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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 incorporated in the People's Republic of China)*  
**(Stock Code: 8197)**

**SUPPLEMENTAL AGREEMENT TO THE  
FRAMEWORK AGREEMENT  
AND  
DISCLOSEABLE TRANSACTION  
ESTABLISHMENT OF THE JV COMPANY**

**SUPPLEMENTAL AGREEMENT TO THE FRAMEWORK AGREEMENT**

On 28 November 2016, the Company, Anhui Pharmaceutical and Zhonghe Beidou entered into the Supplemental Agreement, pursuant to which it was agreed that the Company and Zhonghe Beidou shall form the JV Company and Anhui Pharmaceutical will enter into cooperation agreement(s) with the JV Company separately for the specific projects in the future.

**ESTABLISHMENT OF THE JV COMPANY**

The Board announces that the Company and Zhonghe Beidou entered into the Investment Cooperation Agreement on 28 November 2016, pursuant to which the parties shall establish the JV Company. The registered capital of the JV Company is RMB50,000,000. Pursuant to the Investment Cooperation Agreement, the Company and Zhonghe Beidou shall contribute RMB45,000,000 and RMB5,000,000 and shall hold the equity interests in the JV Company as to 90% and 10% respectively.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the transactions contemplated under the Investment Cooperation Agreement exceed 5% but are less than 25%, the transactions contemplated under the Investment Cooperation Agreement constitute discloseable transactions of the Company under the GEM Listing Rules and are subject to the reporting and announcement requirements but are exempt from the shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

## **SUPPLEMENTAL AGREEMENT TO THE FRAMEWORK AGREEMENT**

On 13 April 2016, the Company, Anhui Pharmaceutical and Zhonghe Beidou entered into the Framework Agreement, pursuant to which it was agreed that the parties shall form the JV Company which shall develop its business mainly towards the integration of pharmaceutical technology with big data, development of smart medical services and healthcare management services and the construction of health Beidou big data. On 28 November 2016, due to commercial reasons, the Company, Anhui Pharmaceutical and Zhonghe Beidou entered into the Supplemental Agreement, pursuant to which it was agreed that the form of cooperation under the Framework Agreement shall be changed such that (1) the Company and Zhonghe Beidou shall form the JV Company; and (2) Anhui Pharmaceutical will enter into cooperation agreement(s) with the JV Company separately for the specific projects in the future.

The Company will make further announcement(s) on any material development on the cooperation with Anhui Pharmaceutical as and when appropriate in accordance with the GEM Listing Rules.

## **ESTABLISHMENT OF THE JV COMPANY**

The Board announces that the Company and Zhonghe Beidou entered into the Investment Cooperation Agreement on 28 November 2016, pursuant to which the parties shall establish the JV Company. The registered capital of the JV Company is RMB50,000,000. Pursuant to the Investment Cooperation Agreement, the Company and Zhonghe Beidou shall contribute RMB45,000,000 and RMB5,000,000 and shall hold the equity interests in the JV Company as to 90% and 10% respectively.

### **The Investment Cooperation Agreement**

Principal terms of the Investment Cooperation Agreement are set out below:

#### **Date**

28 November 2016

#### **Parties**

- (1) The Company; and
- (2) Zhonghe Beidou.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Zhonghe Beidou and its ultimate beneficial owners are Independent Third Parties.

### **Registered capital and equity interest**

The JV Company shall have a registered capital of RMB50,000,000, in which RMB45,000,000 to be contributed by the Company which will hold 90% equity interest in the JV Company and RMB5,000,000 to be contributed by Zhonghe Beidou which will hold 10% equity interest in the JV Company. Each of the parties shall pay in full their respective amount of contribution in cash within 2 months of the date of the issuance of the business licence of the JV Company.

The registered capital of the JV Company is determined after arm's length negotiation among the parties with reference to the anticipated financing requirement of the JV Company.

### **Business scope of the JV Company**

Subject to the approval and registration with the relevant industry and commerce bureau in the PRC, the scope of business of the JV Company covers health management service, management and application of the collection of health data, body checks, training and consulting; research and development, promotion, service, sales and transfer of health softwares; management of medical data; medical management consulting service; research and development of health products; wholesale and retail of health care products; computer system integration services, technological development and services; conferencing and training; and sales and servicing of fitness equipment.

### **Parties' obligations**

The Company shall be responsible for the design, planning and the composition of the personnel of the JV Company by leveraging on its listing status in Hong Kong, with an aim to achieving optimal economic efficiency for the JV Company.

