

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in doubt as to any aspect of this circular or as to the action taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China NT Pharma Group Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer, or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**(1) MAJOR TRANSACTION  
IN RELATION TO THE DISPOSAL OF  
THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY;  
AND  
(2) NOTICE OF EGM**

---

A notice convening an EGM of the Company to be held at 17th Floor, Tower B, Yi Fang Building, 359 Dongchangzhi Road, Hongkou District, Shanghai, the PRC on Monday, 8 February 2021 at 11 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.ntpharma.com>).

Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and sign the accompanying form of proxy, in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish.

**PRECAUTIONARY MEASURES FOR THE EGM**

**The following precautionary measures will be implemented by the Company at the EGM to prevent the spreading of the COVID-19:**

- (1) Compulsory body temperature checks**
- (2) Submission of health declaration form**
- (3) Wearing of surgical face mask**
- (4) No refreshments will be provided and no corporate gifts will be distributed**

**Attendees who do not comply with the precautionary measures (1) to (3) above may be denied entry to the EGM, at the absolute discretion of the Company, as permitted by law.**

**The Company encourages Shareholders to consider appointing the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.**

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4 - 13
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP</b> .....	I - 1
<b>APPENDIX II – PROPERTY VALUATION REPORT</b> .....	II - 1
<b>APPENDIX III – GENERAL INFORMATION</b> .....	III - 1
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	EGM - 1

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Adjustments”	the adjustments of the difference between the audited net asset value of the Project Company as at the Completion Date and the estimated net asset value of the Project Company to the Estimated Consideration to calculate the Final Consideration
“Announcement”	the announcement of the Company on 11 November 2020 in the relation to, among other matters, the Disposal
“associate(s)”	has the meaning ascribed hereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong, the BVI and the PRC are generally open for business
“BVI”	the British Virgin Islands
“Company”	China NT Pharma Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1011)
“Completion”	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
“Completion Date”	the day on which the Completion takes place, being the fifth Business Day after the fulfilment or waiver (as the case may be) of all the conditions precedent set out in the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be held to approve, among others, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Estimated Consideration”	the consideration for the Disposal in the amount of RMB65,560,105.68

---

## DEFINITIONS

---

“Final Consideration”	the Estimated Consideration subject to the Adjustments
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Joint Account”	an offshore account jointly managed by the Parties established by the Purchaser within 10 Business Days upon the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement
“Latest Practicable Date”	8 January 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained therein
“Lender”	Suzhou Branch of the Shanghai Pudong Development Bank Co. Ltd.* (上海浦東發展銀行股份有限公司蘇州分行) which has no interest in the Company and the Group
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China (excluding, for the purposes of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“PRC Share Transfer Agreement”	the share transfer agreement to be entered into between PRC Vendor and the Target Company in relation to the Re-organisation
“PRC Vendor”	NTP (China) Investment Co., Ltd.* (泰凌(中國)投資有限公司), a company established in the PRC with limited liability, a direct wholly-owned subsidiary of the Company
“Project Company”	NT Pharma (China) Co., Ltd.* (泰凌醫藥(中國)有限公司), a company established in the PRC with limited liability
“Purchaser”	Fortune Blaze Investments Limited, a company incorporated in the BVI with limited liability
“Re-organisation”	the transfer of 100% equity interests of the Project Company from PRC Vendor to the Target Company prior to the Completion Date
“RMB”	Renminbi, the lawful currency of the PRC

---

## DEFINITIONS

---

“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 11 November 2020 entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Shares”	the entire issued share capital of the Target Company
“SAT Announcement No. 7”	the Announcement of the State Administration of Taxation on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises (Announcement of the State Administration of Taxation [2015] No.7)* (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》(國家稅務總局公告2015年第7號))
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Suzhou First”	Suzhou First Pharmaceutical Co., Ltd.*(蘇州第壹製藥有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Target Company”	The Mountains Limited, a company newly incorporated in Hong Kong with limited liability
“Target Group”	the Target Company and the Project Company
“Target Property”	the property held by the Project Company and located at Lot 81066, Loujiangnan, Suzhou Industrial Park, Suzhou City, Jiangsu Province, the PRC
“Transaction Documents”	the Sale and Purchase Agreement, the PRC Share Transfer Agreement and any other related agreements or documents
“Vendor”	NT Pharma (Group) Co., Ltd., a company incorporated in the BVI with limited liability
“%”	per cent

---

## LETTER FROM THE BOARD

---



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

**(Stock Code: 1011)**

*Executive Directors:*

Mr. Ng Tit (Chairman and Chief Executive Officer)  
Ms. Chin Yu  
Mr. Wu Weizhong

*Registered office:*

Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Non-Executive Director:*

Dr. Qian Wei

*Principal place of Business in Hong Kong:*

28th Floor, The Wellington  
198 Wellington Street  
Sheung Wan  
Hong Kong

*Independent non-executive Directors:*

Mr. Yu Tze Shan Hailson  
Dr. Zhao Yubiao  
Mr. Pan Fei

13 January 2021

*To the Shareholders*

Dear Sir/Madam,

**(1) MAJOR TRANSACTION  
IN RELATION TO THE DISPOSAL OF  
THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY;  
AND  
(2) NOTICE OF EGM**

**INTRODUCTION**

References are made to the Announcement in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Disposal.

The purpose of this circular is to provide you with, inter alia, (i) further details on the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the property valuation report of the Target Property; and (iii) a notice convening the EGM as well as other information required to be disclosed under the Listing Rules.

---

## LETTER FROM THE BOARD

---

### THE DISPOSAL

On 11 November 2020 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser have entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, at the Final Consideration.

Upon Completion, the Target Group will cease to be subsidiaries of the Company and the financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

### THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set forth below:

**Date** : 11 November 2020

**Parties** : (a) the Vendor, a direct wholly-owned subsidiary of the Company; and  
(b) the Purchaser

(collectively, the “**Parties**”).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser and its respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as at the Latest Practicable Date.

### Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital in the Target Company.

### Re-organisation

Pursuant to the Sale and Purchase Agreement, the Vendor shall procure the Target Company as buyer to enter into the PRC Share Transfer Agreement with PRC Vendor prior to 30 November 2020 to acquire 100% equity interests of the Project Company from PRC Vendor, a direct wholly-owned subsidiary of the Company. Upon completion of the Re-organisation, the Target Company will hold 100% equity interests of the Project Company which in turn holds the Target Property.

---

## LETTER FROM THE BOARD

---

### CONSIDERATION AND BASIS OF DETERMINATION

Pursuant to the Sale and Purchase Agreement, the consideration payable by the Purchaser for the Disposal shall be the Final Consideration, representing the Estimated Consideration subject to the Adjustments.

The Estimated Consideration was determined on the basis of normal commercial terms after arm's length negotiations between the Vendor and the Purchaser. The Estimated Consideration shall be RMB65,560,105.68, which is the total asset value of the Target Property, being RMB126,847,000, minus the estimated net asset value of the Project Company as at 31 August 2020 (the "**Estimated NAV**"), being RMB(61,286,894.32).

The Final Consideration shall be adjusted by the difference between the audited net asset value of the Project Company as at the Completion Date (the "**Audited NAV**") (which could be a negative figure if the outstanding liabilities of the Project Company have not been settled before Completion; or a positive figure if the outstanding liabilities of the Project Company have been settled before Completion) and the Estimated NAV. The Company expects that there will be no material difference between the calculation basis for the Estimated NAV and the Audited NAV.

The Parties shall jointly engage an auditor (the "**Auditor**") within 10 Business Days after the Completion Date to prepare the audited consolidated financial statements of the Project Company as at the Completion Date in accordance with the generally accepted accounting standards (the "**Completion Accounts**"). The Auditor shall deliver the Completion Accounts to the Parties within 30 days after its engagement for the determination of the Final Consideration. The Parties shall, with reference to the Completion Accounts, agree on the net asset value of the Project Company as at the Completion Date (the "**Adjusted NAV**") and the Final Consideration within 5 Business Days after the delivery of the Completion Accounts to them.

If the Parties cannot agree on the Adjusted NAV and the Final Consideration within 5 Business Days after the delivery of the Completion Accounts to them, they shall engage the Auditor to determine the Adjusted NAV and the Final Consideration. The Auditor shall within 10 Business Days after its engagement for the determination of the Final Consideration determine the Adjusted NAV and the Final Consideration, which shall be final and binding to the Parties.

The Directors consider that the Estimated Consideration and the Final Consideration is fair and reasonable and is in the best interests of the Company and its Shareholders as a whole.

### Payment of consideration

The consideration for the Sale Shares shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an amount of RMB1,000,000, being the earnest money, shall be paid by the Purchaser or its designated party to the designated account of the Vendor prior to the signing of the Sale and Purchase Agreement (the "**Earnest Money**");
- (b) 90% of the Estimated Consideration (the "**First Instalment**") shall be paid by Purchaser to the Joint Account on Completion Date;



---

## LETTER FROM THE BOARD

---

- (c) the First Instalment shall be transferred by the Parties from the Joint Account to the designated account of the Target Company within 10 Business Days after the Completion Date;
- (d) the First Instalment shall be paid by the Target Company to the designated account of the PRC Vendor within 10 Business Days after the Completion Date;
- (e) the Earnest Money shall be refunded to the Purchaser by the Vendor within 10 Business Days after the PRC Vendor having received the First Instalment; and
- (f) the final settlement amount (the “**Final Settlement Amount**”), which shall be calculated by subtracting the First Instalment from the Final Consideration, shall be paid by the Purchaser to the PRC Vendor if the Final Settlement Amount is positive, or shall be paid by the PRC Vendor to the Purchaser if the Final Settlement Amount is negative, on the first anniversary of the Completion Date provided that (i) the Adjusted NAV and the Final Consideration has been determined by the Purchaser and the Vendor or the Auditor and (ii) the Vendor has paid the tax attributable to the Disposal pursuant to the SAT Announcement No. 7.

### CONDITIONS PRECEDENT

The Completion is conditional upon the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement, which are, among other things:

- (a) the Vendor having procured the Target Company to enter into the PRC Share Transfer Agreement with PRC Vendor to the satisfaction of the Purchaser;
- (b) the Project Company having completed the registrations and filings in relation to the Re-organisation with the local supervision administration department and obtained the renewed business license of the Project Company (if applicable) and the relevant acknowledgment of such registrations and filings;
- (c) the Vendor having filed the transactions contemplated under the Sale and Purchase Agreement with the applicable PRC tax authority pursuant to the SAT Announcement No. 7 and obtained the relevant acknowledgment or any other written evidence of such filings;
- (d) the Project Company having discharged the mortgage over the Target Property;
- (e) the Project Company having obtained written consent from the Lender to the satisfaction of the Purchaser for (i) the Re-organisation and the Disposal; (ii) the demolition of certain buildings and structures on the Target Property; and (iii) the lease of certain buildings and structures on the Target Property to Suzhou First;
- (f) the Project Company having received the consideration from Suzhou First for the transfer of 0.09% of the equity interests of NT Biopharmaceuticals Jiangsu Co., Ltd.\* (泰凌生物製藥江蘇有限公司);

---

## LETTER FROM THE BOARD

---

- (g) the Project Company having no other assets except the Target Property;
- (h) the construction completion filings in relation to certain construction works on the Target Property under the PRC laws having completed and the construction works completion inspection acceptance certificate or a document of similar effect having been obtained;
- (i) the Project Company having signed written settlement agreements with the contractors of certain construction works on the Target Property to the satisfaction of the Purchaser;
- (j) the Project Company as lessor having signed a lease contract with Suzhou First as lessee in relation to certain buildings and structures on the Target Property to the satisfaction of the Purchaser;
- (k) the Project Company having obtained a written waiver from Suzhou First for the service fee in relation to the provision of stock management and financial recording services and any related future claims;
- (l) the Vendor and the Project Company having cooperated with the Purchaser to complete the due diligence and engineering structure tests on the Target Property and rectify any building defects to the satisfaction of the Purchaser;
- (m) the Project Company having updated its registration with the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) or its authorised local branch upon the completion of the Re-organisation and obtained a form of foreign exchange affair registration (外匯業務登記憑證); and
- (n) the PRC Vendor having duly established an account for receipt of the Final Consideration and the Purchaser having received a written notice in relation to such account details;  
  
