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PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 1 September 2023, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 475,560,000 Placing Shares at the Placing Price of HK\$0.05 per Placing Share to not less than six Placees who are professional, institutional, or other investors and whose ultimate beneficial owners who are not connected persons of the Company. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming the Placing Shares are fully placed, the maximum number of 475,560,000 Placing Shares under the Placing represents approximately 20.00% of the issued share capital of the Company as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$23.8 million and approximately HK\$22.8 million, respectively. The Company intends to apply the net proceeds from the Placing towards (i) the business development of the Group; and (ii) the working capital of the Group to support its business operations. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable, and the Placing will strengthen the Group's financial position, broaden the Company's shareholder base and is in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

1 September 2023

Parties

Issuer: The Company

Placing Agent: Ruibang Securities Limited

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Placing Agent, its associates and their respective ultimate beneficial owner(s) are Independent Third Parties. As at the date of this announcement, the Placing Agent is not interested in any Shares.

Placing

The Placing Agent has conditionally agreed to place, or procure the placing of, up to 475,560,000 Placing Shares at the Placing Price of HK\$0.05 per Placing Share on a best effort basis and will receive a placing commission of 3% of the Placing Price multiplied by the actual number of Placing Shares placed by the Placing Agent (i.e. the gross proceeds from the Placing).

The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission is fair and reasonable.

Placees

The Placing Agent will place the Placing Shares to professional, institutional, or other investors that are third parties independent of the Company and its connected persons. It is expected that the Placing Shares will be placed to not less than six Placees.

Number of Placing Shares

Assuming the Placing Shares are fully placed, the maximum number of 475,560,000 Placing Shares under the Placing represents approximately 20.00% of the issued share capital of the Company as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares under the Placing will be USD38.04.

Placing Price

The Placing Price is HK\$0.05 per Placing Share which represents:

- (a) a discount of approximately 13.8% to the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on 31 August 2023, being the last trading day immediately prior to the date of the Placing Agreement; and
- (b) a discount of approximately 12.3% to the average closing price of HK\$0.057 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined on an arm's length basis between the Company and the Placing Agent and with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions.

Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Board at the AGM held on 30 June 2023 pursuant to which the Board is authorised to allot, issue and deal with up to 475,564,413 Shares. As at the date of this announcement, the Company had not utilised the General Mandate and the maximum of 475,560,000 Placing Shares under the Placing represents approximately 100% of the entire General Mandate.

The allotment and issue of the Placing Shares is not subject to any additional Shareholders' approval.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Conditions precedent

Completion of the Placing Agreement is conditional upon, inter alia:

- (a) the Board having approved the Placing and the entering into and performance of the Company's obligations under the Placing Agreement;
- (b) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in the Placing Shares; and
- (c) the Company obtaining all necessary consent and approval (if any) from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable.

The parties to the Placing Agreement shall use their best endeavours to procure the conditions to be fulfilled at or before 4:00 p.m. (Hong Kong time) on 22 September 2023. If the above condition is not satisfied and on or before 4:00 p.m. on 22 September 2023, or such later date as may be agreed between the Company and the Placing Agent, the obligations and liabilities of the Placing Agent and the Company under the Placing shall be null and void and neither the Company nor the Placing Agent shall have any claim against the other for costs, damages, compensation or otherwise.

Completion

Completion of the Placing shall take place on the first Business Day after the date upon which the last of the Conditions to be satisfied shall have been so satisfied, provided that it shall take place on a date no later than the fifth (5th) Business Day after the date of the Placing Agreement (or such other time and/or date as the Company and the Placing Agent may agree in writing) (the "**Closing Date**").

Termination of the Placing Agreement

If any of the following events occur at any time prior to 8:30 a.m. (Hong Kong time) on the Closing Date, the Placing Agent may terminate the Placing Agreement without liability to the Company by the Placing Agent giving notice in writing to the Company, which notice may be given at any time prior to 8:30 a.m. (Hong Kong time) on the Closing Date:

- (i) there develops, occurs or comes into force:
 - (a) any new law or regulation in existing laws or regulations in any relevant jurisdiction which in the opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
 - (b) any event, development or change (whether or not forming part of a series of events or changes occurring or continuing before, or and/or after the date hereof and including an event of change in relation to or a development of an existing state of affairs) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
 - (c) any event, development or change (whether or not forming part of a series of events or changes occurring or continuing before, or and/or after the date hereof and including an event of change in relation to or a development of an existing state of affairs) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (d) a general moratorium on commercial banking activities in Hong Kong or the PRC declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong or the PRC; or
 - (e) a change or development in Taxation which constitutes a material adverse effect on the Group as a whole or the Placing Shares or the transfer thereof; or
 - (f) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong or the PRC or the declaration by Hong Kong or the PRC of a national emergency or war; or
 - (g) any suspension of dealings in the Shares for more than three (3) Business Days (other than as a result of the Placing); or

- (h) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (i) instigation of any litigation or claim of material importance by any third party against any member of the Group; or
- (ii) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations, warranties and undertakings untrue or incorrect in any respect or any such breach or failure is material or (in the opinion of the Placing Agent) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or
- (iii) there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of the Placing Agent is materially adverse to the success of the Placing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is a technology-based pharmaceutical company with over 20 years of business operations.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$23.8 million and approximately HK\$22.8 million, respectively. The Company intends to apply the net proceeds from the Placing as follows:

- (i) approximately HK\$11.4 million or 50.0% of the net proceeds from the Placing towards business development of the Group; and
- (ii) approximately HK\$11.4 million or 50.0% of the net proceeds from the Placing towards the working capital of the Group to support its business operations.

The Directors believe that the Placing will bring in additional capital to the Company and will help strengthening the cash flow position of the Group.

The Directors are of the view that the terms of the Placing Agreement are fair and reasonable, and the Placing will strengthen the Group's financial position, broaden the Company's shareholder base and is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PLACING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the completion of the Placing) are set out as follows:

Name of Shareholders	(i) As at the date of this announcement		(ii) Immediately upon completion of the Placing	
	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>
Golden Base Investment Limited	402,892,000	16.94	402,892,000	14.12
Ng Tit	500,000	0.02	500,000	0.02
Chin Yu	4,000,000	0.17	4,000,000	0.14
Ieong Chong Meng	527,381,500	22.18	527,381,500	18.48
Wang Minzhi	463,722,859	19.50	463,722,859	16.25
Annie Investment Co., Ltd.	1,700,000	0.07	1,700,000	0.06
Public Shareholders:				
The Placees	–	–	475,560,000	16.67
Other public Shareholders	977,625,704	41.12	977,625,704	34.26
Total	2,377,822,063	100.00	2,853,382,063	100.00

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 30 June 2023
“Board”	the board of Directors of the Company
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday or a day on which typhoon signal no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong, on which banks are open for commercial business in Hong Kong
“Company”	China NT Pharma Group Company Limited (中國泰凌醫藥集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 1 March 2010, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1011)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) the Company as far as the Directors are aware after having made all reasonable enquiries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent or its agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 475,560,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Ruibang Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 1 September 2023 in relation to the Placing
“Placing Price”	HK\$0.05 per Placing Share
“Placing Shares”	up to 475,560,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	the ordinary share(s) of USD0.00000008 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 1 September 2023

As at the date of this announcement, the executive Directors are Mr. Ng Tit and Ms. Chin Yu; the non-executive Director is Dr. Qian Wei; and the independent non-executive Directors are Mr. Yu Tze Shan Hailson, Dr. Zhao Yubiao, and Mr. Ng Ming Kwan.