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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 –

COLLABORATION AND LICENSE AGREEMENT

AND

**PROPOSED SUBSCRIPTION OF
SERIES C PREFERRED STOCK**

**AND
WARRANTS**

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.

For the furtherance of strategic co-operation between the Group and Abpro, on 22 January 2016 (after trading hours), Essex Bio-Investment (a wholly-owned subsidiary of the Company) entered into the Collaboration and License Agreement, the Share Subscription Agreement and the Warrant Subscription Agreement with Abpro.

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.

THE COLLABORATION AND LICENSE AGREEMENT

The Board is pleased to announce that, on 22 January 2016 (after trading hours), Essex Bio-Investment and Abpro entered into the Collaboration and License Agreement, whereby the parties agreed to commercialise and jointly develop selected antibodies into the licensed products in accordance with the terms of the Collaboration and License Agreement (“**Licensed Products**”).

Pursuant to the Collaboration and License Agreement, Essex Bio-Investment and Abpro granted to each other and their respective affiliates certain exclusive, sub-licensable rights and license (in respect of the Group) in the Essex Territory or, as the case may be, (in respect of Abpro) in the Abpro Territory, for the purpose of, among other things, making, using, offering for sale, selling and importing the Licensed Products. Such rights and license shall be perpetual, subject to payment of royalty levied on net sales of the Licensed Products in their respective territories.

The Collaboration and License Agreement is for an initial term of 10 years, and shall be automatically renewed for successive periods of 2 years subject to early termination in accordance with its terms.

THE SHARE SUBSCRIPTION

As part of the strategic business co-operation between the Group and Abpro, on 22 January 2016 (after trading hours), Essex Bio-Investment and Abpro entered into the Share Subscription Agreement, pursuant to which Essex Bio-Investment conditionally agreed to subscribe for, and Abpro conditionally agreed to issue, 616,197 Series C Preferred Stock for a total consideration of approximately US\$3.5 million (equivalent to approximately HK\$27.3 million). The Share Subscription is part of the offering by Abpro of the Series C Preferred Stock.

Subject to fulfilment of all of the conditions precedent set out in the Share Subscription Agreement (including, but not limited to, the filing and/or the execution of the Transaction Documents), Closing is expected to take place on 2 February 2016 (or such other date as agreed by the parties).

THE WARRANT SUBSCRIPTION

In connection with the Share Subscription, on 22 January 2016 (after trading hours), Essex Bio-Investment and Abpro entered into the Warrant Subscription Agreement, whereby Abpro conditionally agreed to grant to Essex Bio-Investment, upon Closing, 61,619 Warrants entitling Essex Bio-Investment to subscribe for 61,619 Abpro Common Stock at the initial exercise price of US\$2.08 per Abpro Common Stock, subject to adjustments in accordance with the terms of the Warrants.

The Warrants shall be exercisable, at the discretion of the holder, in whole or in part, from the date of its issue and shall expire as of the earliest of the 10th anniversary of the date of Warrants or upon the occurrence of one of the events as specified in the Warrants.

REASONS FOR, AND BENEFITS OF, THE ENTERING INTO OF THE COLLABORATION AND LICENSE AGREEMENT, THE SHARE SUBSCRIPTION AGREEMENT AND THE WARRANT SUBSCRIPTION AGREEMENT

The Group is principally engaged in the manufacturing, selling, marketing and distribution of biopharmaceutical products.

The Company is informed by Abpro that (i) it is a USA-based biotech company focusing on the field of industrial biotechnology; and (ii) it is principally engaged in the business of developing novel biomolecules for human and animal health, including antibodies against traditionally difficult targets, for companies developing products in the research, diagnostic and therapeutic markets.

The Directors are of the view that the Collaboration and License Agreement enables both the parties to leverage on their respective strengths and resources to pursue and accelerate the development of antibody-based products in which the Group has been highly interested. The Share Subscription is for the Group to maintain a strategic co-operation with Abpro.

The Directors consider that the Collaboration and License Agreement was entered into in the ordinary course of business of the Group and that terms of the Collaboration and License Agreement, the Share Subscription Agreement and the Warrant Subscription Agreement are fair and reasonable and transactions respectively contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) are less than 5% in respect of the transactions contemplated under the Share Subscription Agreement and the exercise of the Warrants is at the discretion of the Group and no premium or consideration is payable by the Group for the grant thereof, the transactions contemplated under the Share Subscription Agreement and the Warrant Subscription Agreement do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) and comply with all other applicable requirements under the Listing Rules as and when appropriate upon the exercise (where applicable) of the Warrants.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Abpro is independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules). Accordingly, the transactions contemplated under the Share Subscription Agreement and the Warrant Subscription Agreement do not constitute connected transactions under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Abpro”	Abpro Corporation, a corporation organised and existing under the laws of the state of Delaware, the USA
“Abpro Common Stock”	shares of common stock of Abpro with a par value of US\$0.001 each in the share capital of Abpro
“Abpro Territory”	worldwide, excluding the Essex Territory
“Board”	the board of Directors
“Closing”	the closing of the sale and purchase of the Series C Preferred Stock in accordance with the terms and conditions of the Share Subscription Agreement
“Collaboration and License Agreement”	the collaboration and license agreement dated 22 January 2016 and entered into between Essex Bio-Investment and Abpro

“Company”	Essex Bio-Technology Limited (億勝生物科技有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Essex Bio-Investment”	Essex Bio-Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Essex Territory”	the PRC (including Hong Kong, Macau and Taiwan)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Series C Preferred Stock”	shares of series C preferred stock of Abpro with a par value of US\$0.001 each in the share capital of Abpro
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Subscription”	the proposed subscription of the Subscribed Preferred Stock by Essex Bio-Investment subject to and upon the terms and conditions as set out in the Share Subscription Agreement

“Share Subscription Agreement”	the subscription agreement dated 22 January 2016 and entered into between Abpro (as issuer) and Essex Bio-Investment (as subscriber) in relation to the Share Subscription
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribed Preferred Stock”	the 616,197 Series C Preferred Stock to be subscribed by Essex Bio-Investment pursuant to the Share Subscription Agreement
“Transaction Documents”	the amended and restated certificate of incorporation, the amended and restated right of first refusal, co-sale and voting agreement, the amended and restated investors’ rights agreement, the Warrant Subscription Agreement and any other documents in connection with or pursuant to the Share Subscription Agreement
“USA”	the United States of America
“Warrant Subscription”	the proposed subscription of the Warrants by Essex Bio-Investment pursuant to the Warrant Subscription Agreement
“Warrant Subscription Agreement”	the letter of agreement dated 22 January 2016 and entered into by Abpro and Essex Bio-Investment for the Warrant Subscription
“Warrants”	the 61,619 warrants to be issued by Abpro to Essex Bio-Investment, entitling the holder thereof to, subject to adjustments, subscribe for 61,619 new Abpro Common Stock at the initial exercise price of US\$2.08
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the USA
“%”	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of US\$1.00 to HK\$7.8. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 22 January 2016

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.