credited as fully paid, to the Offeror.

**The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.**

The Cancellation Price represents:

- a premium of approximately 16.28% over the closing price of HK\$3.01 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 31.43% over the average closing price of approximately HK\$2.66 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 42.45% over the average closing price of approximately HK\$2.46 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 46.10% over the average closing price of approximately HK\$2.40 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 47.92% over the average closing price of approximately HK\$2.37 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 55.65% over the average closing price of approximately HK\$2.25 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 56.68% over the average closing price of approximately HK\$2.23 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;

- a premium of approximately 120.57% over the audited consolidated net asset value per Share of approximately RMB1.41 (based on RMB to HK\$ exchange rate of RMB0.8869 to HK\$1, being the exchange rate as quoted by the People's Bank of China on the Last Trading Day) as at 31 December 2018; and
- a premium of approximately 111.58% over the unaudited consolidated net asset value per Share of approximately RMB1.47 (based on RMB to HK\$ exchange rate of RMB0.8869 to HK\$1, being the exchange rate as quoted by the People's Bank of China on the Last Trading Day) as at 30 June 2019.

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of all the Conditions as described in the section headed "Conditions of the Proposal and the Scheme" below. All of the Conditions must be fulfilled or waived (as applicable) on or before the Long Stop Date, failing which the Proposal will not proceed and the Scheme will lapse.

As at the Announcement Date, there were 8,966,000 outstanding Options granted under the Share Option Scheme, each relating to one Share, of which a total of 2,793,400 Options were exercisable as at the Announcement Date.

The full exercise of all outstanding Options granted under the Share Option Scheme would result in the issue of 8,966,000 new Shares, representing approximately 1.62% of the issued share capital of the Company as at the Announcement Date and approximately 1.60% of the issued share capital of the Company as enlarged by the issue of such new Shares.

To the extent that the outstanding Options have not otherwise lapsed, been cancelled or exercised, the Offeror will make (or procure to be made on its behalf) the Option Offer to the Optionholders to cancel every vested and unvested outstanding Option (regardless of whether they are exercisable on, before or after the Record Date) in accordance with Rule 13 of the Takeovers Code, subject to the Scheme becoming effective.

An Optionholder may, therefore, (i) exercise the outstanding (and exercisable) Options on or before the Record Date, and any Shares allotted and issued pursuant to which will be subject to and be entitled to participate in the Scheme; (ii) accept the Option Offer and receive the "see-through" price (being the Cancellation Price minus the relevant exercise price of those outstanding Options); or (iii) take no action, and the outstanding Options will lapse after the expiry of the exercise period notified to him by the Company.

The Company does not intend to grant any further Options between the Announcement Date and the Effective Date.

## **IRREVOCABLE UNDERTAKINGS**

The Offeror received the Irrevocable Undertakings from the IU Shareholders (being Grandeur Peak, QVP II, QVP II-C and QMDF), pursuant to which each IU Shareholder has undertaken to, among other things, exercise (or procure the exercise of) all voting rights attached to the relevant IU Shares held or owned by it at the Court Meeting and the EGM in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal (where applicable). The 76,599,176 IU Shares held in aggregate by the IU Shareholders, which are the subject of the Irrevocable Undertakings, represented approximately 13.85% of the issued share capital of the Company as at the Announcement Date.

The Irrevocable Undertakings, each being a binding irrevocable undertaking, will terminate and the obligations of the relevant IU Shareholders thereunder will cease to be binding if (i) the Offeror announces, with the consent of the Executive and before the Scheme Document is posted, that it does not intend to proceed with the Scheme or (ii) the Scheme does not become effective by 1 June 2020 (or such later date as the Grand Court may direct and as may be permitted under the Takeovers Code), lapses or is withdrawn in accordance with its terms and no new, revised or replacement Scheme is announced by the Offeror and/or the Company at the same time.

## **SHAREHOLDING STRUCTURE OF THE COMPANY AND THE SCHEME SHARES**

As at the Announcement Date:

- (1) the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Shares, and the Company had 553,086,823 Shares in issue;
- (2) the Scheme Shares, comprising 242,657,399 Shares, represented approximately 43.87% of the issued share capital of the Company;
- (3) the Offeror did not hold any Shares; and
- (4) the Offeror Concert Parties held in aggregate 310,629,424 Shares, representing approximately 56.16% of the issued share capital of the Company. The Shares held by LJ Peace, LJ Venture and LJ Hope will not form part of the Scheme Share, but the Shares held by Mr. Wang Qisong will form part of the Scheme Shares. None of the Offeror Concert Parties will vote on the Scheme at the Court Meeting.