(a) to (n) collectively, the “**Vendor’s First CP**”
- (o) the Vendor having obtained all necessary approvals and authorisations for the execution of the Transaction Documents and the transactions contemplated thereunder;
- (p) the passing of ordinary resolution(s) by the Shareholders at the EGM to be convened and held to approve the Transaction Documents and the transactions contemplated thereunder in accordance with the Listing Rules;
- (q) no breach of any of the representations and warranties given by the Vendor or if remediable, not duly rectified by the Vendor within 10 Business Days after such breaches;
- (r) there being no material and adverse effect on the financial position, business or prospects or results of operations of the Vendor or the Target Group from the date of the Sale and Purchase Agreement to the Completion Date; and
- (s) the Vendor having performed and complied with the obligations and terms of the Transaction Documents upon and prior to the Completion;

---

## LETTER FROM THE BOARD

---

- (t) since the date of the Transaction Documents, there being no applicable law in force which would render the Transaction Documents and the transactions contemplated thereunder unlawful or prevent or prohibit the completion of the transactions contemplated under any Transaction Documents;

((o) to (t) collectively, the “**Vendor’s General CP**”)

- (u) the Project Company having signed an industrial development agreement with the Suzhou Industrial Park to the satisfaction of the Purchaser;
- (v) the Project Company having obtained the project establishment approval which expressly approves the use of the new construction works on the Target Property as distribution center and logistics warehousing premises;
- (w) the Project Company having obtained the project approval and construction project planning permit to the satisfaction of the Purchaser in relation to the new construction works on the Target Property;
- (x) the Project Company having obtained a written document issued by Suzhou Rail Transit Group Co., Ltd. approving the review of construction drawings in relation to the new construction works on the Target Property;
- (y) the Project Company having signed an agreement with the Lender to extend the term of certain loan facility to the satisfaction of the Purchaser, or the Purchaser having signed a loan agreement with another bank with the written consent from the Lender for early repayment of all the outstanding amount of such loan facility; and
- (z) the Project Company having completed certain construction and demolition works on the Target Property to the instruction of the Purchaser and settled all relevant costs and fees.

((u) to (z) collectively, the “**Mutual CP**”)

The Vendor shall take all necessary and appropriate actions to procure the fulfillment of the Vendor’s First CP before 31 December 2020.

The Purchaser may waive, in whole or in part, the Vendor’s First CP and the Vendor’s General CP by written notice to the Vendor. The Mutual CP may be waived, in whole or in part, by written agreement between the Parties or written notice to each other.

If the above Vendor’s First CP and the Vendor’s General CP have not been fulfilled or waived (as the case may be) on or before 30 June 2021, the Purchaser may terminate the Sale and Purchase Agreement or by written notice delay the Completion to a date specified therein.

If the above Mutual CP have not been fulfilled or waived (as the case may be) on or before 30 June 2021, either the Purchaser or the Vendor may terminate the Sale and Purchase Agreement or the Parties may by written agreement delay the Completion to an agreed date.

---

## LETTER FROM THE BOARD

---

### COMPLETION

The Completion shall take place on the Completion Date, which is the fifth Business Day after the fulfilment or waiver (as the case may be) of all the conditions precedent set out in the Sale and Purchase Agreement, or such other date as may be agreed by the Parties in writing.

Upon Completion, the Target Group shall no longer be the subsidiaries of the Company.

### INFORMATION OF THE TARGET GROUP

The Target Company is a company newly incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. The Target Company is principally engaged in investment holding.

The Project Company is a company established in the PRC with limited liability with a registered capital of US\$11,851,400 which is wholly owned by the PRC Vendor as at the Latest Practicable Date. Upon completion of the Re-organisation, the Project Company will be wholly owned by the Target Company.

As at the Latest Practicable Date, the Project Company has no operation, other than holding the Target Property. The Target Property is located at Lot 81066, Loujiangnan, Suzhou Industrial Park, Suzhou City, Jiangsu Province, the PRC\* (中國江蘇省蘇州市蘇州工業園區婁江南81066號地塊) and has a site area of 57,921.06 square metres, designated for industrial usage until 29 July 2057.

The land use right of the Target Property was leased to the Group on 17 June 2007 at a total consideration of RMB11,676,886. On 28 August 2018, the PRC Vendor and an independent third party constructor entered into a construction contract in relation to the construction in progress of the Target Property at a total construction cost of RMB52,500,000. The land use right and construction in progress of the Target Property are stated as interests in leasehold land held for own use and construction in progress, respectively, under fixed assets on the Group's balance sheet as at 31 December 2019, both of which are belong to the reporting segment of proprietary products production and sales. The Group originally planned to use the Target Property as one of the production facilities but due to the market situation, such plan has been abandoned. The Group expects that the Disposal of the Target Property will have no material adverse impact on the Group's business and operations.

### Financial information of the Project Company

The table below sets forth a summary of the audited financial information of the Project Company (prepared in accordance with the applicable financial reporting standards in the PRC) for the two years ended 31 December 2018 and 31 December 2019.

	Year ended 31 December 2018 <i>RMB</i>	Year ended 31 December 2019 <i>RMB</i>
Revenue	–	–
Loss before taxation	2,512,937.29	4,747,809.36
Loss after taxation	2,512,937.29	4,747,809.36

The audited net asset value of the Project Company as at 31 December 2019 was RMB27,204,970.56.

