

## PRE-CONDITIONAL VOLUNTARY GENERAL OFFER

by

**SAC CAPITAL PRIVATE LIMITED**  
(Company Registration No.: 200401542N)  
(Incorporated in the Republic of Singapore)

for and on behalf of

**YIFAN INTERNATIONAL PHARMACEUTICAL CO., LIMITED.**  
(Company Registration No.: 2141494)  
(Incorporated in the Hong Kong Special Administrative Region  
of the People's Republic of China)

to acquire all the issued and paid-up ordinary shares in the capital of

**SCIGEN LTD**  
(Company Registration No.: 199805796R)  
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by Yifan International  
Pharmaceutical Co., Limited.

## PRE-CONDITIONAL OFFER ANNOUNCEMENT

### 1. INTRODUCTION

- 1.1 **Pre-Conditional Voluntary General Offer.** SAC Capital Private Limited (“**SAC Capital**”) wishes to announce, for and on behalf of Yifan International Pharmaceutical Co., Limited. (the “**Offeror**”) that, subject to the satisfaction or waiver of the Pre-Conditions (as referred to in paragraph 2.1 of this Announcement), the Offeror intends to make a voluntary conditional general offer (the “**Offer**”) for all the issued and paid-up ordinary shares in the capital of SciGen Ltd (the “**Company**”) (excluding treasury shares) (the “**Shares**”),<sup>1</sup> other than those Shares already owned, controlled, or agreed to be acquired by the Offeror, but including Shares owned, controlled, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

The Offeror is a wholly-owned subsidiary of Yifan Pharmaceutical Co., Ltd (“**Yifan Pharmaceutical**”). Further information on the Offeror and Yifan Pharmaceutical is set out in paragraph 5 of this Announcement. This Announcement is released in conjunction with the announcements released by Yifan Pharmaceutical on the Shenzhen Stock Exchange, which sets out further information on the Offer. Shareholders of the Company (“**Shareholders**”) should also refer to the announcements released by Yifan Pharmaceutical, which are

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<sup>1</sup> Shares include securities which may be transmuted into Shares, such as CHESS Depository Interests (“**CDIs**”) which are held on behalf of shareholders of the Company by CHESS Depository Nominees Pty Ltd.

available on the websites of the Shenzhen Stock Exchange ([http://disclosure.szse.cn/m/drgg\\_search.htm?secode=002019](http://disclosure.szse.cn/m/drgg_search.htm?secode=002019)) and the Australian Securities Exchange (“**ASX**”) (<https://www.asx.com.au>).

**This Announcement should not be construed as an announcement of a firm intention by the Offeror to make the Offer. The Offer will not be made unless and until the Pre-Conditions have been satisfied or waived by the Offeror (as the case may be) on or before 5.00 p.m. (Singapore time) on the date falling six months from the date of this Announcement (the “Pre-Conditional Offer Announcement Date”), being 15 November 2018 (or such other later date as the Offeror may determine in consultation with the Securities Industry Council of Singapore (the “SIC”)) (the “Cut Off Date”). Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Pre-Conditions are satisfied or waived by the Offeror (as the case may be).**

**Shareholders should exercise caution and seek appropriate independent advice when dealing in the Shares.**

**1.2 No Holding.** As at the Pre-Conditional Offer Announcement Date, the Offeror does not own or control, directly or indirectly, any Shares.

## **2. PRE-CONDITIONS TO THE MAKING OF THE OFFER**

**2.1 Pre-Conditions.** The making of the Offer will be subject to the satisfaction or waiver by the Offeror (as the case may be) of the following pre-conditions (collectively, the “**Pre-Conditions**”) on or before the Cut Off Date:

**2.1.1** all authorisations, clearances, orders, confirmations, consents, exemptions, grants, permissions, registrations, filings, recognitions, clearances and other approvals from the National Development and Reform Commission of the People’s Republic of China (“**PRC**”), the Ministry of Commerce of the PRC and the State Administration of Foreign Exchange of the PRC necessary or appropriate for or in connection with (a) the Offer (including the use and remittance of funds for the purpose of satisfying full acceptance of the Offer); or (b) the acquisition of control of any of the Company or its subsidiaries arising from or in connection with the Offer (“**Authorisations**”):

- (i) having been obtained;
- (ii) if such Authorisations are subject to conditions precedent or conditions, such conditions precedent or conditions are reasonably acceptable to the Offeror and have been fulfilled; and
- (iii) such Authorisations remaining in full force and effect,

and all necessary statutory or regulatory obligations in connection with the Offer and the acquisition of control of any of the Company or its subsidiaries arising from or in connection with the Offer and their implementation in the PRC having been complied with;

**2.1.2** the shareholders of Bioton Spolka Akcyjna (“**Bioton**”) having passed all necessary resolutions to approve the disposal of its Shares pursuant to the Offer and all matters

in connection therewith (including the provision of the Undertaking (as referred to in paragraph 7.1 of this Announcement)) (the “**Bioton Disposal**”) at a general meeting of the shareholders of Bioton; and

2.1.3 all authorisations, clearances, approvals, consents, waivers and exemptions (as the case may be) from HSBC Bank Polska S.A., ING Bank Śląski S.A., Bank Ochrony Środowiska S.A. and Bank of China (Luxembourg) S.A., Poland Branch necessary or appropriate for or in connection with the Bioton Disposal having been obtained.

2.2 **SIC Confirmation.** The SIC has confirmed that it has no objection to the Offer being subject to the Pre-Conditions.

2.3 **Formal Offer Announcement.** If and when all the Pre-Conditions are satisfied or waived by the Offeror (as the case may be), an announcement will be made by SAC Capital, for and on behalf of the Offeror, of its firm intention to make the Offer (the “**Formal Offer Announcement**”). The formal offer document to be issued in respect of the Offer (the “**Offer Document**”) setting out the terms and conditions of the Offer and the appropriate form(s) of acceptance of the Offer will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement, or such other date permitted by the SIC, provided that there may be restrictions on sending the Offer Document to any overseas jurisdictions as disclosed in paragraph 14 of this Announcement.

**However, in the event that any of the Pre-Conditions are not satisfied or waived by the Offeror (as the case may be) on or before the Cut Off Date, the Offer will not be made and SAC Capital will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable.**

**Shareholders should note that there is no certainty that the Pre-Conditions will be satisfied and that the Offer will be made. Shareholders are advised to exercise caution when dealing in the Shares.**

### 3. THE OFFER

3.1 **Principal Terms of the Offer.** Subject to and contingent upon the satisfaction or waiver by the Offeror (as the case may be) of the Pre-Conditions on or before the Cut Off Date and the terms and conditions of the Offer to be set out in the Offer Document, the Offeror will make the Offer in accordance with Rule 15 of the Code on the following basis:

3.1.1 **Offer Shares.** The Offer will be extended to all the Shares, other than those Shares already owned, controlled, or agreed to be acquired by the Offeror, but including Shares owned, controlled, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (the “**Offer Shares**”) at the Offer Price (as defined below).