## **FINANCIAL RESOURCES**

On the assumption that:

- (1) (i) no outstanding Options are exercised, cancelled or have lapsed and (ii) no further Shares are issued, on or before the Record Date, the amount of cash required to implement the Proposal (taking into account the Option Offer) is approximately HK\$854.70 million; and
- (2) (i) all outstanding Options which were exercisable as at the Record Date are fully exercised and none of such remaining Options are cancelled or have lapsed, and (ii) no further Shares are issued, on or before the Record Date, the amount of cash required to implement the Proposal (taking into account the Option Offer) is approximately HK\$880.68 million.

The maximum cash consideration payable for the Proposal (including the Option Offer) is therefore approximately HK\$880.68 million. The Offeror intends to finance the entire cash amount required to implement the Proposal from a loan facility provided by China Merchants Bank Co., Ltd., Shanghai Branch.

Haitong International, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal (including the Option Offer) in accordance with its terms.

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, which comprises all non-executive Directors who are not interested in the Proposal, namely, Mr. Zhou Mi, Mr. Xia Lijun, Mr. Ho Kenneth Kai Chung and Mr. Liu Jianjun, has been established by the Board to make a recommendation to (i) the Independent Shareholders as to whether the terms of the Proposal are, or are not, fair and reasonable and as to voting and (ii) the Optionholders as to its views on acceptance of the Option Offer. Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal.

Mr. Wang Qisong, Ms. Wang Luojia and Ms. Wang Jin, each being an Offeror Concert Party, have a material interest in the Proposal and have therefore abstained and will continue to abstain from voting on the relevant resolution(s) of the Board.

## **FINANCIAL ADVISER TO THE OFFEROR**

The Offeror has appointed Haitong International as its financial adviser in connection with the Proposal.

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser.

### **DESPATCH OF THE SCHEME DOCUMENT**

The Scheme Document containing, among other things, further details of the Proposal, the expected timetable, an explanatory statement as required under the Companies Law and the rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer, the letter of advice from the independent financial adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM, together with the forms of proxy in relation thereto, will be despatched to the Shareholders and the Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Law, the orders of the Grand Court and other applicable laws and regulations.

### **WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

### **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (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.

### **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 15 January 2020 pending the issuance of this 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 21 January 2020.

## **WARNINGS**

**Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer are subject to conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and 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 take should consult their stockbroker, bank manager, solicitor and/or other professional advisers.**

**This 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 acceptance, rejection or other response to the Proposal should be made on the basis of information in the Scheme Document or any other document by which the Proposal is made.**

**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. Further details in relation to overseas shareholders will be contained in the Scheme Document.**

## **INTRODUCTION**

On 14 January 2020 (after trading hours), the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law. Upon completion of the Scheme and the share transfers pursuant to the SPA, the Company will become a wholly-owned subsidiary of the Offeror and the listing of the Shares will be withdrawn from the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.



## TERMS OF THE PROPOSAL

### The Scheme

The Proposal will be implemented by way of the Scheme and the Option Offer. The Scheme will provide that, if it becomes effective, the Scheme Shares will be cancelled and extinguished in exchange for the Cancellation Price of HK\$3.50 in cash for every Scheme Share. Under the Scheme, the total consideration payable for the Scheme Shares will be payable by the Offeror.

**The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.**

The Cancellation Price represents:

- a premium of approximately 16.28% over the closing price of HK\$3.01 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 31.43% over the average closing price of approximately HK\$2.66 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 42.45% over the average closing price of approximately HK\$2.46 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 46.10% over the average closing price of approximately HK\$2.40 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 47.92% over the average closing price of approximately HK\$2.37 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 55.65% over the average closing price of approximately HK\$2.25 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 56.68% over the average closing price of approximately HK\$2.23 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 120.57% over the audited consolidated net asset value per Share of approximately RMB1.41 (based on RMB to HK\$ exchange rate of RMB0.8869 to HK\$1, being the exchange rate as quoted by the People's Bank of China on the Last Trading Day) as at 31 December 2018; and



- a premium of approximately 111.58% over the unaudited consolidated net asset value per Share of approximately RMB1.47 (based on RMB to HK\$ exchange rate of RMB0.8869 to HK\$1, being the exchange rate as quoted by the People's Bank of China on the Last Trading Day) as at 30 June 2019.

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable companies listed on the Stock Exchange, the financial information of the Group including the financial position of the Group as at 30 June 2019 and with reference to other privatisation transactions in Hong Kong in recent years.

During the six-month period preceding the Last Trading Day, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange was HK\$3.01 per Share on 14 January 2020 and HK\$1.68 per Share on 26 August 2019, respectively.

### **The Option Offer**

As at the Announcement Date, there were 8,966,000 outstanding Options granted under the Share Option Scheme, each relating to one Share, of which a total of 2,793,400 Options were exercisable as at the Announcement Date.

The full exercise of all outstanding Options granted under the Share Option Scheme would result in the issue of 8,966,000 new Shares, representing approximately 1.62% of the issued share capital of the Company as at the Announcement Date and approximately 1.60% of the issued share capital of the Company as enlarged by the issue of such new Shares.

