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**LEPU BIOPHARMA CO., LTD.**

**樂普生物科技股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2157)**

## **PLACING OF NEW H SHARES UNDER GENERAL MANDATE**

**Overall Coordinators and Placing Agents**

*(in alphabetical order)*



The Board is pleased to announce that on 17 May 2024 (before trading hours), the Company (as the issuer) entered into the Placing Agreement with the Placing Agents, pursuant to which the Company has conditionally agreed to issue and the Placing Agents have conditionally agreed to procure, on a best effort basis, the placing of, as the agents of the Company on a several (and not joint nor joint and several) basis, a maximum of 51,170,000 Placing Shares in aggregate at the Placing Price of HK\$4.58 per H Share.

The Placing Shares represent (i) approximately 3.19% and 3.08%, respectively, of the total existing issued H Shares and the total existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 3.09% and 2.99%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion other than the issue by the Company of the Placing Shares).

On the assumption that all Placing Shares are fully placed, the net proceeds (after deducting all applicable costs and expenses, including placing commission, legal fees and levies) from the Placing are expected to be approximately HK\$229.75 million. On this basis, the net price per Placing Share is estimated to be approximately HK\$4.49.

The Placing Shares to be placed under the Placing Agreement will be allotted and issued under the General Mandate, and therefore, no further Shareholder approval is required in respect of the Placing. The Company will apply to the Listing Committee for the listing of the Placing Shares, and for the permission to deal in Placing Shares.

**Since completion of the Placing is subject to the satisfactions of certain conditions mentioned herein, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares and other securities of the Company.**

## **PLACING OF NEW H SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 17 May 2024 (before trading hours), the Company (as the issuer) entered into the Placing Agreement with the Placing Agents, pursuant to which the Company has conditionally agreed to issue and the Placing Agents have conditionally agreed to procure, on a best effort basis, the placing of, as the agents of the Company on a several (and not joint nor joint and several) basis, a maximum of 51,170,000 Placing Shares in aggregate at the Placing Price of HK\$4.58 per H Share. Pursuant to the Placing Agreement, the Placing Agents will place the Placing Shares to no less than six (6) Placees, who will be professional, institutional and/or other investors subject to the terms and conditions set out in the Placing Agreement.

## **THE PLACING AGREEMENT**

The principal terms of the Placing Agreement are set out below:

### **Date:**

17 May 2024 (before trading hours)

### **Parties:**

- (1) The Company; and
- (2) The Placing Agents.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents is third parties independent of, and not connected with, the Company and the connected persons of the Company.

### **Placing**

Pursuant to the Placing Agreement, the Placing Agents, each on a several (and not joint nor joint and several) basis, have conditionally agreed to procure, on a best effort basis, (either by themselves or through their respective affiliates or through their respective sub-placing agents) the placing of, as agents of the Company, a maximum of 51,170,000 Placing Shares in aggregate at the Placing Price of HK\$4.58 per H Share subject to the terms and conditions set out in the Placing Agreement.

## **The Placees**

The Placing Agents will place the Placing Shares to no less than six (6) Placees, who will be professional, institutional and/or other investors. The choice of Placees for the Placing Shares shall be determined by the relevant Placing Agent after consultation with the Company, subject to the requirements of the Listing Rules and in particular, each Placing Agent shall use its best endeavours, such as based on information available to such Placing Agent, information provided by the Company and/or confirmations from the Placees procured by such Placing Agent, to ensure that each Placee procured by such Placing Agent and the ultimate beneficial owner(s) of the relevant Placing Shares are third parties independent of, and not connected with, the Company and the connected persons of the Company.

It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the completion of the Placing.

## **Number of Placing Shares**

The Placing Shares represent approximately 3.19% and 3.08%, respectively, of the total existing issued H Shares and the total existing issued share capital of the Company as at the date of this announcement, and approximately 3.09% and 2.99%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares pursuant to the Placing (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion other than the issue by the Company of the Placing Shares).

The maximum aggregate nominal value of the 51,170,000 Placing Shares will be RMB51,170,000.

## **Placing Price**

The Placing Price of HK\$4.58 per Placing Share represents:

- (i) a discount of approximately 13.09% to the closing price of HK\$5.27 per H Shares as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 18.62% to the average closing price of HK\$5.63 per H Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Date; and
- (iii) a discount of approximately 2.88% to the average closing price of HK\$4.72 per H Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Date.

