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東北虎藥業股份有限公司
NORTHEAST TIGER PHARMACEUTICAL CO., LTD.*

(A joint stock limited company established in the People's Republic of China)

(Stock Code: 8197)

**ISSUANCE OF NEW DOMESTIC SHARES UNDER
GENERAL MANDATE AND CLARIFICATION REGARDING H-SHARE PLACING
UNDER GENERAL MANDATE**

ISSUANCE OF NEW DOMESTIC SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 13 July 2016 (after trading hours), the Company entered into the conditional Subscription Agreements with three Subscribers respectively pursuant to which the Company has conditionally agreed to allot and issue an aggregate of 70,000,000 Subscription Shares to the Subscribers at a price of RMB0.89 (equivalent to approximately HK\$1.03 ^(Note)) per Subscription Share.

An aggregate of 70,000,000 Subscription Shares are to be allotted and issued to the Subscribers, representing (i) approximately 12.97% and 9.38%, respectively, of the existing issued Domestic Shares and the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.48% and 8.57%, respectively, of the issued Domestic Shares and the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming no further new Shares will be issued or repurchased before the completion of the Subscription.

The Subscription price of RMB0.89 (equivalent to approximately HK\$1.03 ^(Note)) per Subscription Share represents (a) a discount of approximately 13.45% to the closing price of HK\$1.19 per H-Share as quoted on the GEM on the date of the Subscription Agreements; (b) a discount of 19.41% to the average closing price of HK\$1.278 per H-Share as quoted on the GEM for the last five consecutive trading days prior to the date of the Subscription Agreements; and (c) a discount of approximately 14.17% to the average closing price of approximately HK\$1.197 per H-Share for the last twenty consecutive trading days prior to the date of the Subscription Agreements.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Subscribers are Independent Third Parties and are not connected persons of the Company as defined under the GEM Listing Rules.

The Subscription Shares will be allotted and issued under the General Mandate and is conditional and subject to the condition as set out below under the heading "Condition of the Subscription".

The net proceeds from the Subscription, after deducting relevant expenses, will be approximately RMB61,300,000 (equivalent to approximately HK\$71,097,193.23 ^(Note)). The Company intends to use such net proceeds for business development and general working capital of the Group.

Since the completion of the Subscription is subject to the satisfaction of the condition precedent in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

CLARIFICATION REGARDING H-SHARE PLACING UNDER GENERAL MANDATE

Reference is made to the Placing Announcement, the Company would like to clarify that there was an inadvertent typographical error in the Placing Announcement under the section headed "Effects on Shareholding Structure of the Company": in the table under that section, the number of Domestic Shares held by "Other Shareholders" as at the date of the Placing Announcement should be "1,888,790" instead of "3,507,750".

On 13 July 2016 (after trading hours), the Company entered into the conditional Subscription Agreements with the Subscribers pursuant to which the Company has conditionally agreed to allot and issue an aggregate of 70,000,000 Subscription Shares to the Subscribers at a price of RMB0.89 (equivalent to approximately HK\$1.03 ^(Note)) per Subscription Share.

THE SUBSCRIPTION AGREEMENTS

Date

13 July 2016 (after trading hours)

Parties

- (i) The Company; and
- (ii) three Subscribers

Subscribers

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, each of the Subscribers is an Independent Third Party and is not a connected person of the Company as defined under the GEM Listing Rules.

Number of Subscription Shares

The Subscription Shares to be allotted and issued comprising an aggregate of 70,000,000 new Domestic Shares, representing (i) approximately 12.97% and 9.38%, respectively, of the existing issued Domestic Shares and the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.48% and 8.57%, respectively, of the issued Domestic Shares and the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming no further new Shares will be issued or repurchased before the completion of the Subscription.

The Subscription Shares are to be allotted and issued under the General Mandate and the issue of the Subscription Shares will not be subject to further Shareholders' approval. According to the General Mandate, the Directors are authorized to allot, issue and deal with each of the H-Shares and Domestic Shares with an aggregate nominal amount of up to but not exceeding 20% of the then aggregate nominal amount of H-Shares and Domestic Shares, respectively. As at the date of this announcement, no Domestic Shares have been allotted and issued pursuant to the General Mandate. The aggregate nominal value of the Subscription Shares will be RMB0.89 (equivalent to approximately HK\$1.03 ^(Note)). The Company has not repurchased any Shares within the last 30 days prior to the date of this announcement.

Subscription Price

The Subscription price of RMB0.89 (equivalent to approximately HK\$1.03 ^(Note)) per Subscription Share was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the par value of the Shares and the prevailing market price of the H-Shares and represents:

- (a) a discount of approximately 13.45% to the closing price of HK\$1.19 per H-Share as quoted on the GEM on the date of Subscription Agreements;
- (b) a discount of approximately 19.41% to the average closing price of HK\$1.278 per H-Share as quoted on the GEM for the last five consecutive trading days prior to the date of Subscription Agreements; and
- (c) a discount of approximately 14.17% to the average closing price of approximately HK\$1.197 per H-Share for the last twenty consecutive trading days prior to the date of Subscription Agreements.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements are fair and reasonable based on the current market conditions and that the Subscription is in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Domestic Shares in issue on the date of allotment and issue of Subscription Shares.

Condition of the Subscription

The Completion is conditional upon the satisfaction of the following condition:

- (i) the Company having obtained all the necessary consents and approvals required for the issuance of new Subscription Shares and the performance by the Company of its obligations under the Subscription Agreements from the relevant regulatory authorities in the PRC and/or any other relevant jurisdictions, if applicable.