To the extent that the outstanding Options have not otherwise lapsed, been cancelled or exercised, the Offeror will make (or procure to be made on its behalf) the Option Offer to the Optionholders to cancel every vested and unvested outstanding Option (regardless of whether they are exercisable on, before or after the Record Date) in accordance with Rule 13 of the Takeovers Code, subject to the Scheme becoming effective.

An Optionholder may, therefore, (i) exercise the outstanding (and exercisable) Options on or before the Record Date, and any Shares allotted and issued pursuant to which will be subject to and be entitled to participate in the Scheme; (ii) accept the Option Offer and receive the "see-through" price (being the Cancellation Price minus the relevant exercise price of those outstanding Options); and (iii) take no action, and the outstanding Options will lapse after the expiry of the exercise period notified to him by the Company.

Under the Option Offer, the Offeror will offer Optionholders the “see-through” price (being the Cancellation Price minus the relevant exercise price) for each outstanding Option held in exchange for the cancellation of every vested and unvested Option.

<b>Option exercise price</b> <i>(HK\$)</i>	<b>“See-through” price</b> <i>(HK\$) <sup>(Note)</sup></i>	<b>Number of outstanding Options as at the Announcement Date</b>
3.23	0.27	5,001,000
2.48	1.02	3,965,000

If any of the outstanding Options is exercised in accordance with the terms of the Share Option Scheme on or before the Record Date, any Shares so issued will be subject to and be eligible to participate in the Scheme. The Option Offer will be extended to all outstanding Options in issue on the date on which the Option Offer is made. The Company does not intend to grant any further Options between the Announcement Date and the Effective Date.

Further information on the Option Offer will be set out in a letter to the Optionholders, which will be despatched at or around the same time as the despatch of the Scheme Document.

## **CONDITIONS OF THE PROPOSAL**

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

- (1) the approval of the Scheme (by way of poll) by a majority in number of the Independent Shareholders representing not less than 75% in value of the Shares held by the Independent Shareholders present and voting, either in person or by proxy, at the Court Meeting, provided that:
  - (a) the Scheme is approved (by way of poll) by the Independent Shareholders holding at least 75% of the votes attaching to the Shares held by the Independent Shareholders that are voted, either in person or by proxy, at the Court Meeting; and
  - (b) the number of votes cast (by way of poll) by the Independent Shareholders present and voting, either in person or by proxy, at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Shares held by all Independent Shareholders;

- (2) (a) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting, either in person or by proxy, at the EGM to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares;
  - (b) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting, either in person or by proxy, at the EGM to approve the withdrawal of the listing of the Shares on the Stock Exchange upon the Scheme becoming effective; and
  - (c) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting, either in person or by proxy, at the EGM to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (3) the sanction of the Scheme (with or without modification) and the confirmation of the reduction of the issued share capital of the Company by the Grand Court and the delivery of a copy of the order of the Grand Court to the Registrar of Companies in the Cayman Islands for registration;
- (4) to the extent necessary, the compliance with the procedural requirements of sections 15 and 16 of the Companies Law in relation to the reduction of the issued share capital of the Company;
- (5) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals (if any) in connection with the Proposal or the Scheme having been obtained from, given by or made with (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong and any other relevant jurisdiction;
- (6) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal or the Scheme remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authority which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each case up to and at the time when the Scheme becomes effective;
- (7) 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, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its

implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme 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; and

- (8) each member of the Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets or undertakings of any member of the Group up to and at the time when the Scheme becomes effective, in each case which is material and adverse in the context of the Group taken as a whole.

With reference to the conditions referred to in paragraphs (5) and (6) above, save as disclosed, the Company and the Offeror were not aware of and do not reasonably foresee any such authorisation, registration, filing, rulings, consent, opinion, permission and approval as at the Announcement Date. The Offeror reserves the right to waive conditions (5) through (8) either in whole or in part, either generally or in respect of any particular matter. Conditions (1) through (4) 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. 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.

When the Conditions are fulfilled or waived, as applicable, the Scheme will become effective and binding on the Offeror, the Offeror Concert Parties, the Company and all the Scheme Shareholders (irrespective of whether or not they attended or voted at the Court Meeting or the EGM). Implementation of the Option Offer will be conditional upon the Scheme becoming effective only.

According to the Takeovers Code, the Scheme Document should be posted within 21 days of the Announcement Date but the Executive can be consulted if an extended period for the despatch of the Scheme Document is required to accommodate the timetable of the Grand Court. The Company intends to consult the Executive in relation to such an extension. As at the Announcement Date, the Company had received no indication as to what directions the Grand Court may make with respect to the Proposal and convening the Court Meeting. The EGM required in relation to the capital reduction will be convened in accordance with the memorandum and articles of association of the Company. Further announcement(s) will be issued by the Company to update the Shareholders and the Optionholders as and when necessary once directions have been made by the Grand Court.