---

## LETTER FROM THE BOARD

---

### INFORMATION OF THE PARTIES

The Company is a technology-based pharmaceutical company integrated with research and development, manufacturing and sales of its own products, with its products covering therapeutic areas including central nervous system, orthopaedics, oncology and hematology.

The Vendor is a company incorporated in the BVI with limited liability and is principally engaged in investment holding.

The Purchaser is a company incorporated in the BVI with limited liability and is principally engaged in fund investment and management businesses. The Purchaser is ultimately beneficially owned by Real Estate Capital Asia Partners V L.P., a real estate investment fund registered with the U.S. Security and Exchange Commission and incorporated in the Cayman Islands with a wide base of investors. It is managed by SC Capital Partners Pte. Ltd., a real estate investment firm headquartered in Singapore, which invests in real estate assets, as well as provides portfolio management and advisory services worldwide. SC Capital Partners Pte Ltd. is a wholly-owned entity of SC Capital Partners Group, which has a wide base of investors and presence and track record across Asia Pacific, including but not limited to Singapore, Hong Kong, Bangkok, Tokyo and Shanghai.

### FINANCIAL EFFECTS OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The Company expects that the Group will realise an estimated gain of approximately RMB45,156,986.26 on the Disposal, being the difference between (i) the estimated net proceeds (after deduction of professional fees and other relevant expenses) of the Disposal of approximately RMB63,790,105.68; and (ii) the combined net asset value of the Target Company and the Project Company in aggregate of approximately RMB18,633,119.42 as at 30 September 2020 assuming the Disposal took place on 30 September 2020.

It is also anticipated that as a result of the Disposal, the unaudited total assets of the Group will decrease by approximately RMB17,448,247.77 to approximately RMB1,677,846,900.35 while the unaudited total liabilities of the Group will decrease by approximately RMB62,605,234.03 to approximately RMB1,708,073,837.11.

The abovementioned financial effects are shown for illustrative purpose only and the actual gain or loss eventually to be finalised in the consolidated financial statements of the Group, depends on, among other things, the combined net asset value of the Target Company and the Project Company on the Completion Date and the review by the auditors of the Company upon finalisation of the consolidated financial statements of the Group.

The Company intends to apply the estimated net proceeds (after deduction of professional fees and other relevant expenses) of the Disposal of approximately RMB63,790,105.68 in the following manner:

- (a) an amount of RMB48,272,500.00 for the repayment of loans; and
- (b) an amount of RMB15,517,605.68 for general working capital.

---

## LETTER FROM THE BOARD

---

### REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

As disclosed in the audited annual results announcement of the Company dated 15 April 2020 for the year ended 31 December 2019, the Group's cash and cash equivalents amounted to approximately RMB28.2 million as at 31 December 2019 while the current portion of the Group's bank and other borrowings amounted to approximately RMB957.7 million which will be due for repayment within one year. Having considered that (i) the Estimated Consideration represent a premium of approximately 351.8% over the net asset value of the Project Company of approximately RMB18,633,118 as at 30 September 2020; and (ii) the Disposal would provide the Group with an immediate cash inflow and enable the Group to realise its investment gains in the Target Property, the Directors are of the view that the Disposal is a good opportunity for the Company to realise a gain on disposal and enable the Group to reallocate the financial resources on any suitable investment opportunities which would enhance Shareholders' value and repayment of bank and other borrowings of approximately RMB957.7 million when it falls due on or before 31 December 2020.

In light of the foregoing, the Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement, which are determined after arm's length negotiations between the Parties, are on normal commercial terms which are fair and reasonable, and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

As the highest of all applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder. As such, none of the Shareholders is required to abstain from voting on the resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

---

## LETTER FROM THE BOARD

---

The EGM will be held on Monday, 8 February 2021 at 11 a.m. at 17th Floor, Tower B, Yi Fang Building, 359 Dongchangzhi Road, Hongkou District, Shanghai, the PRC, for the purpose of considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the Disposal. A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM if you so wish.

### RECOMMENDATION

The Directors consider the terms of the Sale and Purchase Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM for approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

### FURTHER INFORMATION

Your attention is also drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,  
On behalf of the Board  
**China NT Pharma Group Company Limited**  
**Ng Tit**  
*Chairman*

**I. FINANCIAL SUMMARY OF THE GROUP**

The financial information of the Group for the years ended 31 December 2017, 2018 and 2019, and the six months ended 30 June 2020 was disclosed in the annual report of the Company for the three years ended 31 December 2017, 2018 and 2019, and the interim report of the Company for the six months ended 30 June 2020, respectively. The aforementioned financial information of the Company have been published on both the website of Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company (<http://www.ntpharma.com>). Please refer to the hyperlinks as stated below:

- (i) Annual report of the Company for the year ended 31 December 2017 (pages 79 to 176):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0427/lt201804271472.pdf>
- (ii) Annual report of the Company for the year ended 31 December 2018 (pages 150 to 376):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/lt201904291421.pdf>
- (iii) Annual report of the Company for the year ended 31 December 2019 (pages 161 to 384):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0514/2020051401727.pdf>
- (iv) Interim report of the Company for the six months ended 20 June 2020 (pages 36 to 72):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0928/2020092800621.pdf>



**II. INDEBTEDNESS**

As at the close of business on 30 November 2020, being the latest practicable date for the purpose of this indebtedness statement, the indebtedness of the Group was as follows:

**Bank and other borrowings**

	<i>RMB'000</i>
Bank borrowings	
- Secured and guaranteed	538,500
- Secured and unguaranteed	19,813
Other borrowings	
- Secured and guaranteed	46,000
- Secured and unguaranteed	76,371
- Unsecured and guaranteed	19,670
- Unsecured and unguaranteed	5,000
Fixed rate bonds	
- HKD1,000,000 8.5% bonds due 2020	849
- HKD10,000,000 8% bonds due 2021	8,487
- HKD1,000,000 8.5% bonds due 2022	849
- HKD13,356,000 5% bonds due 2022	8,802
- HKD20,000,000 6% bonds due 2023	14,239
Fixed rate redeemable convertible preference shares	
- HKD400,000,000 5% due 2020	321,917
	<u>1,060,497</u>

As at 30 November 2020, the bank and other borrowings granted to the Group were secured by pledged bank deposits, trade receivables, three factory buildings, twelve buildings held for own use, the intellectual property rights of Xi Di Ke and the equity interests in four subsidiaries of the Company.

