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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01011)

PLACING OF BONDS

Placing Agent



This announcement is made pursuant to the Inside Information Provisions (as defined in the Listing Rules) and Rule 13.09(2)(a) of the Listing Rules.

On 29 April 2020 (after trading hours), the Company, the Placing Agent and the Guarantor entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to, on a best effort basis, procure Placee(s) to subscribe for the Bonds in an aggregate principal amount of up to HK\$100,000,000 in up to two tranches within the Placing Periods.

INTRODUCTION

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On 29 April 2020 (after trading hours), the Company, the Placing Agent and the Guarantor entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to, on a best effort basis, procure Placee(s) to subscribe for the Bonds in an aggregate principal amount of up to HK\$100,000,000 in up to two tranches within the Placing Periods.

The principal terms of the Placing Agreement are summarised below:

THE PLACING AGREEMENT

Date: 29 April 2020 (after trading hours)

Issuer: The Company

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| Placing Agent: | I Win Securities Limited, an Independent Third Party |
| Guarantor: | Mr. Ng Tit, the chairman of the Board, the chief executive officer, an executive Director and a substantial shareholder of the Company |
| Places: | The Bonds will be placed to independent institutional or private investors who shall be Independent Third Parties |
| Aggregate Principal Amount: | Up to HK\$100,000,000 |
| Issue Method: | The Bonds may be issued in up to two tranches |
| Issue Price: | 100% of the principal amount of the Bonds |
| Placing Periods: | <p>For the 1st tranche of the Placing, from the fourth Business Day after the date of the Placing Agreement and ending at 5:00 p.m. (Hong Kong time) on the date falling twelve months thereafter (both dates inclusive), or such other period as may be agreed between the Company and the Placing Agent in writing</p> <p>For the 2nd tranche of the Placing, from the fourth Business Day after the date of the Placing Agreement and ending at 5:00 p.m. (Hong Kong time) on such date as may be separately agreed between the Company and the Placing Agent in writing</p> |
| Conditions Precedent: | <p>The Placing Agent's obligations are conditional upon the following conditions having been fulfilled within three Business Days from the date of the Placing Agreement (or such later time and date as the Placing Agent and the Company shall agree in writing):</p> <p>(a) all necessary consents and approvals required to be obtained by the Company and the Placing Agent in respect of the Placing Agreement and the transactions contemplated under it having been obtained;</p> |

- (b) the representations, warranties and undertakings of the Obligors contained in the Placing Agreement being true, accurate and complete and not in breach or misleading in any material aspect; and
- (c) there being no event of default (as described in the terms and conditions of the Bonds) having been occurred or occurring.

Save as the conditions (b) and (c) above which can be waived by the Placing Agent at any time in writing, all conditions referred to above are incapable of being waived. If any of the conditions referred above are not fulfilled (or, as the case may be, waived by the Placing Agent) within three Business Days from the date of the Placing Agreement or such later time or date as may be agreed between the Placing Agent and the Company in writing, each of the Company and the Placing Agent may, at any time thereafter, terminate its obligations under the Placing Agreement by notice in writing to the other party, whereupon the obligations of each of the Obligors and the Placing Agent under the Placing Agreement shall forthwith cease and terminate and neither any of the Obligors nor the Placing Agent shall have any claim against any of the others, save for any antecedent breach thereof

Placing Completion:

Subject to the termination rights of the Placing Agent, the Company and the Guarantor under the Placing Agreement and the Placing Agent having served a completion notice on any Business Day during the relevant Placing Period, the Placing Completion shall take place, in respect of the relevant tranche of the Bonds which are set out in the completion notice, at 4:00 p.m. (Hong Kong time) on each Placing Completion Date (or such later time and date as the Placing Agent and the Company may agree in writing). In order to be valid, the completion notice shall:

- (a) require the issue of Bonds of an aggregate principal amount of not less than HK\$1,000,000 and in integral multiples of HK\$500,000 thereof;

- (b) not, when aggregated with the principal amount of Bonds of the same tranche then issued or required to be issued under other completion notices, exceed HK\$50,000,000; and
- (c) state the names, addresses and occupation of the relevant registered Bondholder(s).