3.1.2 **Offer Consideration.** The consideration for each Offer Share will be as follows:

**For each Offer Share: US\$0.0507 in cash (the “Offer Price”).**

**The Offeror does not intend to increase the Offer Price.**

**3.1.3 No Encumbrances.** The Offer Shares are to be acquired (i) fully paid and validly issued, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (collectively, the “**Encumbrances**”) and (iii) together with all rights, benefits, entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (the “**Distributions**”) on or after the Pre-Conditional Offer Announcement Date.

**3.1.4 Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer (if and when made) shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such accepting Shareholder falls, as follows:

- (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price shall remain unadjusted for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and
- (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

**3.1.5 Minimum Acceptance Condition.** The Offer, if and when made, will be conditional on the Offeror, having received by the close of the Offer, valid acceptances pursuant to the Offer or otherwise acquiring Shares from the date of despatch of the Offer Document (the “**Commencement Date**”) other than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares acquired or agreed to be acquired from the Commencement Date, will result in the Offeror holding such number of Shares carrying not less than 90 per cent. of the total number of Shares

(other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date).

Pursuant to the Undertaking (as referred to in paragraph 7.1 of this Announcement), the Offer (if and when made) will become unconditional as to acceptances upon Bioton tendering its Shares (representing approximately 95.57 per cent. of the total number of Shares) in acceptance of the Offer.

Further information on the Offer, if and when made, and the terms and conditions upon which the Offer will be made, will be set out in the Offer Document to be issued.

#### 4. FINANCIAL EVALUATION OF THE OFFER

The Offer Price represents the following premia<sup>2</sup> over the historical traded prices of the CDIs listed on the ASX prior to the Pre-Conditional Offer Announcement Date:

Description	Benchmark Price (A\$)	Premia <sup>2</sup> over Benchmark Price (%)
Last transacted price of the CDIs on the ASX on 14 May 2018, being the last market day prior to the Pre-Conditional Offer Announcement Date (" <b>Last Market Day</b> ")	0.024 <sup>3</sup>	180.7
Volume weighted average price of the CDIs on the ASX (" <b>VWAP</b> ") for the one-month period up to and including the Last Market Day	0.024	180.7
VWAP for the three-month period up to and including the Last Market Day	0.023	192.9
VWAP for the six-month period up to and including the Last Market Day	0.025	169.5
VWAP for the twelve-month period up to and including the Last Market Day	0.039	72.7

Source: Bloomberg L.P.

#### 5. INFORMATION ON THE OFFEROR AND YIFAN PHARMACEUTICAL

**5.1 The Offeror.** The Offeror is a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China and mainly focuses on the sale and distribution of pharmaceutical products, as well as providing high quality medicine and devices. The Offeror is a wholly-owned subsidiary of Yifan Pharmaceutical. As at the Pre-Conditional Offer Announcement Date:

<sup>2</sup> The premia have been calculated based on the closing exchange rate of A\$1:US\$0.7526 published on Bloomberg L.P. on the Last Market Day.

<sup>3</sup> This refers to the closing price on 7 May 2018, being the last market day on which the CDIs were traded prior and up to the Last Market Day.

5.1.1 the Offeror has an issued share capital of US\$20,601,280, comprising 10,000 issued ordinary shares which is held by Yifan Pharmaceutical; and

5.1.2 the sole director of the Offeror is Cheng Xianfeng (the “**Offeror Director**”).

**5.2 Yifan Pharmaceutical.** Yifan Pharmaceutical is a company incorporated in the PRC and listed on the Shenzhen Stock Exchange. Yifan Pharmaceutical focuses on the development and manufacturing of pharmaceutical products.

## **6. INFORMATION ON THE COMPANY<sup>4</sup>**

**6.1 Introduction.** The Company is a public company incorporated in Singapore and listed on the ASX. The Company is a biopharmaceutical company manufacturing and marketing high quality biosimilar therapeutic products and other healthcare products. The Company focuses on the areas of endocrinology, paediatrics, neurology and oncology care. Its core product portfolio consists of biosimilar products, notably, recombinant human insulin and recombinant human growth hormone which have undergone substantial clinical development. The Company has built a diversified portfolio in recent years, comprising neurology, oncology care products, paediatric supplements, orthopaedic injection therapy, anti-hypertensives and a range of medical devices.

**6.2 Share Capital.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror, the Company has an issued and fully paid-up share capital of US\$42,530,000, comprising 552,270,320 Shares with no treasury shares. The Offeror is not aware of any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in the Company.

## **7. IRREVOCABLE UNDERTAKING**

**7.1 Irrevocable Undertaking.** As at the Pre-Conditional Offer Announcement Date, the Offeror has executed an undertaking with Bioton (the “**Undertaking**”), pursuant to which Bioton has undertaken, represented and warranted to the Offeror, amongst other things:

7.1.1 subject to the satisfaction of the Pre-Conditions, to tender all the Shares beneficially owned by Bioton (or to procure its nominees to tender)<sup>5</sup> (the “**Relevant Shares**”) free from any Encumbrances in acceptance of the Offer, not later than 5.00 p.m. (Singapore time) on the date falling three business days after the Commencement Date, and notwithstanding any rights of withdrawal under the Code, not to (and to procure its nominees not to) withdraw any of the Relevant Shares tendered for acceptance until (and including) the date on which the Offer lapses or is withdrawn by the Offeror;

7.1.2 not accept (or permit the acceptance of) any Competing Offer or other offer for the Shares in respect of all or any of the Relevant Shares or approve, endorse, recommend, vote or agree to vote for (and shall vote against or reject) any Competing Offer, whether or not such Competing Offer or other offer is at a higher price than the Offer Price and/or on more favourable terms than under the Offer;

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<sup>4</sup> The information set out in this paragraph 6 is based on publicly available information on the Company.

<sup>5</sup> As at the Pre-Conditional Offer Announcement Date, Bioton is the beneficial owner of 527,786,735 Shares (of which 27,760,228 are CDIs held on behalf of Bioton by CHESS Depository Nominees Pty Ltd), representing approximately 95.57 per cent. of the total number of Shares.