**Fixed rate bonds**

As at 30 November 2020, the Group had outstanding fixed rate bonds with aggregate principal amount of RMB38,494,000 and interest accrued of RMB1,378,000.

**Fixed rate redeemable convertible preference shares**

The holders of the CPSs have the rights to require the Company to redeem (“**Put Option**”) with cash for the outstanding CPSs, with a redemption price calculated based on the annualised IRR of 5% for the nominal value of the outstanding CPSs less the corresponding dividends for such CPSs paid by the Company. As at 30 November 2020, the Group had outstanding fixed rate CPSs with aggregate principal amount of RMB275,496,000 and interest accrued of RMB46,421,000.

**Lease liabilities**

As at 30 November 2020, the Group had lease liabilities with outstanding principal amount of approximately RMB3,270,000.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, at the close of business at 30 November 2020, the Group did not have any material mortgages, charges, debentures, loan capital, debt securities, term loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance (other than normal trade payables) or acceptance credits, guarantee or other material contingent liabilities.

**III. WORKING CAPITAL**

The Directors are of the opinion that, upon completion and in the absence of unforeseeable circumstances, taking into account the Group’s financial resources, including internal resources, present banking facilities available and the net proceeds from the Disposal, the Group has sufficient working capital for its present requirements for the next 12 months from the date of this circular.

**IV. MATERIAL ADVERSE CHANGE**

References are made to the profit warning announcements dated 31 July 2020 and 6 August 2020 (the “**Profit Warning Announcements**”) regarding the performance of the Group for the six months ended 30 June 2020 (the “**Period Under Review**”). As disclosed in the Profit Warning Announcements, the Group is expected to record a net loss of approximately RMB85.0 million for the Period Under Review, as compared to a net profit of RMB3.7 million recorded for the corresponding period in 2019 as the Group’s sales revenue was hindered by the decline in the number of outpatient visits and hospitalized patients as a result of various national control measures during the Period Under Review in the face of coronavirus pandemic. Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, the date to which the latest audited financial statements of the Group were made up.

**V. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Company is a technology-based pharmaceutical company integrated with research and development, manufacturing and sales of its own products, with its products covering therapeutic areas including central nervous system, orthopaedics, oncology and hematology.

The Group intends to operate all its existing business after the Completion and has no intention, negotiation, agreement, arrangement and understanding (concluded or otherwise) about any disposal, scaling-down and/or termination of its existing business.

Looking forward, the Group shall focus on developing the treatment of psychiatric diseases, enhancing its development capability of innovative drugs and establishing a health diagnosis and treatment platform, thereby facilitating the sustainable development of the Group.

The Group shall focus on its core business, Suzhou First. Suzhou First is located in Suzhou Industrial Park in the PRC, covering an area of nearly 100 mu., and is dubbed as a “High-tech Enterprise” in Jiangsu Province. The production of Suzhou First is in strict compliance with the production and quality control standards of the Good Manufacturing Practice requirements.

Among the 20 types of current products of Suzhou First, Shusi (generic name: quetiapine fumarate tablets) is a proprietary product of Suzhou First, and a main resort for the therapy of CNS. In December 2013, it was approved by CFDA for the treatment of bipolar affective disorder. Shusi is an atypical antipsychotic drug which has proven safety track records and therapeutic effects on first-time psychiatric patients, elderly patients and adolescent patients. It has developed a strong brand image which is widely recognized by psychiatric clinical practitioners. On 2 January 2020, the Group received a certification of consistency evaluation for Shusi from the National Medical Products Administration, which recognized the quality and therapeutic effect of Shusi and facilitated the inclusion of Shusi into the National Reimbursement Drug List and the National Essential Drug List. It is expected the product shall continue to play an important role in the future growth strategy of the Group. The revenue recorded for the financial years ended 31 December 2018 and 2019 for the Shusi segment is approximately RMB161.9 million and RMB106.1 million, respectively.

In addition, the Group shall increase the coverage and penetration of 2,000 psychiatric hospitals and clinics in the PRC through cooperation with third-party promotion agencies and distributors. Capitalizing on the market potential of psychiatric medications, the Group intends to expand the production scale of Suzhou First. The Group believes that the integrated production and sales business model of Suzhou First shall enhance Shusi's competitive advantage, thereby increasing its sales. The Group's effective production management, cost control capabilities and production capacity also provide strong support for the growth of Shusi in the future. The Group intends to fund the development of Shusi through its internal generated funds.

Furthermore, the Group shall enrich its psychiatric products by expediting the launch of children's ADHD products and the drug for treatment of Parkinson disease co-developed with its partners into the market. At the same time, the Group is actively exploring to establish an online mental health diagnosis and treatment platform, which shall provide patients with instant and high-quality online medical service, enabling the 2,000 psychiatric hospitals and clinic doctors in the PRC to connect with patients, diagnose their mental health conditions and provide online counselling service accordingly. As such, the Group shall be able to provide comprehensive mental health services to the patients, including medical treatment arrangement, health management and treatment management.

The Group also actively pushes forward the development of Xi Di Ke (generic name: uroacitides injection). Xi Di Ke is a national class 1 new drug, which has been approved by the National Medical Products Administration for treatment of non-small cell lung cancer and terminal breast cancer and admitted to the Medical Insurance Reimbursement Drug List of four provinces, including Jiangsu, Anhui, Hubei and Hunan. The Group shall actively push forward the work of clinical trials on Xi Di Ke in new Myelodysplastic Syndrome (the "MDS") indications. Meanwhile, in order to facilitate the research and development of Xi Di Ke for treatment of MDS, the Group shall actively identify cooperation partners and introduce funds from local governments and investors, with an aim to expedite the work of clinical trials on Xi Di Ke in MDS indications, thus realizing the commercialization and sales of the product, thereby creating value for the Group and the Shareholders.