Completion

Within six months upon satisfaction of the above condition precedent, and on the date to be specifically requested by the Company, the Subscribers shall make payments for their Subscription into a bank account designated by the Company. Thereafter the Company shall issue the Subscription Shares to the Subscribers and procure registration of the Subscribers as Shareholders of the Subscription Shares with China Securities Depository and Clearing Corporation Limited.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 24 May 2016, the Company and Yicko Securities Limited, being the placing agent entered into the Placing Agreement in respect of the Placing. At the date of this announcement, the Placing has not been completed. Save for the above, the Company has not conducted any equity fund raising activity in the 12 months preceding the date of this announcement.

REASONS FOR SUBSCRIPTION

The net proceeds from the Subscription, after deducting relevant expenses, will be approximately RMB61,300,000 (equivalent to approximately HK\$71,097,193.23 ^(Note)). The Company intends to use such net proceeds for business development and general working capital of the Group.

The Directors are of the opinion that the Subscription represents a good opportunity to raise additional funds to strengthen the Group's financial position as well as broaden its capital base. Accordingly, the Directors consider that the Subscription is in the interests of the Company and its Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Subscription (assuming that all of the 70,000,000 new Subscription Shares are subscribed or purchased in full, and the shareholding of H-Shares remains unchanged) are as follows:

	As at the date of this announcement		Upon completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
Domestic Shares				
Beijing Bao Ying Chuang Fu Investment Management Centre*	398,534,660	53.38	398,534,660	48.80
Guo Feng	137,611,830	18.43	137,611,830	16.85
Zhang Ya Bin	1,618,960	0.22	1,618,960	0.20
Subscribers	0	0	70,000,000	8.57
Other Shareholders	1,888,790	0.25	1,888,790	0.23
H-Shares				
Public Shareholders	207,000,000	27.72	207,000,000	25.35
Total	746,654,240	100.00	816,654,240	100.00

Since completion of the Subscription is subject to the satisfaction of the conditions precedent in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

CLARIFICATION REGARDING H-SHARE PLACING UNDER GENERAL MANDATE

Reference is made to the Placing Announcement, the Company would like to clarify that there was an inadvertent typographical error in the Placing Announcement under the section headed "Effects on Shareholding Structure of the Company": in the table under that section, the number of Domestic Shares held by "Other Shareholders" as at the date of the Placing Announcement should be "1,888,790" instead of "3,507,750".

Save for the aforesaid, the Company confirms that there is no other clarification that is required to be made regarding the Placing Announcement.

Note: The figures are calculated based on the middle exchange rate of RMB0.8622 to HK\$1 as quoted by The People's Bank of China as at 13 July 2016, being the date of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Board”	the board of Directors
“Company”	Northeast Tiger Pharmaceutical Co., Ltd., a joint stock limited company incorporated in the PRC and whose H-Shares are listed on GEM of the Stock Exchange
“Completion”	completion of the Subscription pursuant to the Subscription Agreements
“connected person”	has the meaning defined by the GEM Listing Rules
“Director(s)”	means the director(s) of the Company
“Domestic Share(s)”	domestic share(s) with a nominal value of RMB0.1 each in the share capital of the Company which are subscribed for in RMB
“Domestic Shareholder”	The holders of the Domestic Share(s)
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 May 2016, pursuant to which the Directors are authorised to allot, issue and deal with each of the H-Shares and Domestic Shares with an aggregate nominal amount of up to but not exceeding 20% of the aggregate nominal amount of H-Shares and Domestic Shares then in issue, respectively
“Group”	the Company and its subsidiaries
“H-Share(s)”	overseas listed foreign ordinary shares in the share capital of the Company, with a nominal value of RMB0.1 each, all of which are listed on the GEM of the Stock Exchange, and subscribed for and traded in Hong Kong dollars
“H-Shareholders”	the holder of H-Shares

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“GEM”	Growth Enterprise Market
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Placing Agreement”	the conditional placing agreement dated 24 May 2016 entered into between the Company and Yicko Securities Limited, being the placing agent, pursuant to which the placing agent has conditionally agreed to procure not less than six placees, on a best efforts basis, to subscribe for and purchase of an aggregate of up to 41,400,000 new H-Shares
“Placing Announcement”	the announcement of the Company dated 24 May 2016 in relation to the Placing
“Placing”	the Placing of up to 41,400,000 new H-Shares pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“Share(s)”	H-Share(s) and Domestic Share(s)
“Shareholder(s)”	holder(s) of the H-Shares and the Domestic Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	three investors procured by the Company to subscribe for Subscription Shares pursuant to the Subscription Agreements
“Subscription”	the subscription of Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the conditional subscription agreements dated 13 July 2016 entered into between the Company and the Subscribers in relation to the Subscription respectively

“Subscription Price”	The subscription price of RMB0.89 per Subscription Shares
“Subscription Share(s)”	an aggregate of 70,000,000 new Domestic Shares to be allotted and issued pursuant to the Subscription under the General Mandate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By Order of the Board
東北虎藥業股份有限公司
Northeast Tiger Pharmaceutical Co., Ltd.*
Chairman
Wang Shaoyan

Beijing, the PRC, 13 July 2016

As at the date of this announcement, the Company’s executive directors are Wang Shaoyan, Cui Bingyan and Qin Haibo; the Company’s non-executive directors are Guo Aiqun and Cao Yang and the Company’s independent non-executive directors are Zhao Zhen Xing, Chen Youfang and Hui Lai Yam.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

** for identification purposes only*