- 7.1.3 except pursuant to the Offer, not to sell, transfer, dispose of, charge, pledge or otherwise encumber, grant any option or other right over, enter into any arrangement that transfers any of the legal, beneficial or economic consequences of ownership of any of the Relevant Shares, or otherwise deal with any of the Relevant Shares or any interest in them (whether conditionally or unconditionally, directly or indirectly);
- 7.1.4 not exercise the voting rights attaching to the Relevant Shares in such manner as to oppose the taking of any action which might result in any Pre-Conditions or condition of the Offer not being satisfied;
- 7.1.5 not (a) acquire or seek to acquire any interest in the Shares (other than Shares that Bioton is the beneficial owner of as at the date of the Undertaking) or (b) announce or take any action which would require the announcement (whether under the Code or otherwise) of any proposals for any take-over, merger, consolidation or share exchange or similar transaction involving the securities of the Company; and
- 7.1.6 not enter into any agreement or arrangement with any person, whether conditionally or unconditionally (directly or indirectly), to do any of the acts prohibited by the above terms of paragraphs 7.1.1 to 7.1.5.

For the purpose of this Announcement, “**Competing Offer**” means any offer, proposal or expression of interest by any person other than the Offeror pursuant to which such person or any other person may, whether directly or indirectly, and whether by share purchase, scheme of arrangement, merger or amalgamation, capital reconstruction, purchase of assets, tender offer, general offer, partial offer, joint venture or otherwise (i) acquire or become the holder or owner of, or otherwise have an economic interest in: (a) all or any substantial part of the businesses, assets, revenues and/or undertakings of the Company or (b) all or a significant portion of the share capital of the Company; (ii) acquire control of the Company and its subsidiaries or merge with the Company; (iii) benefit under any other arrangement having an effect similar to any of the above or (iv) effect a transaction which would preclude, materially delay, materially frustrate or restrict the Offer.

**7.2 Cessation of Undertaking.** The Undertaking shall lapse, cease and terminate on the earliest of:

- 7.2.1 the Cut Off Date, if any of the Pre-Conditions is not satisfied or waived on or before such date;
- 7.2.2 the date on which the Offer closes, lapses or is withdrawn, other than as a result of Bioton breaching its obligations under the Undertaking; or
- 7.2.3 such date as may be mutually agreed between Bioton and the Offeror.

**7.3 No Other Undertakings.** Save for the Undertaking, the Offeror has not received any undertakings from any other party to accept or reject the Offer.

**7.4 Available for Inspection.** A copy of the Undertaking is available for inspection at the offices of the Company at 152 Beach Road, #26-07/08 Gateway East, Singapore 189721, during

normal business hours from the Pre-Conditional Offer Announcement Date until the date on which the Offer closes, lapses or is withdrawn in accordance with its terms.

## 8. AGREEMENT ON BINDING OFFER

**8.1 Salient Terms of the Agreement on Binding Offer.** The Offeror and Bioton have also entered into an agreement on binding offer on 15 May 2018 (the “**ABO Agreement**”) to set out, *inter alia*:

**8.1.1** parties’ agreement in relation to (i) the Company’s novation of its rights, interests, duties, obligations and liabilities under an existing licence agreement and technology transfer agreement to Bioton (the licence held by the Company under such agreements, the “**Licence**”), (ii) Bioton’s acquisition of certain intellectual property rights (including certain trademarks currently owned by the Company) from the Company, (iii) the grant of a sublicense by the Company to Bioton in respect of the Licence (collectively, the “**Bioton Acquisition**”), (iv) the partial extinguishing of the existing shareholder’s loan made by Bioton to the Company<sup>6</sup> (the “**Shareholder’s Loan**”) as consideration payable for the Bioton Acquisition, (v) the waiver by Bioton of the Company’s obligation to repay the remaining amount of the Shareholder’s Loan and (vi) the termination of certain profit sharing agreements between Bioton and the Company; and

**8.1.2** Bioton’s agreement to tender all its Shares in acceptance of the Offer (if and when made) pursuant to the Undertaking.

**8.2 SIC Confirmation.** The SIC has confirmed that the Bioton Acquisition does not constitute a special deal under Rule 10 of the Code, provided that the independent financial adviser to the Company publicly states that in its opinion the terms of the Bioton Acquisition are fair and reasonable.

## 9. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS FOR THE COMPANY

### 9.1 Rationale for the Offer

**9.1.1 Offeror’s Investment in the Company.** The Offeror sees potential for continued growth in the various businesses and the subsidiaries of the Company, taking into account the geographical footprint of the Company’s assets and its developments.

**9.1.2 Combination of complementary business and expertise to realise potential synergies.** The Offeror is of the view that the businesses of the Company and the Offeror are complementary and there are potential synergies that can be created, including cross-selling to an enlarged customer base, economies of scale, improvement of productivity and cost efficiency, as well as sharing of domain knowledge such as know-hows and best practices.

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<sup>6</sup> As at 31 December 2017, the aggregate amount of the Shareholder’s Loan is US\$76,388,238.90.



## 9.2 Offeror's intentions in relation to the Company

Upon completion of the Offer (if and when made), the Offeror may undertake a strategic and operational review of the Company and its subsidiaries with a view of realising synergies, scale, cost efficiencies and growth potential.

Save as disclosed in paragraph 8.1.1 above, the Offeror presently has no intention to introduce any major changes to the business of the Company, or to discontinue the employment of any of the existing employees of the Company and its subsidiaries or re-deploy any of the fixed assets of the Company, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider options and opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

## 10. COMPULSORY ACQUISITION AND LISTING STATUS

**10.1 Compulsory Acquisition.** In the event the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares from the Commencement Date other than through valid acceptances of the Offer) in respect of not less than 90 per cent. of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date) (the "**CA Threshold**"), the Offeror would be entitled to exercise its right under Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer.

**In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer.**

In addition, pursuant to Section 215(3) of the Companies Act, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of shares in the Company. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

**10.2 Listing Status.** The Offeror intends to make an application to delist the Company from the ASX in accordance with ASX Listing Rule 17.14, if the Offeror is entitled to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act. The Offeror intends to seek in-principle advice on whether the ASX is likely to agree to a request for removal of the Company from the official list of the ASX and the conditions that the ASX is likely to require to be satisfied before the ASX will act on such request for removal. Upon receiving favourable advice from the ASX and the Offeror reaching the CA Threshold, the Offeror will make an official request to the ASX for the Company to be removed from the official list of the ASX. It is expected that the ASX will, after reviewing the application for delisting, advise of the date on which the Company will be removed from the official list of the ASX, and any conditions that are required to be met in order for delisting of the Company to occur.

## 11. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

**11.1 Holdings and Dealings in Relevant Securities.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror, none of (i) the Offeror; (ii) the Offeror Director and (iii) SAC Capital (collectively, the “**Relevant Parties**”):

11.1.1 owns, controls or has agreed (other than pursuant to the ABO Agreement and the Undertaking) to acquire any (i) Shares, (ii) securities which carry voting rights in the Company or (iii) convertible securities, warrants, options, awards or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, the “**Relevant Securities**”); or

11.1.2 has dealt for value in any Relevant Securities during the three-month period immediately preceding the Pre-Conditional Offer Announcement Date and up to the Pre-Conditional Offer Announcement Date.

