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TERMINATION OF THE VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE LICENSING OF COMMERCIALISATION RIGHT AND CHANGE IN USE OF PROCEEDS FROM THE PLACING

Reference is made to the announcements of China NT Pharma Group Company Limited (the “**Company**”) dated 21 June 2022 and 14 September 2023 and the circular of the Company dated 23 August 2022 in relation to the very substantial acquisition (the “**Acquisition**”). Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Acquisition.

TERMINATION OF THE ACQUISITION

On 21 June 2022, the Licensee, a wholly owned subsidiary of the Company, entered into the Licensing & Collaboration Agreement with the Licensor, pursuant to which the Licensor conditionally agreed to grant the Licensee the License. As at the date of announcement, the project encountered certain technical issues and the agreed milestone document for current clinical trial stage has not been received.

As the Licensee and the Licensor cannot agree on the adjustment on the delayed research and development timetable of the Product, the Licensee and the Licensor agreed to terminate the Acquisition. Accordingly, no fee have been issued to the Licensor.

Another important reason for the termination of the Acquisition is that the Company would like to focus on bone health business as company’s core capabilities and resources. Therefore, the Company entered into the Termination Agreement.

The Board considers the termination of the Acquisition shall have no material adverse impact on the existing business operation and financial position of the Group.

CHANGE IN USE OF PROCEEDS FROM THE PLACING

References are made to the announcement of the Company dated 1 September 2023, 14 September 2023 and 21 September 2023 (collectively, the “**Placing**”), in relation to the placing of an aggregate of 263,073,000 Placing Shares have been placed at the Placing Price of HK\$0.05 per Placing Share. The net proceeds from the Placing after deducting the transaction expenses, professional fees and all other relevant expenses, is approximately HK\$12.0 million. The Company originally planned to apply approximately 24.2% of such net proceeds for the capital of the research and development of the Product.

Given that the Acquisition will not proceed, 24.2% of the net proceeds initially the capital of the research and development of the Product, being approximately HK\$2.9 million is not utilized as at the date of this announcement (the “**Remaining Proceeds**”).

The Board intended to apply and re-allocate the Remaining Proceeds to working capital and general corporate purposes, which is beneficial to the Company and the Shareholders as a whole and enhance the Group’s financial management flexibility.

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

Hong Kong, 19 July 2024

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