## **WARNINGS**

**Shareholders and potential investors should be aware that the implementation of the Proposal is subject to conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented. Shareholders and 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 take should consult their stockbroker, bank manager, solicitor and/or other professional advisers.**

## **IRREVOCABLE UNDERTAKINGS**

The Offeror received the Irrevocable Undertakings from the IU Shareholders (being Grandeur Peak, QVP II, QVP II-C and QMDF), pursuant to which each IU Shareholder has undertaken to, among other things, exercise (or procure the exercise of) all voting rights attached to the relevant IU Shares held or owned by it at the Court Meeting and the EGM in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal (where applicable). The 76,599,176 IU Shares held in aggregate by the IU Shareholders, which are the subject of the Irrevocable Undertakings, represented approximately 13.85% of the total issued share capital of the Company as at the Announcement Date. Further, each IU Shareholder has undertaken not to deal in the relevant IU Shares (including, without limitation, not to (i) sell, transfer or otherwise dispose of the IU Shares held or owned by it or (ii) enter into any arrangement which would or might impede giving effect to the Scheme or the undertaking given by it under the relevant Irrevocable Undertaking (as the case may be)).

The Irrevocable Undertakings, each being a binding irrevocable undertaking, will terminate and the above obligations of the relevant IU Shareholders thereunder will cease to be binding if (i) the Offeror announces, with the consent of the Executive and before the Scheme Document is posted, that it does not intend to proceed with the Scheme or (ii) the Scheme does not become effective by 1 June 2020 (or such later date as the Grand Court may direct and as may be permitted under the Takeovers Code), lapses or is withdrawn in accordance with its terms and no new, revised or replacement Scheme is announced by the Offeror and/or the Company at the same time.

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Announcement Date:

- (1) the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Shares, and the Company had 553,086,823 Shares in issue;
- (2) the Scheme Shares, comprising 242,657,399 Shares, represented approximately 43.87% of the issued share capital of the Company;
- (3) the Offeror did not hold any Shares; and

- (4) the Offeror Concert Parties held in aggregate 310,629,424 Shares, representing approximately 56.16% of the issued share capital of the Company. Shares held by LJ Peace, LJ Venture and LJ Hope will not form part of the Scheme Shares, but the Shares held by Mr. Wang Qisong will form part of the Scheme Shares. None of the Offeror Concert Parties will vote on the Scheme at the Court Meeting.

On the assumption that no outstanding Options are exercised on or before the Record Date and there is no change in shareholding of the Company before the Effective Date, the table below sets out the shareholding structure of the Company as at the Announcement Date and the Effective Date:

Shareholders	As at the Announcement Date		As at the Effective Date	
	Number of Shares	Approximate % <sup>(Note 2)</sup>	Number of Shares <sup>(Note 3)</sup>	Approximate % <sup>(Note 2)</sup>
Offeror	–	–	242,657,399	43.87
Offeror Concert Parties <sup>(Note 1)</sup>				
<i>LJ Peace</i> <sup>(Notes 4, 5)</sup>	184,156,346	33.30	184,156,346	33.30
<i>LJ Venture</i> <sup>(Notes 4, 5)</sup>	118,049,745	21.34	118,049,745	21.34
<i>LJ Hope</i> <sup>(Note 6)</sup>	8,223,333	1.49	8,223,333	1.49
<i>Mr. Wang Qisong</i> <sup>(Note 1)</sup>	200,000	0.04	–	–
Aggregate number of Shares held by the Offeror and the Offeror Concert Parties	310,629,424	56.16	553,086,823	100
IU Shareholders				
<i>Grandeur Peak</i>	55,628,500	10.06	–	–
<i>QVP II</i>	19,022,628	3.44	–	–
<i>QVP II-C</i>	1,671,011	0.30	–	–
<i>QMDF</i>	277,037	0.05	–	–
Aggregate number of Shares held by the IU Shareholders	76,599,176	13.85	–	–
Other Independent Shareholders	165,858,223	29.99	–	–
Total number of Scheme Shares	242,657,399	43.87	–	–
Total number of Shares	553,086,823	100.00	553,086,823	100

Notes:

- Shares in which LJ Peace, LJ Venture and LJ Hope are interested will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective. Shares in which Mr. Wang Qisong is interested will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. Pursuant to the terms of the SPA, subject to the fulfilment of all the conditions referred to in paragraphs (1) and (2) under the section headed “Conditions of the Proposal” above, the Shares held by LJ Peace, LJ Venture and LJ Hope will be transferred to the Offeror. Please refer to the paragraph headed “The SPA” in this section for further details.
- All percentages are approximations.