**11.2 Other Arrangements.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror and save as disclosed in paragraphs 7 and 8 of this Announcement, none of the Relevant Parties has:

11.2.1 entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Shares or the shares of the Offeror which might be material to the Offer;

11.2.2 received any irrevocable commitment from any party to accept the Offer in respect of any Relevant Securities;

11.2.3 granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;

11.2.4 borrowed any Relevant Securities from any other person (excluding those which have been on-lent or sold); or

11.2.5 lent any Relevant Securities to any other person.

**11.3 Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer (if and when made). Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Offer Document (if and when the Offer is made).

## 12. FINANCIAL ADVISER

The Offeror has appointed SAC Capital as its financial adviser in respect of the Offer.

## 13. DESPATCH OF OFFER DOCUMENT

If and when the Offer is made, the Offer Document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance of the Offer will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Formal Offer Announcement, or such other date permitted by the SIC, provided that there may be

restrictions on sending the Offer Document to any overseas jurisdictions as disclosed in paragraph 14 of this Announcement.

#### **14. OVERSEAS SHAREHOLDERS**

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law.

The Offer (if and when made) will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

**For the avoidance of doubt, the Offer (if and when made) will be open to all Shareholders holding Shares, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.**

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (the “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The availability of the Offer to Shareholders whose addresses are outside Singapore or Australia as shown in the register of shareholders of the Company (the “**Overseas Persons**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

#### **15. CAUTIONARY STATEMENT**

**This Announcement should not be construed as an announcement of a firm intention by the Offeror to make an Offer. The Offer will not be made unless and until the Pre-Conditions have been satisfied or waived by the Offeror (as the case may be) on or before the Cut Off Date. Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Pre-Conditions are satisfied or waived by the Offeror (as the case may be).**

**Shareholders and potential investors should note that there is no certainty that the Pre-Conditions will be satisfied and that the Offer will be made. Shareholders and potential investors should exercise caution when trading in the Shares, and where in**

**doubt as to the action they should take, they should consult their stockbroker, bank manager, accountant, solicitor, tax adviser or other professional advisers.**

## **16. RESPONSIBILITY STATEMENT**

The Offeror Director has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading, and that he accepts responsibility accordingly.

Where any information in this Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Offeror Director has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources and/or, as the case may be, reflected or reproduced in this Announcement in its proper form and context.

Issued by

**SAC CAPITAL PRIVATE LIMITED**

For and on behalf of

**YIFAN INTERNATIONAL PHARMACEUTICAL CO., LIMITED.**

15 May 2018

### *Forward-Looking Statements*

*All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast”, “targets” and similar expressions or future or conditional verbs such as “will”, “would”, “shall”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror or SAC Capital undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or any other regulatory or supervisory body or agency.*

*Any inquiries relating to the Offer should be directed during office hours to:*

Mr. Bernard Lim / Ms. Chow You Yah / Mr. Tan Kian Tiong  
Director / Partner / Manager

### **SAC Capital Private Limited**

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Stock Code: 002019  
Stock ID: Yifan Pharmaceutical  
Announcement No.: 2018-030

**Yifan Pharmaceutical Co., Ltd.**

**Resolutions of the 20<sup>th</sup> Meeting (Interim) of the Sixth Board of Directors**

Yifan Pharmaceutical Co., Ltd. ("**Company**") and each and all members of the board of directors ("**Board**") hereby guarantee that the information disclosed hereof is true, accurate and complete, and is without any false record, misleading statement or material omission.

**1. Convention of the Meeting**

The Company called for the 20<sup>th</sup> meeting (Interim) of the sixth Board by verbal notice on May 10, 2018, the meeting was convened by way of telecommunication voting on May 15, 2018. The meeting was hosted by Mr. Xianfeng CHENG, chairman of the Board. All of the nine directors of the Company attended and voted in the meeting. The resolutions of the meeting are based on the full discussions and final opinions of all the directors. The procedure of calling and holding this meeting is subject to the relevant provisions of the *Company Law of the People's Republic of China* and the Company's Articles of Association.

**2. Resolutions**

**Resolved that:**

- (1) The Proposal of execution of the **AGREEMENT ON BINDING OFFER** and the **DEED OF UNDERTAKING** between the wholly-owned subsidiary of the Company and Bioton S.A be and is hereby approved. *(9 affirmative votes; 0 dissenting vote; 0 abstention vote)*

The Company's wholly-owned subsidiary Yifan Pharmaceutical International Co., Limited ("**Yifan International**") intends to make a voluntary offer to all the shareholders of SciGen Ltd. ("**Target Company**"), to offer for not less than 90%

shares, including the possibility to acquire 100% shares of the Target Company and delist the Target Company.

To ensure that the acceptance of the offer will be not less than 90% shares in the Target Company, Yifan International executes this AGREEMENT with the largest shareholder Bioton S.A., who holds 95.57% shares of the Target Company, agreeing that after the conditions precedents are satisfied, Yifan International will make a general offer for all the shares of the Target Company at the price of US\$0.0507 per share. Bioton S.A. will tender the offer to sell all of the shares of the Target Company held in the acceptance of the offer.

The principal terms and conditions of the AGREEMENT are released in the Announcement (No. 2018-031) dated May 15, 2018 on the Proposal of the Company's Wholly-owned Subsidiary intends to make a General Offer for not less than 90% shares of SciGen Ltd., which is available on *Securities Times*, *Securities Daily*, and *Shanghai Securities News* and at [www.cninfo.com.cn](http://www.cninfo.com.cn).

(2) The proposal of the Company's wholly-owned subsidiary intends to make an offer for not less than 90% shares of SciGen Ltd. be and is hereby approved. (9 affirmative votes; 0 dissenting vote; 0 abstention vote).

Details are released in the Announcement (No. 2018-031) dated May 15, 2018 on the Proposal of the Company's Wholly-owned Subsidiary intends to make an Offer for not less than 90% shares of SciGen Ltd., which is available on *Securities Times*, *Securities Daily*, and *Shanghai Securities News* and at [www.cninfo.com.cn](http://www.cninfo.com.cn).

(3) The proposal of increasing the capital of Yifan International in cash by the Company for the purpose of satisfying the acceptance of the general offer for not less than 90% shares in SciGen Ltd be and is hereby approved. (9 affirmative votes; 0 dissenting vote; 0 abstention vote)

Details are released in the Announcement (No. 2018-031) dated May 15, 2018 on the proposal of increasing the capital of Yifan International in cash by the Company for the purpose of satisfying the acceptance of the offer for not less than 90% shares in SciGen Ltd., which is available on *Securities Times*, *Securities Daily*, and *Shanghai Securities News* and at [www.cninfo.com.cn](http://www.cninfo.com.cn).