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this Circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 November 2020 of the property held by the Project Company.*



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
7/F One Taikoo Place  
979 King's Road Hong Kong  
tel +852 2846 5000 fax +852 2169 6001  
Company Licence No.: C-030171

13 January 2021

China NT Parma Group Company Limited  
28th Floor, The Wellington  
198 Wellington Street  
Sheung Wan  
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interest held by NT Pharma (China) Co., Ltd. (the "**Project Company**"), a wholly-owned subsidiary of China NT Parma Group Company Limited (the "**Company**") in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 30 November 2020 (the "**valuation date**").

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In valuing of the property interest which is under construction, we have assumed that it will be developed and completed in accordance with the latest development proposals provided to us by the Project Company. In arriving at our opinion of values, we have adopted the comparison approach by making reference to land comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Project Company according to the different stages of construction of the property as at the valuation date, and we did not find any material inconsistency from those of other similar developments.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and the Project Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, and particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificate, Construction Work Planning Permit, Construction Work Commencement Permit and other official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal adviser – JunZeJun Law Offices, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

The site inspection was carried out on 22 October 2020 by Ms. Queena Qiao who has 5 years' valuation experience in the real estate industry of the PRC. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and the Project Company. We have also sought confirmation from the Company and the Project Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We are instructed to provide our opinion of value as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world. As of the report date, China's economy is experiencing gradual recovery and it is anticipated that disruption to business activities will steadily reduce. We also note that market activity and market sentiment in this particular market sector remain stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of the property under frequent review.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,

For and on behalf of

**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**

**Eddie T. W. Yiu**

*MRICS MHKIS RPS (GP)*

*Senior Director*

*Note:* Eddie T.W. Yiu is a Chartered Surveyor who has 27 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
A parcel of land and an industrial building under construction located at No. 9 Hualing Street, Suzhou Industrial Park, Suzhou City, Jiangsu Province, The PRC	<p>The property is located at No. 9 Hualing Street of Suzhou Industrial Park which is at the eastern part of Suzhou City.</p> <p>The property comprises a parcel of land with a site area of approximately 57,921.06 sq.m. and an industrial building which was under construction (the “CIP”) thereon as at the valuation date. The CIP is scheduled to be completed in February 2021. As advised by the Project Company, upon completion, the CIP will have a total gross floor area of approximately 15,484.61 sq.m.</p> <p>As advised by the Project Company, the construction cost of the CIP of the property is estimated to be approximately RMB58,500,000, of which approximately RMB42,500,000 had been paid up to the valuation date.</p> <p>The land use rights of the property have been granted for a term expiring on 29 July 2057 for industrial use.</p>	As at the valuation date, the property was under construction, apart from the CIP, there was a building erected on the land of the property which was in the process of being demolished and it was excluded from the valuation scope as instructed by the Company.	103,000,000



*Notes:*

1. Pursuant to a State-owned Land Use Rights Grant Contract – Su Gong Yuan Rang (2007) No. 020, the land use rights of a parcel of land with a site area of approximately 57,921.06 sq.m. were contracted to be granted to the Project Company for a term of 50 years for industrial use from the land delivery date. The land premium was RMB11,676,885.70.
2. Pursuant to a State-owned Land Use Rights Certificate – Su (2007) Su Zhou Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0000130, the land use rights of a parcel of land with a site area of approximately 57,921.06 sq.m. have been granted to the Project Company for a term expiring on 29 July 2057 for industrial use.
3. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 2018212 in favour of the Project Company, the construction work of the CIP of the property with a total gross floor area of approximately 15,484.62 sq.m. has been approved for construction.
4. Pursuant to a Construction Work Commencement Permit – No. 320594201806190301 in favour of the Project Company, permission by the relevant local authority was given to commence the construction work of the CIP of the property with a total gross floor area of approximately 15,484.61 sq.m.
5. The market value of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB110,000,000.
6. As at the valuation date, there was a building erected on the land of the property which was in the process of being demolished. As instructed by the Project Company, this building was excluded from our valuation scope.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. The Project Company is legally and validly in possession of the land use rights of the property in accordance with the State-owned Land Use Rights Certificate mentioned in note 2 and has the rights to use, transfer, lease and mortgage of the land of the property;
  - b. The Project Company has obtained the Construction Work Planning Permit mentioned in note 3 and Construction Work Commencement Permit mentioned in note 4 for the CIP of the property. There is no material legal impediment for the Project Company in obtaining the ownership rights of the CIP of the property after passing the fire control acceptance check and completion of inspection acceptance;
  - c. Pursuant to a mortgage contract, the land use rights and the CIP of the property are subject to mortgage in favour of Shanghai Pudong Development Bank Suzhou Branch (the "Bank"), as security for the principal obligation under the loan contract entered into between the Bank and the Project Company for a maximum amount of RMB53,084,505; and
  - d. Apart from the mortgage mentioned in note 7(c), no other mortgages or encumbrances have been found.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors and chief executive of the Company

As at the Latest Practicable Date, the interests or short position of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Number of shares of the Company			Approximate percentage of interest in the Company (Note 3)
	Personal interests	Family interests	Corporate interests	
Mr. Ng	500,000 (Note 1)	4,000,000 (Note 1)	402,892,000 (Note 2)	21.39%
Ms. Chin	4,500,000 (Note 1)	–	402,892,000 (Note 2)	21.39%
Wu Weizhong	1,066,858	–	–	0.06%
Yu Tze Shan Hailson	150,000	–	–	0.01%

*Notes:*

- (1) Mr. Ng Tit (“**Mr. Ng**”) and his spouse, Ms. Chin Yu (“**Ms. Chin**”) jointly own 500,000 Shares. 4,000,000 share options were granted to Ms. Chin on 15 January 2015 under the share option scheme of the Company adopted on 22 September 2014.
- (2) An aggregate of 402,892,000 Shares are beneficially owned by Golden Base Investment Limited (“**Golden Base**”). Mr. Ng and Ms. Chin are the controlling shareholders of Golden Base.
- (3) As at the Latest Practicable Date, the total number of issued shares of the Company are 1,904,635,472 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO to be entered into the register referred to therein; or (c) pursuant to the Model Code of Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders**

As at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO:

Name	Number of shares of the Company				Approximate percentage of interest in the Company (Note 4)
	Beneficial owner	Interests of controlled corporation	Family interests	Other interests	
Golden Base	402,892,000	–	–	–	21.15%
Annie Investment Co., Ltd. (Note 1)	220,279,000	–	–	–	11.57%
Ms. Shum (Notes 2 & 3)	–	220,279,000	527,381,500	–	39.25%
Mr. Jeong (Note 4)	527,381,500	–	220,279,000	–	39.25%

*Notes:*

- (1) These Shares are held by Annie Investment Co., Ltd., which is held as to 100% by Ms. Shum Ning (“**Ms. Shum**”).
- (2) Ms. Shum is the spouse of Mr. Jeong Chong Mang (“**Mr. Jeong**”). Under the SFO, Ms. Shum is deemed to be interested in all the Shares in which Mr. Jeong is interested.
- (3) Mr. Jeong is the spouse of Ms. Shum. Under the SFO, Mr. Jeong is deemed to be interested in all the Shares in which Ms. Shum is interested.
- (4) As at 30 June 2019, the total number of issued shares of the Company are 1,904,635,472 Shares.

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

### 3. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) the placing agreement dated 25 January 2019 entered into between the Company, as the issuer, Head & Shoulders Securities Limited (“**Head & Shoulders**”), as the placing agent and Mr. Ng, as the guarantor, in which Head & Shoulders would procure, on a best efforts basis, places to subscribe for bonds in an aggregate principal amount of up to HK\$100,000,000 issued by the Company. Such bonds would mature at the date falling on the first anniversary of their relevant issue date and carry 8% interest per annum;
- (b) the placing agreement dated 1 April 2019 entered into between the Company, as the issuer and Head & Shoulders, as the placing agent, in which Head & Shoulders would procure, on a best efforts basis, places to subscribe for convertible bonds in an aggregate principal amount of up to HK\$192,775,556 issued by the Company;
- (c) the supplemental placing agreement dated 2 April 2019 entered into between the Company and Head & Shoulders to revise the aggregate principal amount of the convertible bonds to up to HK\$235,077,021, the conversion price and the long stop date under the placing agreement dated 1 April 2019;
- (d) the second supplemental placing agreement dated 15 April 2019 entered into between the Company and Head & Shoulders to revise the placing agreement dated 1 April 2019 to the effect that the holders of those convertible bonds may not exercise their conversion rights if the issue of Shares pursuant to conversion would result in: exceeding the limit under the general mandate; the holder of such convertible bonds and parties acting in concert with it (within the meaning of the Code on Takeovers and Mergers), taken together, directly or indirectly controlling or being interested in 30% or more of the entire issued voting share capital of the Company as at the date of conversion; or the Company not meeting the requirement under Listing Rules 8.08(1)(a) that not less than 25% of the Shares shall be held by the public immediately after the conversion;
- (e) the settlement agreement dated 1 April 2019 entered into between the Company and one of the holders of the convertible preference shares, in which the Company would conditionally early redeem 218,579,000 convertible preference shares owned by the said holder. The settlement agreement was subsequently terminated on 15 April 2019 pursuant to the mutual agreement of the Company and relevant holder of the convertible preference shares. As such, the maturity date of the relevant convertible preference shares remains to be 30 June 2020;

- (f) the acquisition agreement dated 25 June 2019 supplemented by the supplemental acquisition agreement dated 10 July 2019 entered into between the Company, as the purchaser, WD Investment Co., Ltd (the “**Vendor**”), as the vendor, Mr. Ng, Dr. Dong Liang Chang, Dr. Wei Xiaoxiong and Wong Pui (the “**Guarantors**”), as the guarantors, in which the Company would purchase, and the Vendor would sell the 40% of the issued share capital of Hong Kong WD Pharmaceutical Co., Limited (the “**Target Company**”) at maximum acquisition consideration of HK\$374,400,000, which shall be settled by way of the issue and allotment of 427,397,000 Shares, as the initiation consideration shares, and 85,479,500 Shares, as the additional consideration shares if any one of the targets stated thereto is satisfied (the “**Acquisition Agreement**”);
- (g) the subscription agreement dated 25 June 2019 supplemented by the supplemental subscription agreement dated 10 July 2019 entered into between the Company, the Target Company and the Guarantors, in which the Company would subscribe, and the Target Company would issue new shares and non-interest bearing and unsecured convertible bonds in the aggregate principal amount of US\$5,000,000 due 2022 (the “**Subscription Agreement**”);
- (h) the termination agreement dated 19 November 2019 entered into between the Company, the Vendor and the Guarantors to terminate the Acquisition Agreement;
- (i) the termination agreement dated 19 November 2019 entered into between the Company, the Target Company and the Guarantors to terminate the Subscription Agreement;
- (j) the assignment and transfer documentations all dated 21 April 2020 entered into between Pfenex Inc. (“**Pfenex**”), the Company and Beijing Kangchen Biological Technology Co., Ltd. (北京康辰生物科技有限公司) (“**Kangchen**”) in relation to the transfer, assignment and novation by the Company of all its rights and benefits under the agreement dated 18 April 2018 entered into between the Company and Pfenex, pursuant to which the Company was granted an exclusive distribution right to distribute PF708 in the PRC, Hong Kong, Thailand, Singapore and Malaysia and any ancillary documents as amended and supplemented from time to time to NT Pharma International Co., Ltd (泰凌醫藥國際有限公司) (“**NT Pharma International**”) (the “**Pfenex Transfer**”);
- (k) the sale and purchase agreement dated 21 April 2020 entered into between Kangchen, the Company, NT Pharma International, and NT Pharma (Overseas) Holding Co., Ltd (泰凌醫藥(海外)控股有限公司) (“**NT Pharma Overseas**”) in relation to the proposed disposal of the entire issued share capital of NT Pharma International by NT Pharma Overseas to Kangchen (together with the Pfenex Transfer) and the proposed subscription by NT Pharma Pacific Company Limited (泰凌醫藥(亞洲)有限公司) for 40% equity interests in Kangchen (the “**Proposed Transactions**”);

- (l) the asset purchase agreement dated 21 April 2020 entered into between Beijing Konruns Pharmaceutical Co., Ltd. (北京康辰藥業股份有限公司), Kangchen, the Company, NT Pharma International, NT Pharma (HK) Co., Ltd (泰凌醫藥香港有限公司) and NT Pharma Overseas in relation to the Proposed Transactions; and
- (m) the Transaction Documents.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

#### **5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP**

None of the Directors had any direct or indirect interest in any assets which have, since 31 December 2019 (being the date to which the latest audited financial statements of the Group were made up) and up to the Latest Practicable Date, been acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group and subsisting which was significant in relation to the business of the Group.

#### **6. LITIGATION**

No member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

#### **7. COMPETING INTERESTS OF DIRECTORS AND THEIR ASSOCIATES**

As at the Latest Practicable Date, none of the Directors or any of their respective associates has any interest in business which competes or are likely to compete, either directly or indirectly, with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

**8. EXPERTS**

The following is the qualification of the expert who has given an opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent professional valuer

As at the Latest Practicable Date, the expert named above did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2019, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, the above expert was not interested beneficially or non-beneficially in any Shares or any of its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and/or reference to its name in the form and context in which it respectively appears.

**9. MISCELLANEOUS**

- (a) There is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Group.
- (b) As at the Latest Practicable Date, no Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2019, the date to which the latest published audited consolidated financial statements of the Group were made up.
- (c) The headquarters of the Company is located at 17/F, Tower B, Yifang Building, 359 Dongchangzhi Road, Hongkou District, Shanghai, PRC.
- (d) The registered office of the Company is located at Cricket Square Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (e) The share registrar of the Company in Hong Kong is Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- (f) The company secretary of the Company is Mr. Pang Wing Hong, who is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (g) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

#### **10. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 28th Floor, The Wellington, 198 Wellington Street, Sheung Wan, Hong Kong during normal business hours on any business day for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in paragraph headed “Material Contracts” in this Appendix;
- (c) the written consents of experts referred to in the paragraph headed “Experts” in this Appendix;
- (d) the property valuation report, the text of which is set out in Appendix II to this circular;
- (e) the annual reports of the Company for each of the two financial years ended 31 December 2018 and 31 December 2019;
- (f) the interim report of the Company for the six months ended 30 June 2020;
- (g) the circular dated 5 June 2020 in relation to, among others, the Proposed Transactions; and
- (h) this circular.



---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---



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

**(Stock Code: 1011)**

### PRECAUTIONARY MEASURES FOR THE EGM

The following precautionary measures will be implemented by the Company at the EGM to prevent the spreading of the COVID-19:

- (1) Compulsory body temperature checks
- (2) Submission of health declaration form
- (3) Wearing of surgical face mask
- (4) No refreshments will be provided and no corporate gifts will be distributed

Attendees who do not comply with the precautionary measures (1) to (3) above may be denied entry to the EGM, at the absolute discretion of the Company, as permitted by law.

The Company encourages Shareholders to consider appointing the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China NT Pharma Group Company Limited (the “Company”) will be held at 17th Floor, Tower B, Yi Fang Building, 359 Dongchangzhi Road, Hongkou District, Shanghai, the PRC on Monday, 8 February 2021 at 11 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

### ORDINARY RESOLUTIONS

“THAT:

- (a) the following transaction documents (the “Transaction Documents”):
  - (i) the conditional sale and purchase agreement dated 11 November 2020 entered into between NT Pharma (Group) Co., Ltd. (the “Vendor”) and Fortune Blaze Investments Limited (the “Purchaser”) (a copy of which has been produced to the EGM and marked “A” and initialled by the chairman of the EGM for the purpose of identification) in relation to the disposal of the entire issued share capital of The Mountains Limited (the “Target Company”) by the Vendor to the Purchaser; and
  - (ii) the share transfer agreement to be entered into between NTP (China) Investment Co., Limited\* (泰凌(中國)投資有限公司) (the “PRC Vendor”) and the Target Company (a copy of which has been produced to the EGM and marked “B” and initialled by the chairman of the EGM for the purpose of identification) in relation to the transfer of 100% equity interests of NT Pharma (China) Co., Ltd.\* (泰凌醫藥(中國)有限公司) from the PRC Vendor to the Target Company;

and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

- (b) any one or more director(s) of the Company (the “**Director(s)**”) be and is/are hereby authorised for and on behalf of the Company to execute all such documents (including under seal, where applicable), to do all other acts and things deemed by him/them to be incidental to, ancillary to or in connection with the matter contemplated in and completion of the Transaction Documents, and take such action as may in the opinion of the Director(s) be necessary, desirable or expedient to implement and give effect to or in connection with the Transaction Documents and any other transactions contemplated under Transaction Documents, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof) as is/are, in the opinion of such Director(s) or the duly authorised committee of the board of Directors, in the interest of the Company and its shareholders as a whole.”

By order of the Board  
**China NT Pharma Group Company Limited**  
**Ng Tit**  
*Chairman*

Hong Kong, 13 January 2021

*Notes:*

1. Any member entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority shall be delivered to the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the EGM at which the person named in the instrument proposes to vote or any adjournment thereof (as the case may be).
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he/she so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Wednesday, 3 February 2021 to Monday, 8 February 2021, both days inclusive, during the period no transfer of shares will be effected. In order to be entitled to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 2 February 2021.
5. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.