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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)

**ANNOUNCEMENT IN RELATION TO THE
CONTINUING CONNECTED TRANSACTION
THE SUPPLEMENTAL CDMO SERVICES FRAMEWORK AGREEMENT
AND
THE PROPOSED REVISED CAP**

References are made to the announcement of Lepu Biopharma Co., Ltd. (the “**Company**”) dated November 13, 2023 (the “**Announcement**”), in relation to, among other things, the CDMO Services Framework Agreement that the Company conditionally entered into on even date, and to the announcement of the Company dated December 8, 2023 in relation to the delay in dispatch of the circular and cancellation of book closure period. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL CDMO SERVICES FRAMEWORK AGREEMENT AND THE PROPOSED REVISED CAP

As disclosed in the Announcement, the Company and Lepu Medical conditionally entered into the CDMO Services Framework Agreement on November 13, 2023, pursuant to which the Company and/or its subsidiaries agreed to provide Lepu Medical and/or its subsidiaries with CDMO technical services. The CDMO Services Framework Agreement is conditional upon the approval by the Independent Shareholders of the CDMO Services Framework Agreement and the Proposed Caps in relation thereto.

In light of the relevant time for the requisite regulatory and corporate approvals of the Company and Lepu Medical before the commencement of the transactions under the CDMO Services Framework Agreement, the Company expects that the transactions contemplated under the CDMO Services Framework Agreement can only commence in 2024. Accordingly, the Board hereby announces that, on December 22, 2023 (after trading hours of the Stock Exchange), the Company and Lepu Medical conditionally entered into a supplemental agreement to the CDMO Services Framework Agreement (the “**Supplemental CDMO Services Framework Agreement**”) to adjust the Proposed Cap of the transaction contemplated under the CDMO Services Framework Agreement. Pursuant to the Supplemental CDMO Services Framework Agreement, the original Proposed Cap for the period ending on December 31, 2023 will be aggregated into the Proposed Cap for 2024. The Proposed Cap under the CDMO Services Framework Agreement and the Proposed Revised Cap under the Supplemental Agreement is therefore set out as follows:

	For the period ending December 31, 2023 (RMB'000)	For the year ending December 31, 2024 (RMB'000)
The original Proposed Cap	10,000	36,000
The Proposed Revised Cap	–	46,000

Save for the above, the other major terms and conditions of the CDMO Services Framework Agreement shall remain unchanged.

The Supplemental CDMO Services Framework Agreement (together with the CDMO Services Framework Agreement, as supplemented by the Supplemental CDMO Services Framework Agreement) and the Proposed Revised Cap will become effective upon being approved at the extraordinary general meeting of the Company, and will expire on December 31, 2024.

As disclosed in the Announcement, prior to entering into the CDMO Services Framework Agreement, the Group has not conducted transactions of the same nature with Lepu Medical and/or its subsidiaries.

BASIS FOR THE PROPOSED REVISED CAP AND REASONS FOR ENTERING INTO THE SUPPLEMENTAL CDMO SERVICES FRAMEWORK AGREEMENT

As aforementioned, taking into account the relevant time needed to complete the requisite regulatory and corporate procedures for both the Company and Lepu Medical before the CDMO Services Framework Agreement can take effect, and in turn, before the contemplated transactions under the CDMO Services Framework Agreement can commence, the Company and Lepu Medical, upon discussion, noted that such underlying transactions can only commence in 2024. Therefore, the Company and Lepu Medical decided to conditionally enter into the Supplemental CDMO Services Framework Agreement, such that the Proposed Revised Cap for the period ending December 31, 2024 can cover the estimated maximum transaction amount for the underlying CDMO services transactions through aggregating the original Proposed Caps for the periods ending December 31, 2023 and December 31, 2024.