### **3. References**

Resolutions of the Company's 20<sup>th</sup> Meeting (Interim) of the Sixth Board of Directors.

Board of Directors of Yifan Pharmaceutical Co., Ltd.

May 15, 2018

Stock code: 002019

Stock ID: Yifan Pharmaceutical

Announcement No.: 2018 - 031

**The Company's subsidiary proposes to make a general offer ("Offer") for not less than ninety percent (90%) of all the issued and paid-up ordinary shares ("Shares") in SciGen Ltd.**

Yifan Pharmaceutical Co., Ltd. ("**Company**") and each and all members of the board of directors ("**Board**") hereby guarantee that the information disclosed hereof is true, accurate and complete, and is without any false record, misleading statement or material omission.

**CAUTIONARY STATEMENT:**

**(1) Uncertainty of Authorisations and Bank Approval**

Given that this Offer for the Shares ("**Transaction**") is a cross-broader transaction, and SciGen Ltd. ("**Target Company**" or "**SciGen**") and the seller Bioton S.A. ("**Bioton**"), who is the largest shareholder of the Target Company, are both overseas listed companies, completion of the Transaction still requires requisite approvals or filings, including but not limited to approvals from or filings with relevant government departments in the People's Republic of China ("**PRC**") (including the National Development and Reform Commission ("**NDRC**") of the Peoples' Republic of China ("**PRC**"), the Ministry of Commerce ("**MOC**") of PRC and the State Administration of Foreign Exchange ("**SAFE**") of PRC, etc.), Bioton's General Meeting of Shareholders ("**GM**") and Related Creditor's Bank ("**Banks**"), and the approvals, consents and waivers of the Singapore Securities Council ("**SIC**") and the Australian Stock Exchange ("**ASX**") etc. The aforesaid approvals or filings, consents and waivers ("**Authorisations**") and Banks approvals are of uncertainty.



## **(2) Uncertainty of the Time of Completion of the Offer**

Even if the Offer is approved by GM, it still needs the approvals, consents or waivers of the relevant government departments or regulatory bodies for completion. Therefore, the time of completion of the Offer is of uncertainty.

## **(3) Risks of integration after completion of the Offer**

Due to the differences between the countries, where the Company and the Target Company are respectively located, in the political, economic, cultural, legal, ideological, and other aspects, the Company will face the risks of cross-border operations and integration after the completion of the Transaction. There may be a risk that the existing business and resources of the Company and the Target Company could not realise synergies, and therefore the Company may face certain risks of integration.

## **(4) Risk of exchange rate fluctuations**

The daily operating currency of Target Company is mainly U.S. dollars and other foreign currencies, and the standard recording currency for the Company's consolidated statements is RMB. Therefore, the exchange rate fluctuations between the above currencies will have certain impact on the profitability of the Company.

# **1. Introduction of the Transaction**

## **(1) Background Information**

Yifan Pharmaceutical Co., Ltd. ("**Company**") proposes to increase the capital of or provide a loan to its wholly owned-subsiidiary Yifan International Pharmaceutical Co., Limited ("**Yifan International**" or "**Investor**") in cash, to provide sufficient fund to Yifan International for the purpose of satisfying the acceptance of the Offer to acquire not less than 90%, or possibly 100% Shares in the Target Company at a consideration of US\$ 0.0507 per share, and then intends to delist the Target Company. As of the date of this announcement, the total issued and paid-up ordinary shares in the capital of the

Target Company is 552,270,320, of which Bioton holds 527,786,735 shares representing 95.57% of the total share capital. Bioton is the controlling and the existing major shareholder of the Target Company. After all of the conditions precedent set out in the pre-conditional offer announcement have been fulfilled, Yifan International will issue a formal volunteer general offer for all the shares in the Target Company, and Bioton irrevocably undertakes to tender its shares (representing approximately 95.57% of the total number of Shares in consideration of US\$26,758,787) in acceptance of the Offer, subject to the <AGREEMENT ON BINDING OFFER> (“**ABO**”) and <Deed of Undertaking> (“**DOU**”) executed by and between Yifan International and Bioton. The consideration for the 100% shares in the Target Company under the Offer is US\$28,000,105. The final and actual consideration depends on the acceptance of the Offer.

As of the date of this announcement, the Company does not hold any shares of the Target Company, nor is any relationship between the Company and Bioton. Therefore, the proposed Transaction does not constitute a related party transaction nor the major asset reorganization as provided in the *Measures for Administration of Material Assets Reorganization of Listed Companies*.

## **(2) Approval process**

The Transaction has been approved by the Company at the 20<sup>th</sup> Meeting (Interim) of the Sixth Board of Directors. The Company’s independent directors have also expressly announced their consents in relation to the Transaction.

The price of the Transaction is within the decision-making authority of the Board of Directors, and thus it is not necessary to submit it to the Company's general meeting of shareholders for approval.

The approval, registration or filing procedure of NDRC, MOC, SAFE is still necessary in connection to the Transaction.

## **2. Profile of the Investor**

Name: Yifan International Pharmaceutical Co., Limited

Type: limited liability company

Registered address: Room 802, 8th Floor, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong

Date of incorporation: September 5, 2014

Certificate No.: 63792486-000-09-17 - 7

Yifan International is a wholly-owned subsidiary of the Company.

## **3. Profile of counterparties**

Given the Transaction will be made via Offer, the counterparties of the Transaction is Bioton, the existing major shareholder of the Target Company, and other shareholders of Target Company.

Bioton and Yifan International will enter into the ABO which provides that Yifan International will make a formal tender offer to Bioton, and Bioton will accept the said offer at an agreed price. Below is a brief profile of Bioton.

Name: Bioton S.A.

Place of listing: Warsaw Stock Exchange

Stock code: PLBIOTN00029

Share capital: 1,717,284,000.00 PLN (Poland currency unit)

Date of incorporation: 1993

Registered address: Warsaw, 5 Starościńska Street, 02-516 Warsaw

Tax File No.: 5210082574

REGON No.: 001384592

Business scope: R&D, production and sales of biopharmaceuticals

**Bioton** holds 527,786,735 shares in SciGen, representing 95.57% of the total share capital of **SciGen**.

Other potential counterparties to the Transaction are shareholders of the Target Company other than Bioton, and are pending the final outcome of Offer acceptance.

#### **4. Information of the Target Company**

##### **(1) Basic profile**

Name: SciGen Ltd.

Place of listing: Australian Securities Exchange

Stock Code: SIE

Number of capital shares: 552,270,320

Date of incorporation: 1988

Company registration number: 199805796R

Registered address: 152 Beach Road #26-07/08, Gateway East, Singapore 189721

Controlling shareholder: Bioton S.A.