3. Under the Scheme, part of the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. On the assumption that (i) no outstanding Options are exercised on or before the Record Date and (ii) there is no change in shareholding of the Company before the Effective Date, upon such reduction, the issued share capital of the Company will be increased to its former amount prior to the cancellation and extinguishment of the Scheme Shares by the issue at par to the Offeror, credited as fully paid, of the same number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued to the Offeror.
4. Wang J Family Trust is an irrevocable trust constituted under the laws of the Province of Ontario, Canada, with Ms. Wang Luojia (an executive Director and a director of the Offeror) as the trustee, and Ms. Wang Jin (an executive Director and a director of the Offeror) and her children as the beneficiaries. Wang J Family Trust owns 51.15% of the total issued share capital of LJ Peace and 50% of the total issued share capital of LJ Venture. Mr. Wang Qisong, Ms. Wang Luojia and Ms. Wang Jin are family members. Mr. Wang Qisong is the father of Ms. Wang Luojia and Ms. Wang Jin, who are sisters. LJ Peace and LJ Venture are therefore presumed to be acting in concert with the Offeror.
5. Wang L Family Trust is an irrevocable trust constituted under the laws of the Province of Ontario, Canada, with Ms. Wang Jin (an executive Director and a director of the Offeror) as the trustee, and Ms. Wang Luojia (an executive Director and a director of the Offeror) and her child as the beneficiaries. Wang L Family Trust owns 48.85% of the total issued share capital of LJ Peace and 50% of the total issued share capital of LJ Venture. Mr. Wang Qisong, Ms. Wang Luojia and Ms. Wang Jin are family members. Mr. Wang Qisong is the father of Ms. Wang Luojia and Ms. Wang Jin, who are sisters. LJ Peace and LJ Venture are therefore presumed to be acting in concert with the Offeror.
6. LJ Hope is a company incorporated under the laws of Canada with limited liability and wholly-owned by Ms. Wang Luojia, an executive Director and a director of the Offeror. LJ Hope is therefore presumed to be acting in concert with the Offeror.

## **Options**

As at the Announcement Date, there were 8,966,000 outstanding Options granted under the Share Option Scheme, each relating to one Share, of which a total of 2,793,400 Options were exercisable as at the Announcement Date. As at the Announcement Date, other than such outstanding Options, there were no options, derivatives, warrants or other securities convertible or exchangeable into Shares issued by the Company.

The full exercise of all outstanding Options granted under the Share Option Scheme would result in the issue of 8,966,000 new Shares, representing approximately 1.62% of the issued share capital of the Company as at the Announcement Date and approximately 1.60% of the issued share capital of the Company as enlarged by the issue of such new Shares. Any Shares which are registered in the name of the relevant Optionholder (or its nominee) on or before the Record Date as a result of the exercise of such outstanding Options will be subject to and eligible to participate in the Scheme and form part of the Scheme Shares.



To the extent that the outstanding Options have not otherwise lapsed, been cancelled or exercised, the Offeror will make (or procure to be made on its behalf) the Option Offer to the Optionholders to cancel every vested and unvested outstanding Option (regardless of whether they are exercisable on, before or after the Record Date) in accordance with Rule 13 of the Takeovers Code, subject to the Scheme becoming effective.

Further information on the Option Offer will be set out in a letter to the Optionholders which will be despatched at or around the same time as the despatch of the Scheme Document.

### **The SPA**

On 20 January 2020, the Offeror (as purchaser), LJ Peace, LJ Venture and LJ Hope (each as seller) entered into the SPA pursuant to which all the Shares held by LJ Peace, LJ Venture and LJ Hope will be transferred to the Offeror in return for the issuance and allotment of new shares of the Offeror to the HoldCo which, in turn, will issue and allot new shares to Ms. Wang Luojia, Ms. Wang Jin, Mr. Benjamin and Ms. Claire Si-Jia Lu in proportion to their respective existing shareholding interests in the HoldCo, subject to the fulfilment of all the conditions referred to in paragraphs (1) and (2) under the section headed “Conditions of the Proposal” above. Transfers of such Shares are expected to take place after the Effective Date.

### **TOTAL CONSIDERATION AND FINANCIAL RESOURCES**

On the basis of a Cancellation Price of HK\$3.50 per Scheme Share and 553,086,823 Shares in issue as at the Announcement Date, the entire issued share capital of the Company is valued at HK\$1.94 billion. On the assumption that:

- (1) (i) no outstanding Options are exercised, cancelled or have lapsed and (ii) no further Shares are issued, on or before the Record Date, the amount of cash required to implement the Proposal (taking into account the Option Offer) is approximately HK\$854.70 million; and
- (2) (i) all outstanding Options which were exercisable as at the Record Date are fully exercised and none of such remaining Options are cancelled or have lapsed, and (ii) no further Shares are issued, on or before the Record Date, the amount of cash required to implement the Proposal (taking into account the Option Offer) is approximately HK\$880.68 million.