Having considered the above, the Directors (excluding the independent non-executive Directors, whose opinion on the Supplemental CDMO Services Framework Agreement and the transactions contemplated thereunder will be set forth in the circular by reference to the advice from the Independent Financial Adviser in this regard) are of the view that the Supplemental CDMO Services Framework Agreement and Proposed Revised Cap have been negotiated on arm's length basis and is (i) entered into in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) on terms that are fair and reasonable and in the interests of both parties thereto and Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

The Company is a joint stock company incorporated in the PRC on January 19, 2018 as a limited liability company, whose H Shares are listed on the Stock Exchange (stock code: 2157). The Company is a biopharmaceutical company focusing on the research, development and commercialization of oncology therapeutics drug candidates. Dr. Pu Zhongjie is the ultimate beneficial owner and controlling shareholder of the Company.

Lepu Medical

Lepu Medical is a medical device and pharmaceutical company listed on the Shenzhen Stock Exchange (stock code: 300003) dedicated to the development, manufacturing and sales of cardiovascular products. Lepu Medical is also engaged in the research and development of insulin drugs. Dr. Pu Zhongjie, an executive Director and Controlling Shareholder of the Company, is its actual controller¹.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, as Lepu Medical holds approximately 13.58% of the issued share capital of the Company, and Dr. Pu Zhongjie, the controlling shareholder of the Company, is its actual controller, Lepu Medical is, accordingly, a connected person of the Company, and the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the amount of the Proposed Revised Cap is more than 5%, the continuing connected transactions contemplated under the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) and the Proposed Revised Cap are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for Dr. Pu Zhongjie, none of the Directors has any material interest in the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement). Therefore, Dr. Pu Zhongjie was required to abstain from voting on the Board resolutions for considering and approving the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement), the Supplemental CDMO Services Framework Agreement and the transaction contemplated thereunder, and none of the other Directors is required to abstain from voting on the board resolutions relating to the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement), the Supplemental CDMO Services Framework Agreement and the transactions contemplated thereunder.

¹ Refers to the individual or entity that can control a company by way of investment, contract or other arrangements according to the Listing Rules of the Growth Enterprise Market* (《創業板股票上市規則》) published by Shenzhen Stock Exchange, where Lepu Medical is listed.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save for Lepu Medical and Ningbo Houde Yimin which held an aggregate of 658,591,549 Shares, representing approximately 39.69% of the issued share capital of the Company as of the date of this announcement and will be required to abstain from voting at the EGM, no other Shareholders have a material interest and will be required to abstain from voting at the EGM in respect of the resolution in relation to the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement), the Proposed Revised Cap and the transactions contemplated thereunder.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Zhou Demin, Mr. Yang Haifeng and Mr. Fengmao Hua, has been established to advise the Independent Shareholders in relation to the terms of the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) and the continuing connected transactions contemplated thereunder (including the Proposed Revised Cap for those transactions). None of the Independent Board Committee members have any material interest in the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) or the continuing connected transactions contemplated thereunder.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the continuing connected transactions as to whether the terms of the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) and the Proposed Revised Cap are fair and reasonable insofar as the Independent Shareholder are concerned, whether the transactions contemplated under the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) are conducted on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, as well as how to vote on the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) and the transactions contemplated thereunder.

THE EGM

The Company will convene and hold the EGM for the purpose of, among other things, considering, and if thought fit, approving the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) (including the Proposed Revised Cap) and the transactions contemplated thereunder. Lepu Medical and Ningbo Houde Yimin shall abstain from voting at the EGM for the resolutions to approve the CDMO Services Framework Agreement (as supplemented by the Supplemental CDMO Services Framework Agreement) and the Proposed Revised Cap thereunder.

A circular containing, among other things, (i) a letter from the Board; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) further details on the continuing connected transactions (including the Proposed Revised Cap); and (v) a notice to convene the EGM is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement, that is, on or before January 17, 2024. However, the Company may not be able to despatch the circular within such period as additional time is required to finalize the circular. The Company will issue further announcement regarding the expected despatch date of the circular in due course.

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

Shanghai, the PRC
December 22, 2023

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