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## **ESSEX BIO-TECHNOLOGY LIMITED**

**億勝生物科技有限公司**

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

**(Stock Code: 1061)**

### **ANNOUNCEMENT**

## **CONTRACT FOR INVESTOR RELATIONS SERVICES AND GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

### **SERVICE CONTRACT**

On 30 October 2013, the Company entered into the Service Contract with HK Zhixin for the appointment of HK Zhixin as the Company's investor relations consultant in the PRC and the provision of the Services by HK Zhixin to the Company. In consideration of the provision of the Services by HK Zhixin, the Company shall grant an aggregate of 2,500,000 Share Options to HK Zhixin, subject to acceptance of HK Zhixin.

### **GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

The Board has resolved on 30 October 2013 to grant Share Options to the Grantees to subscribe for up to an aggregate of 19,500,000 Shares, subject to acceptance of the Grantees, under the Share Option Scheme. Among the Share Options granted to the Grantees, a total of 8,000,000 Share Options were granted to Directors and substantial shareholders of the Company.

## A. SERVICE CONTRACT

On 30 October 2013, the Company entered into the Service Contract with HK Zhixin for the appointment of HK Zhixin as the Company's investor relations consultant in the PRC and the provision of the Services by HK Zhixin to the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HK Zhixin and its ultimate beneficial owners are third parties independent of (i) the Company and (ii) connected persons of the Company.

### *Services*

HK Zhixin shall act as the Company's investor relations consultant in the PRC and shall provide certain services to the Company in relation to investor relations in the PRC for a term of three years commencing on the date of the Service Contract, including (among other things) the following:

- development and maintenance of communication and relations between the Company and investors in the PRC, including (among other things) the establishment and updating of PRC investors database, preparation and arrangement of press release and promotional activities in the PRC, arrangement of meetings between the Company and analysts;
- development and maintenance of communication and relations between the Company and financial media in the PRC, including (among other things) preparation and arrangement of press release, promotional activities or meetings with PRC financial media, crisis management and clarification action in relation to any possible negative news in relation to the Company;
- provision of consultancy services and professional advice on annual reports, interim reports, general meetings and board meetings of the Company.

HK Zhixin acknowledges that the Company is a company whose Shares are listed on the Main Board of the Stock Exchange and that the Company shall comply with the Listing Rules, the Securities and Futures Ordinance (Chapter 571, laws of Hong Kong) and other applicable laws and the requirements of the Stock Exchange, the Securities and Futures Commission of Hong Kong and other relevant regulatory authorities. HK Zhixin undertakes that it shall obtain the prior written consent of the Company before carrying out, performing or conducting any of the Services, obligations and matters under the Service Contract.

## ***Consideration and Share Options***

In consideration of the provision of the Services by HK Zhixin to the Company, the Company shall grant the HK Zhixin Share Options to HK Zhixin, subject to acceptance of HK Zhixin. The HK Zhixin Share Options are granted subject to undertakings of HK Zhixin to hold such Share Options on the terms and conditions contained in the Offer Letter and to be bound by the provisions of the rules of the Share Option Scheme.

Under the Offer Letter, the offer of the HK Zhixin Share Options is open for acceptance up to and including 14 November 2013. Once accepted, the HK Zhixin Share Options are granted as from the date of the Offer Letter. If this offer is not accepted by 14 November 2013, it will be deemed to have been irrevocably declined and shall lapse automatically without notice. HK Zhixin shall not be entitled to accept this offer if it ceases to be qualified as an Eligible Participant after the date of the Offer Letter. Payment of HK\$1.00 will be made by HK Zhixin upon acceptance of the HK Zhixin Share Options.

Details of the HK Zhixin Share Options are set out below:

Date of grant	:	30 October 2013 (date of the Service Contract), subject to acceptance of HK Zhixin
Exercise price of the HK Zhixin Share Options	:	HK\$2.30 per Share
Number of the HK Zhixin Share Options	:	An aggregate of 2,500,000 Share Options, each Share Option entitling HK Zhixin to subscribe for one Share at the exercise price mentioned above
Closing price of the Share on the Date of Grant	:	HK\$1.90 per Share
Validity period of the HK Zhixin Share Options	:	From the Date of Grant to 29 October 2016 (both dates inclusive)

Exercise periods of the HK Zhixin Share Options : Subject to the rules of the Share Option Scheme, the terms and conditions of the Offer Letter and any guideline(s) issued/to be issued by the Company from time to time in order to ensure full compliance with the Listing Rules, HK Zhixin is entitled to exercise the HK Zhixin Share Options in accordance with the following vesting periods and in the following manner:

(a) up to 50% of the total number of HK Zhixin Share Options is exercisable during the period from 30 April 2014 to 29 October 2016 (both dates inclusive); and

(b) up to 50% of the total number of HK Zhixin Share Options is exercisable during the period from 30 October 2014 to 29 October 2016 (both dates inclusive);

and all outstanding or unexercised HK Zhixin Share Options shall lapse on 29 October 2016; provided that the above vesting periods and manner shall be subject to the provisions of the Service Contract in relation to its early termination, which are summarised in the paragraph headed “Termination” below.

Continuing eligibility criteria : Subject to the rules of the Share Option Scheme and the terms and conditions of the Offer Letter, in order to be entitled to exercise the HK Zhixin Share Options:

(i) HK Zhixin must remain an Eligible Participant during the period when any of the HK Zhixin Share Options remains outstanding;

(ii) HK Zhixin shall fully comply with and duly and timely perform and discharge all provisions, terms, conditions and obligations under and in accordance with the Service Contract; and

(iii) Ms. Cai Minyu (蔡敏玉女士) shall remain as the president of HK Zhixin.

Should the Board determines that HK Zhixin fails/has failed or otherwise is/has been unable to meet the continuing eligibility criteria under the rules of the Share Option Scheme or the terms and conditions of the Offer Letter, the Company would be entitled to deem all outstanding HK Zhixin Share Options or part thereof, and to the extent not already exercised, as lapsed and cancelled.

Breach of terms : If HK Zhixin breaches any term, condition or provision contained in the Offer Letter, the rules of the Share Option Scheme or the Service Contract, the HK Zhixin Share Options (to the extent not already exercised) shall lapse automatically and not be exercisable (unless otherwise resolved to the contrary by the Board).

### ***Termination***

The Service Contract shall be for a term of three years unless it is early terminated by mutual agreement of both parties or by the Company by giving six months' prior written notice to HK Zhixin. In the event that the Company gives HK Zhixin a notice of termination of the Service Contract which will take effect during the period from the 6th to 12th months after the date of the Service Contract, HK Zhixin shall be entitled to exercise 50% of the HK Zhixin Share Options for the first six months of Services provided and another 30% of the HK Zhixin Share Options for any additional period of Services provided before such early termination (subject to the rules of the Share Option Scheme, the terms of the Offer Letter and applicable laws and rules). Notwithstanding the foregoing provisions, in the event of any breach of the Service Contract by HK Zhixin or any default or misconduct on the part of HK Zhixin, the Company shall be entitled to terminate the Service Contract at any time without being subject to the foregoing provisions, and such termination shall not affect the Company's rights or claims against HK Zhixin.

### **Reasons for and benefits of entering into the service contract**

The Directors believe that it is commercially beneficial for the Company to engage the Services of HK Zhixin for the purpose of enhancing the relations between the Company and its investors, which may improve the Company's communications with investors, potential investors and media in the PRC and increase the market presence of the Group in the PRC.

## B. GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

The Board is pleased to announce that it has resolved on 30 October 2013 to grant Share Options under the Share Option Scheme to the Grantees to subscribe for up to an aggregate of 19,500,000 Shares, subject to acceptance of the Grantees. Payment of HK\$1.00 will be made by each of the Grantees upon acceptance of the Share Options.

Details of the Share Options are set out below pursuant to Rule 17.06A of the Listing Rules:

Date of grant	:	30 October 2013
Exercise price of the Share Options granted	:	HK\$2.3 per Share (not less than the highest of (i) the closing price of HK\$1.90 per Share as stated in the Stock Exchange's daily quotations sheet on the Date of Grant; (ii) the average closing price of HK\$1.97 per Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of HK\$0.10 per Share)
Number of Share Options granted	:	An aggregate of 19,500,000 Share Options, each Share Option entitling the holder thereof to subscribe for one Share at the exercise price mentioned above
Closing price of the Share on the Date of Grant	:	HK\$1.90 per Share
Validity period of the Share Options granted	:	From the Date of Grant to 29 October 2018 (both dates inclusive)
Exercise periods of the Share Options	:	Each Grantee is entitled to exercise the Share Options in accordance with the following vesting periods and in the following manner:  (a) up to 20% of the total number of Share Options granted to such Grantee is exercisable during the period from 30 April 2014 to 29 October 2018 (both dates inclusive);