The maximum cash consideration payable for the Proposal (including the Option Offer) is therefore approximately HK\$880.68 million. The Offeror intends to finance the entire cash amount required to implement the Proposal from a loan facility provided by China Merchants Bank Co., Ltd., Shanghai Branch.

Haitong International, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal (including the Option Offer) in accordance with its terms.

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

### **Facilitate long-term growth**

Implementation of the Proposal will permit the Offeror and the Company to make strategic decisions focused on long-term growth and benefits, free from regulatory constraints, the pressure of market expectations and share price fluctuations which arise from being a publicly listed company. The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group's business.

### **Low liquidity of Shares**

The liquidity of Shares has been at a relatively low level over a prolonged period of time, with an average daily trading volume of 639,205 Shares for the 24 months up to and including the Last Trading Day, representing less than 0.12% of the total issued Shares as at the Last Trading Day. Low trading liquidity of Shares renders it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. Further, the Directors (excluding members of the Independent Board Committee whose views will be given after taking into account the advice of the independent financial adviser) believe that such low liquidity hinders the Company's ability to raise funds from the public equity market, which no longer serves as a viable source of funding for developing the Group's business.

### **Attractive opportunity to realise investments**

The Proposal is intended to provide the Scheme Shareholders and the Optionholders with an attractive opportunity to realise their investments in the Company for cash at a premium. The Cancellation Price represents a premium of approximately (i) 16.28% over the closing price of the Shares on the Last Trading Day; (ii) 31.43% over the average closing price of the Shares for the 10 trading days up to and including the Last Trading Day; (iii) 42.45% over the average closing price of the Shares for the 30 trading days up to and including the Last Trading Day; (iv) 46.10% over the average closing price of the Shares for the 60 trading days up to and including the Last Trading Day; (v) 55.65% over the average closing price of the Shares for the 120 trading days up to and including the Last Trading Day; (vi) 120.57% over the audited consolidated net asset value per Share as at 31 December 2018; and (vii) 111.58% over the unaudited consolidated net asset value per Share as at 30 June 2019.

## **INFORMATION ON THE GROUP AND THE OFFEROR**

### **The Group**

The Company was incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange with the stock code 1035. The Group is principally engaged in the provision of DNA synthesis products, genetic engineering services, life sciences research consumables and protein and antibody related products and services.

### **The Offeror, the HoldCo and the Offeror Concert Parties**

The Offeror is an investment holding company incorporated in the BVI with limited liability and a wholly-owned subsidiary of HoldCo.

HoldCo is an investment holding company incorporated in the BVI with limited liability which is held as to approximately 25.32%, 41.13%, 25.32% and 8.23% by Ms. Wang LuoJia (an executive Director), Ms. Wang Jin (an executive Director), Mr. Benjamin Mai (son of Ms. Wang LuoJia) and Ms. Claire Si-Jia Lu (daughter of Ms. Wang Jin), respectively. Ms. Wang LuoJia and Ms. Wang Jin are sisters. The ultimate shareholdings of the Offeror are held by the families of Ms. Wang LuoJia and Ms. Wang Jin and are structured to reflect their respective current interests in the Company through LJ Hope, LJ Peace and LJ Venture.

LJ Hope is an investment holding company incorporated in Ontario, Canada with limited liability and held as to 100% by Ms. Wang LuoJia. LJ Peace is an investment holding company incorporated in Canada with limited liability and held as to 51.15% and 48.85% by Wang J Family Trust and Wang L Family Trust respectively. LJ Venture is an investment holding company incorporated in Canada with limited liability and held as to 50% and 50% by Wang J Family Trust and Wang L Family Trust, respectively. Wang J Family Trust is an irrevocable trust constituted under the laws of the Province of Ontario, Canada, with Ms. Wang LuoJia as the trustee, and Ms. Wang Jin and her children as the beneficiaries. Wang L Family Trust is an irrevocable trust constituted under the laws of the Province of Ontario, Canada, with Ms. Wang Jin as the trustee, and Ms. Wang LuoJia and her son as the beneficiaries.

## **WITHDRAWAL OF THE LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document which will also contain, among other things, further details of the Scheme.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (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.

If the Independent Board Committee or the independent financial adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

## **OVERSEAS SHAREHOLDERS**

The making of the Proposal to Scheme Shareholders and the Option Offer to Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and Optionholders are located. Such Scheme Shareholders and Optionholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders wishing to take an 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, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes in such jurisdiction. Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers 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 despatch of the Scheme Document to overseas Scheme Shareholders or overseas Optionholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or its Shareholders), the Scheme Document will not be despatched to such overseas Scheme Shareholders or overseas Optionholders.

For that purpose, the Company may apply for any waivers as may be required by the Executive 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 or overseas Optionholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders and overseas Optionholders, as the case may be.

Scheme Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal. It is emphasised that none of the Offeror, the Company and 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.