**Brief Introduction:** SciGen is a Singapore biopharmaceutical company listed at Australian Securities Exchange and is dedicated to the sales and promotion of 20 kinds of

biosimilar drugs and other products such as recombinant human insulin for injection, recombinant human growth hormone for injection and recombinant human G-CSF. SciGen’s products are marketed and sold primarily in the main Asia Pacific region covering China, Australia, South Korea, the Philippines, Indonesia, etc. Meanwhile SciGen gradually expands its market to nearly 20 countries and regions in the Middle East and Africa. SciGen has a direct sale department and a distribution department which have more than 120 employees. SciGen is headquartered in Singapore and has subsidiaries in Australia, South Korea, China and sales offices at Philippines. SciGen also has strategic distribution partners in China, Thailand, Hong Kong, Pakistan, Bangladesh, Indonesia, Singapore, Myanmar and Vietnam.

**(2) SciGen’s shareholders and their shareholdings**

As of April 30, 2018, top ten shareholders of SciGen and their shareholdings are tabled as follows:

S/N	Shareholder Name	Number of shares (shares)	Shareholding percentage ( % )
1	Bioton S.A.	527,786,735	95.57
2	DR SULATHA MINO SON + MR CHRISTOPHER ROBERT HAIMA	1,641,318	0.30
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,214,253	0.22
4	MR BERNARD STAUNTON	1,129,943	0.20
5	ZANRED PTY LTD	852,227	0.15
6	DANKAB PTY LTD	839,000	0.15
7	CITICORP NOMINEES PTY LIMITED	655,410	0.12
8	DR ANDREW TAN	597,455	0.11
9	BEDEL & SOWA CORP PTY LTD	500,000	0.09
10	R MALA PTY LTD	450,000	0.08
	<b>Total</b>	<b>535,666,341</b>	<b>96.99</b>

### (3) SciGen's Financial Data

SciGen's financial data for the most recent period of the current year are as follows. (The annual financial data for 2017 has been audited by Deloitte & Touche LLP (Special General Partnership). Bdo Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) issued the verification report (Report No. 2018 ZB10444) based on SciGen's 2017 annual audit report issued by Deloitte & Touche LLP.

Unit: 10,000 U.S. dollars

Item	December 31, 2017
Total Assets	2,614.47
Total Liabilities	7,942.94
Net Assets	-5,328.47
	January-December 2017
Sales	4,039.49
Total Profit	285.27
Net Profit	176.27
Net cash flow from operating activities	132.6

According to the ABO and DOU, after Yifan International issues the formal Offer, Bioton will promise to accept the Offer, and exempt all its existing loans and interests to SciGen after receiving the consideration and approval from SciGen's decision-making authority, and meanwhile withdraw SciGen's current intangible assets related to the recombinant human insulin technology (The original book value at the time of the evaluation date was USD 5,385,500 and the net book value was USD 3,130,500). According to the third-party valuation agency engaged by Bioton, the intangible assets are valued US\$29.9 million. Based on this agreement and the Target Company's provided data, main financial data in the pro-forma financial statements (unaudited) are as follows:

Unit: 10,000 U.S. dollars

Item	December 31, 2017
Total Assets	2,242.81
Total Liabilities	448.91
Net Assets	1,793.90

#### (4) SciGen's assets assessment

The Company engaged Beijing Tianjian Xingye Assets Assessment Co., Ltd. (“**Tianjian Xingye**”) to assess the entire equity of the **Target Company**'s shareholders involved in the acquisition of SciGen's partial equity interest by Yifan International. In accordance with the *Assessment Report on the Proposed Acquisition of SciGen's Partial Equity Interest by Yifan International Pharmaceutical Co., Limited (Tianxing Pingzi (2018) No.: 0415)* issued by **Tianjian Xingye** on May 14, 2018 (Valuation Date: December 31, 2017) (“**Assessment Report**”), the assessment results are as follows:

##### (A) Assessment results under the Profit Method

The total equity value of SciGen's shareholders assessed under the Profit Method is US\$ 28,751,700. Compared to the pro-forma net book value of consolidated books of US\$ 17,939,000, there is an appreciation of US\$ 10,738,400 with an appreciation rate of 59.86%.

##### (B) Assessment results under the Market Capitalization Method

The total equity value of SciGen's shareholders assessed under the Market Capitalization Method is US\$ 57,764,000. Compared to the pro-forma net book value of consolidated books of US\$ 17,939,000, there's an appreciation of US\$ 39,825,000 with an appreciation rate of 222.00%.

##### (C) Final determination of the assessment result

There is certain difference between the assessment results under the income method and the market method. The reasons for the differences are mainly due to the differences of the assessment perspectives between these two methods. Given the fact that SciGen's product sales market covers the whole Southeast Asia and that the local market condition varies among different regions, the assessment results under market method is difficult to be achieved accurately, and moreover, the market method is based on the base day capital market without considering the impact of market cyclical fluctuations. Therefore the assessment under market method only serves as a verification of the assessment results.

The income method assesses the value of the enterprise using a discounted approach to expect earnings, not only taking into account the assets that the company measures using accounting principles, but also considering the resources actually owned or controlled by the enterprise that cannot be reflected in the balance sheet, such as execution contracts, customer resources, sales networks, potential projects, corporate qualifications, human resources, and strong product research and development capabilities. The contribution of resources to the enterprise is reflected in the net cash flow. Therefore, the assessment conclusion under the income method can better reflect the enterprise's overall growth and profitability.

After reviewing the financial status and analyzing the daily operation of the assessment target and considering the object of the current asset assessment, the purpose of the assessment and the applicable value type, it is believed that the assessment results under the income method can reflect the company's embedded value more comprehensively and reasonably. Therefore the assessment result under the income method is adopted as the final assessment result of this asset assessment.

Based on the above analysis, this Assessment Report adopts the assessment result under the income method, namely, SciGen's shareholder equity value evaluation result is US\$28,751,700 equivalent to RMB 187,869,400 at the exchange rate of 1:6.5342 published by the People's Bank of China.

## **5. Principle Term of the ABO**



May 15, 2018, Yifan International and Bioton signed the ABO and DOU. In addition, the company and Yifan International did not enter into any agreements with other shareholders of the target company. The main contents of the "ABO Agreement" are as follows:

**(1) Parties to the ABO**

Yifan International, as the Investor, a wholly-owned subsidiary of the Company, and Bioton, the existing legal shareholder of the Target Company who holds 95.57% Shares in the Target Company.

**(2) Background of the ABO**

(A) As of December 31, 2017, SciGen's total outstanding debt (principal and interest) amounted to US\$76,388,200 ("**Loan**"). The creditor to the Loan is Bioton, the major shareholder of SciGen. The repayment date of the principal and interest of the Loan is December 31, 2020.

(B) Bioton is now looking for options to divest from SciGen. The Investor emphasises that the Transaction price so determined is based on the waiver and setting-off of the total debt of SciGen owed to Bioton.