Guarantee:

The Guarantor shall execute a deed of guarantee and indemnity with each of the Placees on the relevant Placing Completion Date guaranteeing the due and punctual payment and performance of all obligations, agreements, warranties and undertakings of the Company to the Placee(s) under the terms of the Bonds

As the Guarantor is the chairman of the Board, the chief executive officer, an executive Director and a substantial shareholder of the Company, the provision of the Guarantee pursuant to the Placing Agreement constitutes a connected transaction in the form of financial assistance in favour of the Company. However, as the Guarantee is not secured by any asset of the Group, and the Directors are of the view that the provision of the Guarantee by the Guarantor is on normal commercial terms or better, the provision of the Guarantee is fully exempt from the shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

PRINCIPAL TERMS OF THE BONDS

Aggregate Principal Amount:

Up to HK\$100,000,000 in up to two tranches, with an aggregate principal amount of up to HK\$50,000,000 for each tranche

Maturity Date:

For the one-year Bonds, the date (or, if that is not a Business Day, the first Business Day thereafter) falling on the first anniversary of the issue date(s) for the relevant Bonds

For the two-year Bonds, the date (or, if that is not a Business Day, the first Business Day thereafter) falling on the second anniversary of the issue date(s) for the relevant Bonds

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| Interest Rate: | For the one-year Bonds, 8% per annum, payable semi-annually in arrears For the two-year Bonds, 8.5% per annum, payable semi-annually in arrears |
| Issue Price: | 100% of the principal amount of the Bonds |
| Denomination: | The Bonds shall be denominated in Hong Kong dollars and shall be issued in integral multiples of HK\$500,000 and the minimum amount of each placement of the Bonds shall not be less than HK\$1,000,000 |
| Events of Default: | If any of the events of default as described in the terms and conditions of the Bonds occurs, a Bondholder may give notice to the Company that the Bonds are immediately due and payable and, upon such notice being given to the Company, the Bonds will immediately become due and repayable at their principal amount |
| Status: | The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference among themselves |
| Transferability: | A Bond may be transferable in whole multiples of HK\$500,000 (or such lesser amount as may represent the entire principal amount thereof) and may be transferred to any person, except to a connected person of the Company |
| Redemption Price at Maturity: | The Bonds will be redeemed at 100% of the principal amount |
| Listing: | No application will be made for the listing of the Bonds |

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the investment, research and development, manufacturing, sales and distribution of pharmaceutical products in the PRC and over 20 countries overseas.

Assuming the Bonds are placed in full, the maximum aggregate principal amount of the Placing will be HK\$100,000,000. The net proceeds from the issue of the Bonds are intended to be used for general working capital use, repayment of existing debts and for business development.

The Board considers that the Placing provides a suitable opportunity to raise capital for the Group. In addition, the Placing will not result in any dilution effect on the shareholding of the existing Shareholders.

In view of the above, the Directors are of the view that the Placing provides a good opportunity to strengthen the Company's financial position and the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion of the Placing is subject to a number of conditions mentioned in this announcement. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

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| “Board” | the board of Directors of the Company |
| “Bondholder(s)” | the holder(s) of the Bonds |
| “Bonds” | the unlisted one-year and/or two-year Bonds with an aggregate principal amount of up to HK\$100,000,000 to be placed in up to two tranches pursuant to the Placing Agreement during the Placing Periods, with up to an aggregate principal amount of HK\$50,000,000 for each tranche |
| “Business Day(s)” | any day (excluding Saturday, Sunday and other public holidays) on which commercial banks in Hong Kong are generally open for business throughout their normal business hours |
| “Company” | China NT Pharma Group Company Limited, a company incorporated in the Caymans Islands with limited liability and the issued shares of which are listed on the Stock Exchange |
| “connected person(s)” | has the same meaning ascribed thereto under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |

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| “Guarantee” | the obligation of the Guarantor to execute a deed of guarantee and indemnity in favour of each of the Placees on the relevant Placing Completion Date to guarantee due and punctual payment and performance of all obligations, agreements, warranties and undertakings of the Company to the Placee(s) under the terms of the Bonds |
| “Guarantor” | Mr. Ng Tit, the chairman of the Board, the chief executive officer, an executive Director and a substantial shareholder of the Company |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | a party independent of and not connected with the Company and its connected persons |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Obligors” | collectively, the Company and the Guarantor |
| “Placee(s)” | any investor(s) procured by the Placing Agent to subscribe for any of the Bonds pursuant to the terms of the Placing Agreement |
| “Placing” | the placing of the Bonds to the Placee(s) by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement |
| “Placing Agent” | I Win Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Placing Agreement” | the placing agreement dated 29 April 2020 entered into among the Company, the Placing Agent and the Guarantor in relation to the Placing of the Bonds |

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| “Placing Completion” | the completion of each tranche of the subscription of the Bonds in accordance with the terms and conditions of the Placing Agreement |
| “Placing Completion Date(s)” | the date of Placing Completion for each tranche |
| “Placing Period(s)” | the placing period(s) as defined under the Placing Agreement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder(s)” | has the same meaning ascribed thereto under the Listing Rules |
| “%” | percentage |

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

Hong Kong, 29 April 2020

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