## **THE SCHEME SHARES, MEETING OF THE SCHEME SHAREHOLDERS AND THE EGM**

As at the Announcement Date, (i) the Offeror did not hold any Shares and (ii) the Offeror Concert Parties held in aggregate 310,629,424 Shares (representing approximately 56.16% of the issued share capital of the Company). The Shares held by LJ Peace, LJ Venture and LJ Hope will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective, but the Shares held by Mr. Wang Qisong will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The Offeror Concert Parties will not vote on the Scheme at the Court Meeting.

All Shareholders will be entitled to attend the EGM and vote on (i) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares; (ii) the ordinary resolution to immediately thereafter increased the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares, and apply the reserve created as a result of the such cancellation and extinguishment to pay up in full at part such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, for issuance to the Offeror; and (iii) the special resolution to approve the withdrawal of the listing of the Shares on the Stock Exchange upon the Scheme becoming effective.

## **THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, which comprises all non-executive Directors who are not interested in the Proposal, namely, Mr. Zhou Mi, Mr. Xia Lijun, Mr. Ho Kenneth Kai Chung and Mr. Liu Jianjun, has been established by the Board to make a recommendation to (i) the Independent Shareholders as to whether the terms of the Proposal are, or are not, fair and reasonable and as to voting and (ii) the Optionholders as to its views on acceptance of the Option Offer. Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal.

Mr. Wang Qisong, Ms. Wang Luoia and Ms. Wang Jin, each being an Offeror Concert Party, have a material interest in the Proposal and have therefore abstained and will continue to abstain from voting on the relevant resolution(s) of the Board.

## **FINANCIAL ADVISER TO THE OFFEROR**

The Offeror has appointed Haitong International as its financial adviser in connection with the Proposal.

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser.

## **DESPATCH OF THE SCHEME DOCUMENT**

The Scheme Document containing, among other things, further details of the Proposal, the expected timetable, an explanatory statement as required under the Companies Law and the rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the letter of advice from the independent financial adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM, together with the forms of proxy in relation thereto, will be despatched to the Shareholders and the Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Law, the orders of the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information, and the Scheme Shareholders and the Optionholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM or accepting the Option Offer (as the case may be). Any voting, acceptance or other response to the Proposal should be made on the basis of information in the Scheme Document or any other document by which the Proposal is made.

## **DISCLOSURE OF DEALINGS**

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) through (e) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code during the offer period.

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 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.”*

None of the Offeror and the Offeror Concert Parties has dealt for value in the Shares during the six-month period preceding the Announcement Date.

## **GENERAL**

The Directors (excluding members of the Independent Board Committee) believe that the terms of the Proposal are fair and reasonable and in the interests of the Shareholders as a whole.

As at the Announcement Date:

- (1) save as disclosed in section headed “Shareholding Structure of the Company” above, none of the Offeror and the Offeror Concert Parties owned, controlled or had direction over any voting rights and rights over Shares;
- (2) save for the Irrevocable Undertakings, none of the Offeror and the Offeror Concert Parties had received an irrevocable commitment to vote for or against the Scheme and/or to accept the Option Offer;
- (3) none of the Offeror and the Offeror Concert Parties held any convertible securities, warrants or options in respect of voting rights and rights over Shares;
- (4) save for the SPA, there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Offeror which might be material to the Proposal, the Scheme and/or the Option Offer;



- (5) save for the conditions disclosed in the section headed “Conditions of the Proposal” above, there was no agreement or arrangement to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal, the Scheme and/or the Option Offer;
- (6) none of the Offeror and the Offeror Concert Parties had entered into any outstanding derivative in respect of securities in the Company;
- (7) none of the Offeror and the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (8) save for the Cancellation Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror and the Offeror Concert Parties to the Scheme Shareholders or their concert parties in relation to the Scheme Shares; and
- (9) save for the Irrevocable Undertakings, there is no agreement, arrangement, understanding or special deal between (i) any Shareholder and (ii)(a) the Offeror and the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies.

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 15 January 2020 pending the issuance of this 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 21 January 2020.

## **DEFINITIONS**

In this Announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code and “concert party” shall be construed accordingly
“Announcement”	this announcement issued jointly by the Offeror and the Company
“Announcement Date”	20 January 2020, being the date of this Announcement
“associate”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“BVI”	British Virgin Islands

“Cancellation Price”	HK\$3.50 in cash per Scheme Share
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	BBI Life Sciences Corporation, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1035)
“Conditions”	the conditions to the implementation of the Proposal as described in the section headed “Conditions of the Proposal” of this Announcement
“Court Meeting”	a meeting of the Independent Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Law
“EGM”	the extraordinary general meeting to be convened by the Company in connection with the Proposal
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate thereof
“Grand Court”	the Grand Court of the Cayman Islands
“Grandeur Peak”	Grandeur Peak Global Advisors LLC
“Group”	the Company and its subsidiaries
“Haitong International”	Haitong International Capital Limited, the financial adviser of the Offeror in respect of the Proposal and a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activities