**(3) Conditions precedent to the Offer**

(A) The overseas investment involved in this Offer requires the approval of or record with NDRC, MOC and SAFE.

(B) Resolution regarding Bioton's acceptance of Offer made by Yifan International as well as waiver and setting-off SciGen's debt requires review and approval by the general meeting of Bioton.

- (C) Bioton's acceptance of the Offer made by Yifan International as well as waiver and setting-off SciGen's debt requires consent from Bioton's credited banks

**(4) Offer Price**

The Target Company currently has 552,270,320 shares, of which Bioton holds 527,786,735 shares. The bid price for the tender offer is US\$ 0.0507 per share, and the price for the 100% equity interest of the Target Company is approximately US\$ 28,000,105. The corresponding price for shares held by Bioton is approximately US\$ 26,758,800.

**(5) Material Terms**

It is agreed that:

- (A) Yifan International will issue an announcement on formal general offer to all shareholders of SciGen within five working days after the last condition precedent is satisfied or waived.
- (B) Bioton shall accept the offer and transfers all of its shares in the Target Company within three working days after the Offer documents are dispatched.
- (C) After the Target Company completes the delisting or the approval of the competent decision-making body is obtained, Bioton will re-claim the rights and obligations under the recombinant human insulin technology and trademark which are currently held by the Target Company, terminate the profit sharing agreement and amend the distribution agreement with the Target Company. Bioton agrees to set-off a debt in amount of US\$ 29.9 million with the Target Company, and further agrees to waive all other loans (including interest) owed by SciGen to Bioton on the date that it receives the consideration of the Transaction.

**(6) Effective Date and Duration**

The ABO requires approval by the Board of the Company, the parent company of the Investor, and it shall take effect from the date of signing by the authorized representatives of both parties. The ABO will terminate after each party completes its rights and obligations thereunder.

**(7) Right of Withdraw**

(A) If at least one of the conditions precedent fails to be met or waived no later than the cut-off date, or, there is a material adverse change before the date on which the general offer becomes an unconditional offer, Yifan International is entitled to rescind the ABO with the written notice to Bioton.

(B) If at least one of the conditions precedent fails to be met or waived no later than the cut-off date, or, Yifan International fails to issue a formal general offer and notify Bioton within five business days upon satisfaction of all the conditions precedent, Bioton is entitled to rescind the ABO with the written notice to Yifan International.

**6. Basis for determining the consideration**

As of the last trading day before May 15 2018 , SciGen's closing price was AD\$ 0.024 per share. The Company's consideration for this tender offer was US\$ 0.0507 per share, and the consideration for the target company's 100% equity was approximately US\$ 28,000,105. This consideration has a premium of 180.11% over SciGen's closing price on May 14 2018. The estimated consideration for the Transaction is 6.05 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of SciGen in the last 12 months before the evaluation date. The primary basis is as follows:

The tender offer is for not less than 90% of equity in SciGen. The Company's Offer is based on SciGen's existing marketing authorizations and competitive sales and promotion resources and advantages in nearly 20 world-wide countries and regions, including the Asia-Pacific region and Australia, for about 20 product lines such as recombinant human insulin products for injection, recombinant human G-CSF products

for injection, and biological analogs for recombinant human growth hormone products for injection. In the above areas, SciGen has sales and promotion of competitive resources and advantages, and meanwhile, the basic conditions for the exemption of all debts of SciGen is also considered. Under the guidance of development plan “integration, innovation and internationalization” of the Company's medium and long-term transformation and upgrading , the Company determined the consideration of the Offer for the controlling right in SciGen at US\$ 0.0507 per share by referring to the evaluation result from the third-party evaluation agency Tianjian Xinye, considering the premium of obtaining the control of the Target Company, and comparing the EBITDA multiples of the same type of Transaction. Therefore the consideration for the Offer is relatively reasonable.

## **7. Purpose of the Offer for the controlling interest of the Target Company and its influence on the Company**

### **(1) Advantages of the Target Company**

SciGen has more than 10 years of sales promotion history and stable sales channels in the Asia-Pacific region. At the same time, in the past decade, SciGen has accumulated a large number of distributor resources and available product resources in Asia-Pacific region. Currently SciGen and Sandoz, Novartis and Merck have long-term product and promotion cooperation. At the same time, SciGen and major pharmaceutical sales companies in various countries in the Asia-Pacific region also have a long history of cooperation. The Company currently has a large product line and a number of products with sales prospects in the Asia-Pacific region, while SciGen has already established direct sales networks in developed countries and big-market countries based on the different circumstances of the various countries in the Asia-Pacific region and extensive distribution network in other regions. SciGen has a planning and implementing team that is familiar with the laws and regulations of the Asia-Pacific region and accumulated rich experience in holding products licenses in various countries by localized production. It consummates an integrated system from multi-territory market study, business development, legal registration and compliance to various forms of marketing sales and

promotion. This system will help provide the Company a quick channel from evaluation, entry to gain of market shares for new products in Asia-Pacific region.

## **(2) Purpose and influence of this Offer**

On the basis of maintaining and strengthening existing businesses, the Company's long-term development plan is to achieve “integration, innovation and internationalization”. The Company will continue focusing on macromolecular biological drugs, high-end chemical drugs and specialty Chinese medicine and other key development areas and constantly improve R&D and innovation capabilities through independent R&D, cooperative R&D and technology buyouts. The Company commits to achieving internationalization, transformation and upgrading via deployment and development of the global pharmaceutical preparations market on the basis of consolidating and strengthening the domestic market.

If the Transaction is successfully completed, the Company will become the controlling shareholder of the Target Company and be able to use the existing sales network of SciGen and get access to SciGen's profound understanding of laws and regulations of various countries to expand the Company's current production distribution from China to other Asia-Pacific region. With SciGen's sales network and channel advantages in selling and promoting biological similar drugs, especially recombinant human insulin, in nearly 20 countries or regions around the world, the Company will soon has the entire chain for selling and promoting high-end chemical drugs in nearly 20 countries or regions around the world including the Asia-Pacific region, Australia, the Middle East, and Africa. Meanwhile, the Transaction will also help the Company to obtain a strategic edge for the Company's future products to enter into the relevant markets upon obtaining marketing qualifications, which is a substantial step in the Company's strategy to achieve internationalization of pharmaceutical preparations. The Transaction in the long run will benefit the Company in terms of expanding market, enhancing competitive power and profitability. Introduction of the Company's product will also significantly enhance

SciGen's profitability and strengthen SciGen's sales network, which will further optimize the Company's global layout.

The fund needed for this investment was mainly self-raised by the Company. The Transaction price for the entire shares in the Target Company is approximately US\$28,000,105 (base on Bank of China May 11, 2018 exchange rate 1:6.3524, equivalent to RMB177,867,867), accounting for 2.03% of the total audited assets of Yifan International in 2017. The Transaction will not affect the normal cash flow or operation of the Company, and it will not have any adverse impact on the Company's current and future financial status and operating outcome.

