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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00455)

DISCLOSEABLE TRANSACTION: TECHNOLOGY TRANSFER CONTRACT

TECHNOLOGY TRANSFER CONTRACT

The Board is pleased to announce that, on 4 March 2021 (after the trading hours of the Stock Exchange), the Transferee entered into the Technology Transfer Contract with the Transferor, under which the Transferor agreed to transfer the whole technology ownership and all the intellectual rights in Xiaoer Qingre Zhike Granule (小兒清熱止咳顆粒) to the Transferee at a consideration of RMB21,000,000 (equivalent to approximately HK\$25,200,000). The Transferor also guarantees the provision of assistance in order to help the Transferee to commence the manufacturing of the product and business as quickly as possible.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Technology Transfer Contract exceed 5% but are less than 25%, the transactions contemplated thereunder constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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Technology Transfer Contract:

Date: 4 March 2021

Parties: Tianda Pharmaceutical (Zhuhai) Co., Ltd. * (the Transferee)
Heilongjiang Jiren Pharmaceutical Co., Ltd. * (the Transferor)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Transferor is a third party independent of the Company and connected persons of the Company.

Information of the Technology to be Transferred

According to the Technology Transfer Contract, the technology to be transferred under the Technology Transfer Contract is the whole technology ownership and all the intellectual rights in Xiaoer Qingre Zhike Granule (小兒清熱止咳顆粒) (National medicine registration approval number: Z20033093). The Transferor also guarantees the provision of assistance in order to help the Transferee to commence the manufacturing of the product and business as quickly as possible.

Consideration and Payment

The parties to the Technology Transfer Contract agreed the Consideration shall be RMB21,000,000 (equivalent to approximately HK\$25,200,000). The Consideration shall be settled in three installments:

The first installment	40% of the Consideration, i.e. RMB8,400,000 (equivalent to approximately HK\$10,080,000), shall be paid within 10 working days after the contract has taken effect.
The second installment	40% of the Consideration, i.e. RMB8,400,000 (equivalent to approximately HK\$10,080,000), shall be paid within 10 working days after Drug Evaluation Center of the National Medical Products Administration has approved the change of ownership in the medicine licence.
The third installment	20% of the Consideration, i.e. RMB4,200,000 (equivalent to approximately HK\$5,040,000), shall be paid within 10 working days after Provincial medicine regulatory authority has approved the change of production site and the Xiaoer Qingre Zhike Granule (小兒清熱止咳顆粒) produced by the Transferee.

The Consideration was determined after arm's length negotiation based on the sale and profit potential of Xiaoer Qingre Zhike Granule (小兒清熱止咳顆粒). The Consideration will be paid in cash and funded by the Group's internal resources.

Completion

Completion will take place on the date that the Transferee has become the sole owner and sole manufacturer under the Xiaoer Qingre Zhike Granule (小兒清熱止咳顆粒) registration approval and all the changes have been approved by medicine regulatory authorities.

It is expected that completion will take place on or before 30 June 2021.

INFORMATION OF THE GROUP AND PARTIES TO THE TECHNOLOGY TRANSFER CONTRACT

The Company is an investment holding company listed on the Main Board of the Stock Exchange. With its headquarters based in Hong Kong, the Group implements three strategic policy objectives: development of TCM as its foundation, development of innovative drugs and medical technologies, as well as development of high-quality medical and healthcare services. It is committed to becoming a pharmaceutical enterprise with competitive advantages and core competencies in drug research, development and manufacturing, Chinese medical consultation and treatment, medical technology and health management. Participating in the entire TCM industrial chain from Chinese medicine practice, Chinese medicinal herbs to the application of artificial intelligence in TCM, the Company is involved in the supply of Chinese medicinal herbs, production of TCM decoction pieces, establishment of the "Tianda standard" to control the quality of its Chinese medicinal herbs, as well as the founding and operation of the modern Chinese medicine clinic - TDMall.

The Transferee is a Taiwan, Hong Kong and Macau sole proprietorship owned enterprise established under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of the Company.

The Transferor is a limited liability company established under the laws of the PRC principally engaged in research, development and production of Chinese medicine products.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Xiaoe Qingre Zhike Granule (小兒清熱止咳顆粒) is a pediatric Chinese medicine that helps to eliminate heat and stop coughing. With a long history and highly reputed in its effect, it has been widely recommended by medical practitioners in the prescriptions. The Group considers that the Technology Transfer Contract can enrich the product mix of its product portfolio, and a complementary product to its existing pediatric anti-flu and respiratory drug, Tuoen (Ibuprofen suspension and drops), as well as increase its market share in the pediatric drugs market.

The Directors believe that the terms of the Technology Transfer Contract are fair and reasonable and in the interests of the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Technology Transfer Contract exceed 5% but are less than 25%, the transactions contemplated thereunder constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITION

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

“Board”	the board of Directors of the Company
“Company”	Tianda Pharmaceuticals 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 with stock code 00455
“Consideration”	RMB21,000,000 (equivalent to approximately HK\$25,200,000), being the consideration to be paid by the Transferee to the Transferor pursuant to the Technology Transfer Contract
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purposes of this announcement and for geographical reference only, excludes Taiwan, the Macau Special Administrative Region and Hong Kong Special Administrative Region (unless otherwise indicated)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCM”	Traditional Chinese medicine

“Technology Transfer Contract”	the contract for transfer of whole technology ownership and all the intellectual rights in Xiaoer Qingre Zhike Granule (小兒清熱止咳顆粒) entered into on 4 March 2021 between the Transferor and the Transferee
“Transferee”	天大藥業 (珠海) 有限公司 (Tianda Pharmaceuticals (Zhuhai) Limited*), a Taiwan, Hong Kong and Macau sole proprietorship owned enterprise established under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Transferor”	黑龍江省濟仁藥業有限公司 (Heilongjiang Jiren Pharmaceutical Co., Ltd.*), established under the laws of the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of HK\$1.20 : RMB1.00. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.

** Name translated for reference purpose only in this Announcement*

By order of the Board
Tianda Pharmaceuticals Limited
FANG Wen Quan
Chairman and Managing Director

Hong Kong, 4 March 2021

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.