“HoldCo”	LJ Family Ltd., a company incorporated in the BVI on 2 January 2020 with limited liability which shareholdings are held as to approximately 25.32%, 41.13%, 25.32% and 8.23% by Ms. Wang Luojia, Ms. Wang Jin, Mr. Benjamin Mai and Ms. Claire Si-Jia Lu, respectively
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Independent Shareholders and the Optionholders in respect of the Proposal
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror Concert Parties
“Irrevocable Undertakings”	the irrevocable undertakings given by the IU Shareholders in favour of the Offeror dated 20 January 2020 in respect of 76,599,176 Shares in aggregate
“IU Shareholders”	Grandeur Peak, QVP II, QVP II-C and QMDF
“IU Shares”	collectively, the 55,628,500 Shares held by Grandeur Peak, the 19,022,628 Shares held by QVP II, the 1,671,011 Shares held by QVP II-C and the 277,037 Shares held by QMDF
“Last Trading Day”	14 January 2020, being the last trading day of the Shares immediately before the suspension of trading in the Shares pending issuance of this Announcement, being the last full trading day prior to the publication of this Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LJ Hope”	LJ Hope Ltd., a company incorporated under the laws of Canada
“LJ Peace”	LJ Peace Ltd., a company incorporated under the laws of Canada
“LJ Venture”	LJ Venture Ltd., a company incorporated under the laws of Canada

“Long Stop Date”	28 September 2020 or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Grand Court may direct and, in all cases, as permitted by the Executive
“Offeror”	LJ Future Ltd., a company incorporated in the BVI on 3 January 2020 with limited liability which is wholly-owned by the HoldCo
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” set out in the Takeovers Code, excluding the Offeror, including the HoldCo, LJ Hope, LJ Peace, LJ Venture, Mr. Wang Qisong, Ms. Wang Luojia, Ms. Wang Jin, Mr. Benjamin Mai and Ms. Claire Si-Jia Lu
“Option(s)”	option(s) granted under the Share Option Scheme from time to time
“Option Offer”	the cash offer to be made by or on behalf of the Offeror to the Optionholders
“Optionholders”	holder(s) of the Options
“PRC”	the People’s Republic of China which, for the purpose of this Announcement only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the Option Offer on the terms and subject to the conditions set out in this Announcement
“QMDF”	Qiming Managing Directors Fund II, L.P.
“QVP II”	Qiming Venture Partners II, L.P.
“QVP II-C”	Qiming Venture Partners II-C, L.P.
“Record Date”	the record date to be announced for determining entitlements of the Scheme Shareholders under the Scheme
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“RMB”	Renminbi, the lawful currency of the PRC

“Scheme”	a scheme of arrangement between the Company and the Scheme Shareholders under Section 86 of the Companies Law involving the cancellation and extinguishment of all the Scheme Shares in exchange for the Cancellation Price and the restoration of the issued share capital of the Company to the amount immediately before the cancellation and extinguishment of the Scheme Shares
“Scheme Document”	the composite scheme document to be jointly issued by the Company and the Offeror to the Shareholders and the Optionholders containing, among other things, further details of the Proposal together with the additional information specified in the section headed “Despatch of the Scheme Document” of this Announcement
“Scheme Share(s)”	Share(s) in issue on the Record Date held by the Shareholders, other than those directly or indirectly held by LJ Hope, LJ Peace and LJ Venture
“Scheme Shareholder(s)”	holder(s) of the Scheme Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the post-IPO share option scheme adopted by the Company on 8 December 2014
“SPA”	the sale and purchase agreement dated 20 January 2020 entered into between the Offeror (as purchaser) and LJ Peace, LJ Venture and LJ Hope (each as seller) in respect of the Target Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Target Shares”	collectively, the 184,156,346 Shares held by LJ Peace, the 118,049,745 Shares held by LJ Venture and the 8,223,333 Shares held by LJ Hope

“trading day” a day on which the Stock Exchange is open for the business of dealings in securities

“%” per cent.

By order of the board of  
**LJ Future Ltd.**  
**Wang Luoia**  
*Director*

By order of the board of  
**BBI Life Sciences Corporation**  
**Wang Qisong**  
*Chairman*

Hong Kong, 20 January 2020

*As at the Announcement Date, the directors of the Offeror and the HoldCo were Ms. Wang Luoia and Ms. Wang Jin.*

*The directors of the Offeror and the HoldCo jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.*

*As at the Announcement Date, the executive Directors were Mr. Wang Qisong, Ms. Wang Luoia and Ms. Wang Jin, the non-executive Director is Mr. Zhou Mi, and the independent non-executive Directors are Mr. Xia Lijun, Mr. Ho Kenneth Kai Chung and Mr. Liu Jianjun.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than that relating to the Offeror, the HoldCo and the Offeror Concert Parties) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.*