## **8. Intermediary Agency**

The Company engaged relevant overseas intermediary agencies to assist the Company in carrying out the Offer. The financial advisor is SAC Capital Private Limited, the Singapore legal advisor is Allen & Gledhill LLP and the Australian legal advisor is THOMSON GEER.

## **9. Reference File**

- (1) Resolutions of the Company's 20th Meeting (Interim) of the Sixth Board of Directors
- (2) Agreement on Binding Offer
- (3) Verification Report
- (4) Assessment Report on the Proposed Acquisition of SciGen's Partial Equity Interest by Yifan International Pharmaceutical Co., Limited

Board of Directors, Yifan Pharmaceutical Co., Ltd.

May 15, 2018

Stock Code: 002019  
Stock ID: Yifan Pharmaceutical  
Announcement No.: 2018-032

**Increasing the capital of Yifan International Pharmaceutical Co., Limited in cash by the Company for the purpose of satisfying the acceptance of the general offer for not less than 90% shares in SciGen Ltd**

Yifan Pharmaceutical Co., Ltd. ("**Company**") and each and all members of the board of directors ("**Board**") hereby guarantee that the information disclosed hereof is true, accurate and complete, and is without any false record, misleading statement or material omission.

On May 15, 2018, the Company held its 20<sup>th</sup> meeting (interim) of the sixth board of directors and approved the proposal of <Increasing the capital of Yifan International Pharmaceutical Co., Limited in cash by the Company for the purpose of satisfying the acceptance of the general offer for not less than 90% shares in SciGen Ltd>. Relevant matters in respect to increasing the capital of Yifan International Pharmaceutical Co., Limited ("Yifan International") are announced as follows:

**1. The overview of Capital Increase**

(1) Basic Profile

As the Company's wholly-owned subsidiary, Yifan International is a limited company duly incorporated and existing under the laws of Hong Kong, China. To cater for the need of the Company's internationalization strategy, the Company's board of directors (**Board**) approves to increase the Company's capital investment in Yifan International by US\$28,000,105 (self-financed) which will be primarily used to finance Yifan International's general offer for acquiring not less than 90% shares in SciGen Ltd. (**Target Company**). Consideration of 100% shares in the Target Company is approximately US\$28,000,105. The final consideration is subject to the actual number of shares agreed to sell.

The Company will still be holding 100% shares in Yifan International after the

aforesaid capital increase.

(2) Procedure of Approving the Capital Increase

The capital increase has been deliberated and approved at the Company's 20<sup>th</sup> meeting (interim) of the sixth Board on May 15, 2018.

- (3) In accordance with the *Listing Rules of Shenzhen Stock Exchange* and the Company's Articles of Association, the Board has the authority to decide on this capital increase and is not required to submit the same to the general meeting for deliberation. This capital increase is an investment by the Company in its wholly-owned subsidiary, which doesn't involve any related transaction nor constitute any material assets reorganization as provided in the *Measures for Administration of Material Assets Reorganization of Listed Companies*.

**2. Basic Profile of the Target Company**

Name: Yifan International Pharmaceutical Co., Limited

Type: Limited Liability Company

Registered Address: Unit 802, 8/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong

Date of Incorporation: September 5, 2014

Certificate No.: 63792486-000-09-17-7

The Company holds 100% shares in YiFan International.

**3. Major Term of the Transaction**

The Company increases capital investment in amount of US\$ 28,000,105 to Yifan International in cash primarily for the purpose of satisfying the acceptance of Yifan International's offer for not less than 90% shares (possibly 100% shares) of the Target Company, and further Yifan International will delist the Target Company.

**4. Purpose of the Capital Increase and its Impact to the Company**



This capital increase of Yifan International will on one hand provide sufficient fund for its offer for not less than 90% shares in the Target Company and secure the timely and effective completion of the transaction, and will on another hand help the Company rapidly take advantage of the existing broad sales network and profound understanding of various national laws by the Target Company, which will enable the Company not only to expand its current production distribution from China to other Asian-Pacific regions, but also to obtain a strategic edge for the Company's future products to enter into relevant markets upon obtaining marketing qualifications. It is consistent with the Company's international strategies and plans, beneficial to the Company's long-term development and brings no harm to the interest of the Company and its shareholders.

#### **5. Cautionary Statement**

The Board will actively monitor the progress of the capital increase in Yifan International for its tender offer to acquire not less than 90% shares in the Target Company and will duly disclose relevant information. General investors are advised to exercise caution for investment risks.

#### **6. Reference File**

Resolutions of the Company's 20<sup>th</sup> Meeting (Interim) of the Sixth Board of Directors.

Board of Directors, Yifan Pharmaceutical Co., Ltd.

May 15, 2018

## **YIFAN PHARMACEUTICAL CO., LTD.**

### **Independent Directors' Opinion on Relevant Issues of the 20<sup>th</sup> Meeting (Interim) of the Sixth Board of Directors**

As independent directors of Yifan Pharmaceutical Co., Ltd. ("**Company**"), we hereby issue the following opinions on relevant matters deliberated at the Company's 20<sup>th</sup> meeting (interim) of the sixth board of directors according to pertinent provisions of the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Administrative Measures for the Issuance of Securities by Listed Companies*, *Guiding Opinions on Establishing the System of Independent Directors in Listed Companies*, *Compliance Guide (revised in 2015) for Listed Companies at the Small and Medium Enterprise Board of Shenzhen Stock Exchange*, and the *Company's Articles of Association* and *Working System of Independent Directors*:

**Independent Opinion on the Proposal of the Company's wholly-owned subsidiary intends to make a General offer for not less than 90% shares of SciGen Ltd.**

**We hereby consent to and approve the proposal.**

After review, we are of the opinion that this proposed acquisition for not less than 90% shares of SciGen Ltd. is helpful for the Company to have an in-depth understanding about various laws of the concerned countries based on the existing broad sales network of SciGen Ltd. and facilitates the Company's overall plan and strategy of expanding their products distribution from China to other Asian-Pacific regions. The proposed acquisition will meanwhile bring about strategic edge for the Company's future products to enter into these markets after obtaining marketing qualifications. This proposed acquisition is consistent with the Company's international strategies and plans, beneficial to the Company's long-term development and brings no harm to the interest of the Company and its shareholders. We therefore consent to the proposed offer.

(This page does not contain any body context and is the signature page relating to the independent director's opinion on relevant issues deliberated at the Company's 20<sup>th</sup> meeting (interim) of the sixth board of directors.)

**Signature by Independent Directors**

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Meijuan LIU

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Zhao WANG

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Kejian ZHANG

Date: