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## **TERMINATION OF MAJOR TRANSACTION IN RELATION TO ACQUISITION OF 50.1% EQUITY INTERESTS IN THE TARGET COMPANY AND THE COOPERATION AGREEMENT WITH THE VENDOR**

Reference is made to the announcement of Tianda Pharmaceuticals Limited (the “**Company**”) dated 5 October 2020 and the circular dated 24 November 2020 (the “**Circular**”) regarding the major transaction in relation to the acquisition of 50.1% equity interests in the Target Company and the cooperation agreement with the Vendor. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

### **TERMINATION AGREEMENT**

The Board wishes to announce that the Purchaser and the Vendor entered into a termination agreement (the “**Termination Agreement**”) on 16 December 2020 in order to terminate the Share Transfer and Cooperation Agreement with immediate effect. As at the date of this announcement, completion of the Share Transfer and Cooperation Agreement has not yet taken place. Upon the Termination Agreement having become effective, the Acquisition will not proceed, and all rights, obligations and liabilities of the parties to the Share Transfer and Cooperation Agreement shall be released and ceased. Each party shall not have any claim against the other in respect of the transactions under the Share Transfer and Cooperation Agreement.

### **REASONS FOR THE TERMINATION AGREEMENT**

As the COVID-19 pandemic continues to rage in the community, in order to control corporate investment risks of the Group, the Purchaser and Vendor agreed to execute the Termination Agreement after negotiation and evaluation in good faith.

As the Share Transfer and Cooperation Agreement failed to proceed to completion, the Group has issued a refund notice immediately after signing of the Termination Agreement to both the Target Company and the Vendor requesting a full refund of the Prepayment made by the Group in respect of the consideration under the Property Acquisition Agreement.

The Board considers that the Termination Agreement is fair and reasonable and in the interest of the Company and the Shareholders as a whole, and will not have any material adverse effect on

the operations or financial position of the Group.

The Group will continue to explore possibilities of business cooperation with the Vendor and the Target Group, having reached a non-legally binding intent as to future cooperation on research and development for new products and patient referrals. The Company will make further announcement as and when appropriate. Going forward, the Group will continue to develop its business through organic growth and mergers and acquisitions.

## **CAUTION**

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

For and on behalf of the Board  
**Tianda Pharmaceuticals Limited**  
**FANG Wen Quan**  
*Chairman and Managing Director*

Hong Kong, 16 December 2020

*As at the date of this announcement, the executive Directors are Mr. FANG Wen Quan (Chairman and Managing Director) and Mr. LUI Man Sang; the non-executive Directors are Mr. SHEN Bo, Mr. FENG Quanming and Dr. LAM Lee G.; and the independent non-executive Directors are Mr. LAM Yat Fai, Mr. CHIU Sung Hong and Mr. CHIU Fan Wa.*