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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)

INSIDE INFORMATION – CONVERTIBLE LOAN AGREEMENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

On 30 November 2015, Essex Technology entered into the Convertible Loan Agreement, pursuant to which the Group agreed to make available a Convertible Loan in the principal amount of RMB10 million to Adv. Dental at an interest rate of 5% per annum.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“**SFO**”).

THE CONVERTIBLE LOAN AGREEMENT

The board (“**Board**”) of directors (“**Directors**”) of Essex Bio-Technology Limited (“**Company**”) announces that after trading hours on 30 November 2015, 珠海億勝科技發展有限公司 (Zhuhai Essex Technology Development Company Limited*) (“**Essex Technology**”), an indirect wholly-owned subsidiary of the Company, entered into a convertible loan investment agreement (“**Convertible Loan Agreement**”) with 武漢佶典生物科技有限公司 (Wuhan Adv. Dental Co., Ltd.*) (“**Adv. Dental**”) and 武漢佶典創新投資有限公司 (Wuhan Adv. Innovative Investment Company Limited*) (“**Adv. Investment**”), pursuant to which Essex Technology agreed to make available a convertible loan in the principal amount of RMB10 million to Adv. Dental (“**Convertible Loan**”). The Convertible Loan bears an interest rate of 5% per annum payable on a quarterly basis. Subject to the conversion of the principal amount of the Convertible Loan into Conversion Shares (as defined below) in accordance with the terms and conditions of the Convertible Loan Agreement, the Convertible Loan will mature on the 4th anniversary from the date on which the Convertible Loan is advanced to Adv. Dental (“**Maturity Date**”).

At any time from the date of advancement of the Convertible Loan until the Maturity Date (“**Loan Period**”), Essex Technology shall have the right to convert the principal amount of the Convertible Loan into such number of shares representing 30% of the total issued share capital of Adv. Dental (as enlarged by the issuance and allotment of such shares) (“**Conversion Shares**”). During the Loan Period, where Adv. Dental records a net profit for six consecutive months with accumulated profit of not less than RMB1 million (subject to audit in accordance with the terms of the Convertible Loan Agreement), Adv. Investment shall be entitled to require Essex Technology to convert the principal amount of the Convertible Loan into Conversion Shares provided that no approval is required from the shareholders of the Company in respect of such conversion.

The Convertible Loan will be secured by charges over (i) the 100% equity interest of Adv. Investment in Adv. Dental in favour of Essex Technology; and (ii) where legally permissible, approval documents for the products of minimally invasive dental caries removal gel (齲齒微創祛腐凝膠) and minimally invasive dental hand tools (齲齒微創手工工具) of Adv. Dental.

During the Loan Period and, where applicable, following the conversion of the Convertible Loan, Essex Technology shall have the right to appoint 1 out of 3 directors of Adv. Dental or (as the case may be) 2 out of 5 directors of Adv. Dental.

REASONS FOR, AND BENEFITS OF, THE CONVERTIBLE LOAN AGREEMENT

The Company and its subsidiaries (“**Group**”) are principally engaged in the manufacturing, selling, marketing and distribution of biopharmaceutical products.

The Convertible Loan Agreement offers the Group with an opportunity and, to a certain extent, flexibility (after fulfilment of certain benchmark of the financial performance of Adv. Dental) to acquire equity interests in Adv. Dental and thereby establishing a closer relationship with its existing business partner for advancing the Group’s business expansion in stomatology department.

The Directors are of the view that the terms of the Convertible Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

On behalf of the Board
Essex Bio-Technology Limited
Ngiam Mia Je Patrick
Chairman

Hong Kong, 30 November 2015

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.

* *For identification purposes only*