The Placing Price is exclusive of applicable brokerage, trading fees, transaction fees and levies.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agents which has taken into account the prevailing market price of the H Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price and the terms and conditions are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole. The aggregate consideration for the Placing will be paid in cash.

## **Ranking of the Placing Shares**

The Placing Shares, when issued pursuant to the Placing Agreement, will be fully paid up and will rank *pari passu* in all respects among themselves and with the other H Shares then in issue and together with all rights attaching to them as at the date of issue of the Placing Shares, including the rights to receive all dividends declared, made or paid (if any), the record date for which falls on or after the date of issue of the Placing Shares.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the fulfillment, or waiver of by the Placing Agents (in whole or in part) in their sole discretion in respect of (iii), (iv), (v), (vi) the following conditions:

- (i) all necessary approvals and clearances from all relevant PRC regulatory authorities in connection with the Placing having been obtained to the reasonable satisfaction of the Company and the Placing Agents, such approvals and clearances not materially conflicting with or altering the terms of the Placing Agreement and not imposing any material adverse conditions on any party of the Placing Agreement;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the deposit of the Placing Shares in CCASS in accordance with the terms of the Placing Agreement);
- (iii) the Placing Agents having received on the Closing Date the final draft or substantially complete draft of the CSRC Filings and (where applicable) the opinion of the counsel for the Company as to the PRC laws in relation to the CSRC Filings, such drafts to be in form and substance reasonably satisfactory to the Placing Agents;
- (iv) each of the representations and warranties of the Company in the Placing Agreement shall have been true and correct and not misleading when given or made and shall remain true and correct and not misleading up to and including the Closing Date as if given and made at the Closing Date;
- (v) the receipt by the Placing Agents of an opinion from its United States counsel that no registration of the Placing Shares under the Securities Act is required for the offer and sale of the Placing Shares by the Company pursuant to the Placing Agreement;
- (vi) on or after the date of the Placing Agreement, no suspension (other than suspension as a result of the Placing) or material limitation in trading in the H Shares having occurred on the Stock Exchange; and
- (vii) none of the circumstance referred to in paragraph (i) under the “Termination” section below having occurred.

## Termination

Notwithstanding anything contained in the Placing Agreement, if at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (i) there develops, occurs or comes into force:
  - (a) any trading halt, suspension or limitation of trading generally on the New York Stock Exchange, the Nasdaq Global Market, the London Stock Exchange plc, the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and/or the Tokyo Stock Exchange; or
  - (b) any trading halt, suspension or limitation of trading in the Company's securities by the Stock Exchange (other than trading halt in relation to the Placing); or
  - (c) a declaration of a general moratorium by the relevant authorities or a material disruption in commercial banking activities or securities settlement or clearance services in the United States, United Kingdom, Hong Kong, the PRC, Japan, Singapore, or the European Union or a disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC, or the European Union; or
  - (d) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the United States, the United Kingdom, the European Union or the PRC or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation; or
  - (e) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the PRC, Singapore, the United States, the United Kingdom or the European Union of a national emergency or war or other calamity or crisis; or

that, in the sole judgment of the Placing Agents, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market or that is materially adverse to the success of the Placing; or

- (ii) the fact that any of the agreements, representations, warranties and undertakings by the Company set out in the Placing Agreement is untrue, inaccurate or misleading or has been breached in any respect comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date hereof and prior to 8:00 a.m. (Hong Kong time) on the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such agreements, representations, warranties and undertakings untrue, inaccurate or misleading in such a manner as would in the opinion of the Placing Agents, materially and adversely affect the financial position or business of the Company and/or the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, on the part of the Company of any other provision of the Placing Agreement,

then and in any such case, the Placing Agents may in their sole judgment terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date.

### **Lock-up Undertakings by the Company**

The Company undertakes that for the period commencing from (and including) the date of the Placing Agreement and up to a period of 90 days from the Closing Date, neither the Company nor any person acting on its behalf will, (a) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company; or (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above; or (c) publicly announce any intention to enter into or effect any such transaction described in (a) or (b) above unless with the prior written consent of the Placing Agents.

The foregoing shall not apply to the issuance of the Placing Shares under the Placing Agreement.

## Completion of the Placing

Subject to the conditions mentioned above, Completion of the Placing shall take place on the Closing Date, or as soon as practicable thereafter or such other time and/or date as the Placing Agents and the Company may agree in writing.