- (b) up to 20% of the total number of Share Options granted to such Grantee is exercisable during the period from 30 October 2014 to 29 October 2018 (both dates inclusive);
- (c) up to 20% of the total number of Share Options granted to such Grantee is exercisable during the period from 30 April 2015 to 29 October 2018 (both dates inclusive);
- (d) up to 20% of the total number of Share Options granted to such Grantee is exercisable during the period from 30 October 2015 to 29 October 2018 (both dates inclusive); and
- (e) up to 20% of the total number of Share Options granted to such Grantee is exercisable during the period from 30 April 2016 to 29 October 2018 (both dates inclusive).

All outstanding or unexercised Share Options granted to the Grantees shall lapse on 29 October 2018.

Among the Share Options granted to the Grantees, a total of 8,000,000 Share Options were granted to Directors and substantial shareholders of the Company, details of which are set out below:

<b>Name of Grantees</b>	<b>Position held with the Company</b>	<b>Substantial Shareholder (Yes/No)</b>	<b>Number of Share Options granted</b>
Fang Haizhou	Executive Director	No	3,500,000
Zhong Sheng	Executive Director	No	3,500,000
Ngiam Mia Je Patrick	Executive Director	Yes	500,000
Ngiam Mia Kiat Benjamin	Non-executive director of a wholly-owned subsidiary of the Company	Yes	500,000

In accordance with Rule 17.04(1) of the Listing Rules, the grant of Share Options to each of the above Directors and substantial shareholders of the Company has been approved by the independent non-executive Directors.

Save as disclosed in this announcement, none of the Grantees is a Director, chief executive or substantial shareholder of the Company or any of their respective associates.

## **DEFINITIONS**

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

“associate(s)”	has the meaning as ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Essex Bio-Technology Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange;
“chief executive(s)”	has the meaning as ascribed to it under the Listing Rules;
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“Date of Grant”	30 October 2013;
“Director(s)”	the director(s) of the Company;
“Eligible Participant(s)”	has the meaning as ascribed to it in the circular of the Company dated 28 March 2013 in relation to, among other things, the adoption of the Share Option Scheme;
“Grantees”	the persons (including certain Directors) to whom Share Options have been granted (subject to acceptance of such persons) pursuant to resolutions passed by the Board on 30 October 2013, excluding HK Zhixin;
“Group”	the Company and its subsidiaries;

“HK Zhixin”	Hong Kong Zhixin Financial News Agency Limited, a company incorporated under the laws of Hong Kong;
“HK Zhixin Share Options”	the 2,500,000 Share Options granted to HK Zhixin under the Service Contract (subject to acceptance of HK Zhixin) and subject to the terms and conditions of the Offer Letter;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer Letter”	the letter dated 30 October 2013 issued by the Company to HK Zhixin in relation to the offer of the HK Zhixin Share Options to HK Zhixin subject to the terms thereof, as confirmed and accepted by HK Zhixin on the same date;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Service Contract”	the agreement dated 30 October 2013 entered into between the Company and HK Zhixin in relation to the appointment of HK Zhixin as the Company’s investor relations consultant in the PRC and the provision of the Services by HK Zhixin to the Company;
“Services”	the services to be provided by HK Zhixin to the Company in relation to investor relations in the PRC under the Service Contract, including (among other things) the services referred to in the paragraph headed “Services” under the section headed “Service Contract” of this announcement;
“Share Option Scheme”	the share option scheme adopted by the Company on 3 May 2013, as amended and modified from time to time according to its terms;

“Share Option(s)”	the option(s) to subscribe for Share(s) granted pursuant to the Share Option Scheme;
“Shareholder(s)”	shareholder(s) of the Company;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules;
“%”	per cent.

By order of the Board  
**Essex Bio-Technology Limited**  
**Ngiam Mia Je Patrick**  
*Chairman*

Hong Kong, 30 October 2013

*Executive directors of the Company as at the date of this announcement are Mr Ngiam Mia Je Patrick, Mr Fang Haizhou and Mr Zhong Sheng. Independent non-executive directors of the Company as at the date of this announcement are Mr Fung Chi Ying, Mr Mauffrey Benoit Jean Marie and Ms Yeow Mee Mooi.*