## EFFECT TO SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PLACING

As at the date of this announcement, the number of total issued Shares of the Company is 1,659,444,838 shares, comprising 54,268,364 Domestic Shares and 1,605,176,474 H Shares.

Set out below is the shareholding structure of the Company (i) as at the date of the Placing Agreement and (ii) immediately after completion of the Placing on the Closing Date (assuming that there will be no other changes in the issued share capital of the Company from the date of the Placing Agreement to the completion of the Placing on the Closing Date except for the allotment and issue of the Placing Shares pursuant to the Placing Agreement):

	As at the date of the Placing Agreement		Immediately after completion of the Placing on the Closing Date	
	<i>Number of Shares</i>	<i>Approximate percentage of total issued share capital<sup>(1)</sup></i>	<i>Number of Shares</i>	<i>Approximate percentage of total issued share capital<sup>(1)</sup></i>
<b>Domestic Shares</b>	54,268,364	3.27%	54,268,364	3.17%
Public Domestic Shareholders	54,268,364	3.27%	54,268,364	3.17%
<b>H Shares</b>	1,605,176,474	96.73%	1,656,346,474	96.83%
Directors:				
– Dr. Pu Zhongjie <sup>(2)</sup>	658,591,549	39.69%	658,591,549	38.50%
– Ms. Pu Jue <sup>(3)</sup>	90,000,000	5.42%	90,000,000	5.26%
Placees <sup>(4)</sup>	–	–	51,170,000	2.99%
Other public H Shareholders	856,584,925	51.62%	856,584,925	50.07%
<b>Total issued Shares</b>	<b>1,659,444,838</b>	<b>100%</b>	<b>1,710,614,838</b>	<b>100%</b>

*Notes:*

- (1) Certain amounts and percentage figures included in the table above have been subject to rounding adjustments, and any discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.
- (2) Ningbo Houde Yimin directly holds 433,239,436 H Shares as beneficial owner, and Ningbo Houde Yimin is held as to 100% by Beijing Houde Yimin, which is in turn held as to 100% by Dr. Pu Zhongjie, an executive Director and the chairman of the Board. In addition, Lepu Medical directly holds 225,352,113 H Shares as beneficial owner, and Dr. Pu Zhongjie is the actual controller of Lepu Medical. Dr. Pu Zhongjie is therefore deemed to be interested in the 433,239,436 H Shares and the 225,352,113 H Shares held by Ningbo Houde Yimin and Lepu Medical, respectively.
- (3) Shanghai Lvyuan directly holds 90,000,000 H Shares as beneficial owner, and Shanghai Lvyuan is held as to 100% by Cereblue Limited, which is in turn held as to 100% by Ms. Pu Jue, a non-executive Director. Ms. Pu Jue is therefore deemed to be interested in the 90,000,000 H Shares held by Shanghai Lvyuan.
- (4) None of the Placees is a substantial shareholder of the Company as at the date of this announcement, and it is expected that none of the Placees will become a substantial shareholder of the Company immediately upon the Completion.

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares to be placed under the Placing Agreement will be issued and allotted by the Company pursuant to the General Mandate, under which the Board is authorized to issue, allot and deal with the Domestic Shares and/or H Shares not exceeding 20% of each of the total number of Domestic Shares and/or H Shares issued by the Company as at the date on which such resolution is passed at the 2022 annual general meeting of the Company held on 15 June 2023, representing a maximum of 10,853,672 Domestic Shares and 321,035,294 H Shares.

As at the date of this announcement, the Company has not issued any new H Shares pursuant to the General Mandate. The Placing Shares will be issued pursuant to the General Mandate. The issuance of the Placing Shares will utilize 15.94% of the General Mandate. As such, the Placing is not subject to any further approval of the Shareholders.

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

The Directors believe that the Placing will strengthen the liquidity and financial position of the Group. The Placing is being undertaken to further enlarge the Shareholders' equity base of the Company, optimize the capital structure of the Company and support the healthy and sustainable development of the Company. The Directors consider that the Placing represents a suitable financing option for the Company to raise further funding to support the Group's continuous development and business growth, which is in the interest of the Company and its Shareholders as a whole.



The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement were entered into on normal commercial terms after arm's length negotiations and that the terms therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **USE OF PROCEEDS**

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$234.36 million and the aggregate net proceeds (after deducting all applicable costs and expenses, including placing commission, legal fees and levies) from the Placing are expected to be approximately HK\$229.75 million. The Company intends to use the net proceeds from the Placing as to (i) approximately 70% (being HK\$160.83 million) for the research and development, clinical trials, registration filings and other workstreams of the Company's ADC product candidates; (ii) approximately 20% (being HK\$45.95 million) for the clinical trials and other workstreams of the Company's oncolytic virus product candidate CG0070; and (iii) approximately 10% (being HK\$22.98 million) to replenish the Company's working capital and for general corporate purposes.

The net price (after deducting all applicable costs and expenses, including commission and legal fees) to be raised per H Share upon completion of the Placing will be approximately HK\$4.49.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

## **APPLICATION FOR LISTING**

Application will be made to the Listing Committee for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

The Placing is conditional upon, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**Since completion of the Placing is subject to the satisfactions (or waiver) of certain conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares and other securities of the Company.**

## DEFINITION

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

“Beijing Houde Yimin”	Beijing Houde Yimin Investment Management Co., Ltd. (北京厚德義民投資管理有限公司), a limited liability company incorporated in the PRC on 17 August 2009
“Board”	the board of Directors of the Company
“Closing Date”	24 May 2024 or such other date as the Company and the Placing Agents may agree in writing
“Company”	Lepu Biopharma Co., Ltd. (樂普生物科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2157)
“Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted shares which are currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	holders of the Domestic Shares
“General Mandate”	a general mandate to be granted to the Board for exercising of the power of the Company to issue, allot and deal with the Domestic Shares and/or H Shares not exceeding 20% of each of the total number of Domestic Shares and/or H Shares, respectively, in issue as at the date of holding of the 2022 annual general meeting held on 15 June 2023.

“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
“H Shares”	the overseas-listed foreign share(s) of the Company with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$
“H Shareholder(s)”	holder(s) of H Shares of the Company
“Last Trading Date”	16 May 2024, being the last trading day for H Shares before the publication of this announcement
“Lepu Medical”	Lepu Medical Technology (Beijing) Co., Ltd. (樂普(北京)醫療器械股份有限公司), a joint stock company incorporated in the PRC on June 11, 1999 and listed on the Shenzhen Stock Exchange (stock code: 300003), and the promoter of the Company
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Material Adverse Effect”	material adverse effect on the condition, financial, trading or otherwise, or the earnings, business prospects (whether or not arising in the ordinary course of business) of the Group taken as a whole
“Ningbo Houde Yimin”	Ningbo Houde Yimin Information Technology Co., Ltd. (寧波厚德義民信息科技有限公司), a limited liability company incorporated in the PRC on 29 March 2017, and the promoter of the Company
“Placee(s)”	any professional, institutional or other investor procured by or on behalf of any Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the Placing of the Placing Shares pursuant to the terms and conditions set out in the Placing Agreement
“Placing Agents”	CLSA Limited and The Hongkong and Shanghai Banking Corporation Limited
“Placing Agreement”	a conditional placing agreement entered into on 17 May 2024 among the Company and Placing Agents in respect of the Placing

“Placing Price”	HK\$4.58 per Placing Share (exclusive of any brokerage, Stock Exchange trading fees, SFC transaction levy and Accounting and Financial Reporting Council transaction levy as may be payable)
“Placing Shares”	up to a maximum of 51,170,000 new ordinary H Shares in aggregate to be allotted and issued pursuant to the terms and conditions of the Placing Agreement which will rank <i>pari passu</i> in all respects with the H Shares in issue as at the date of the allotment of the Placing Shares
“PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	the ordinary share(s) of the Company, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	has the meaning ascribed to it under Rule 902 of Regulation S under the U.S. Securities Act
“%”	per cent

By order of the Board  
**Lepu Biopharma Co., Ltd.**  
**Dr. Pu Zhongjie**  
*Chairman of the Board and Executive Director*

Shanghai, the PRC  
17 May 2024

*As at the date of this announcement, the Board comprises Dr. Pu Zhongjie (chairman) and Dr. Sui Ziye (chief executive officer) as executive Directors; Mr. Yang Hongbing and Ms. Pu Jue as non-executive Directors; and Mr. Zhou Demin, Mr. Yang Haifeng and Mr. Fengmao Hua as independent non-executive Directors.*