Zhonghe Beidou shall, through leveraging on its experience and technologies accumulated from its years of operation in the area of Beidou satellite navigation, provide the JV Company with the hardware, software and related resources involved in the area of Beidou satellite navigation which are required for the construction and business operation of the Beidou health big data platform.

### **Board of directors**

The board of directors of the JV Company shall consist of three directors, with two directors to be nominated by the Company and one director to be nominated by Zhonghe Beidou. The directors of the JV Company shall be elected by the shareholders at the general meeting of the JV Company.

The candidate for the chairman of the board of directors of the JV Company shall be nominated from those directors to be appointed by the Company. The term of office of the chairman of the board of directors of the JV Company is three years and can be extended upon the nomination of the Company. The chairman shall act as the legal representative of the JV Company.

### **Senior management**

The JV Company shall have one general manager to be elected by the board of directors of the JV Company.

### **Supervisor**

The JV Company shall have one supervisor who shall be nominated by the Company. The supervisor shall be elected by the shareholders at the general meeting of the JV Company. The term of office of the supervisor is three years and the supervisor is entitled to re-election upon the expiry of the term of office.

### **Equity transfer and share pledge**

The transfer and pledge of the equity interests of the JV Company shall be conducted in accordance with the articles of association of the JV Company and the applicable laws and regulations (including the Company Law of the PRC).

Pursuant to the articles of association of the JV Company, shareholders of the JV Company may transfer part or all of their equity interests in the JV Company among themselves. Any partial or entire transfer of equity interests by either party to any person not being a shareholder of the JV Company shall be subject to the consent of the other shareholders. Shareholder shall notify in writing and seek approval from the other shareholders in respect of the proposed equity transfer. If the other shareholders do not render a reply within 30 days from the date of receipt of the written notification, it shall be deemed to have consented to such proposed transfer.

If a shareholder renders a written reply that it disagrees with such transfer, the shareholder disagreeing with such transfer shall purchase the equity interests under the proposed transfer; otherwise, it shall be deemed to have consented to the proposed transfer.

In addition, when a shareholder transfers any part or all of its equity interests in the JV Company, the other shareholders shall have pre-emptive right under the same conditions.

### **Profit sharing**

The audited profits after tax of the JV Company shall be distributed in proportion to the equity interests of the parties in the JV Company.

### **INFORMATION OF THE GROUP**

The Group is principally engaged in in the production and sales of Chinese medicine under the brand name of Northeast Tiger\* (東北虎) in the PRC and conducting pharmaceutical research and development.

## **INFORMATION OF ZHONGHE BEIDOU**

Zhonghe Beidou is a hi-tech joint stock enterprise specialising in the application of satellite navigation system.

## **REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JV COMPANY**

The State Council recently announced the pursuit of developing and standardizing big data applications in the fields of healthcare and medical and meeting public demand for healthcare and medical care through the use of the “Internet Plus Medical Care”. Healthcare big data is an important and fundamental strategic resources of the country and plays a vital role for the protection of people’s lives and well-being, improving the utilization rate of medical resources and diagnostic efficiency.

In view of this, through the establishment of the JV Company, the Company would utilize its own strengths in promoting the combination of medical expertise and modern technology to facilitate the implementation of “Medicine Plus Beidou Big Data, Development of Healthcare Big Data, Provision of Health Management Services (醫藥與北斗大數據，發展健康大數據、健康管理服務)” Project, with a view to achieve the convergence of medical technology and big data, the development and provision of intelligent medical and health management services, and the establishment of Beidou Big Data in the field of healthcare. The Directors consider that the cooperation with Zhonghe Beidou would create synergies.

The Directors are of the view that the terms and conditions of the Investment Cooperation Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the shareholders of the Company as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the transactions contemplated under the Investment Cooperation Agreement exceed 5% but are less than 25%, the transactions contemplated under the Investment Cooperation Agreement constitute discloseable transactions of the Company under the GEM Listing Rules and are subject to the reporting and announcement requirements but are exempt from the shareholders’ approval requirement under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

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

“Anhui Pharmaceutical”	Anhui Pharmaceutical (Group) Co., Ltd.* (安徽省醫藥(集團)股份有限公司), a company established in the PRC with limited liability
“Board”	the board of directors of the Company
“Company”	Northeast Tiger Pharmaceutical Co., Ltd.* (東北虎藥業股份有限公司), a company incorporated in the PRC with limited liability, whose H shares are listed on the GEM of the Stock Exchange (stock code: 8197)
“Director(s)”	director(s) of the Company
“Framework Agreement”	the strategic framework cooperation agreement dated 13 April 2016 entered into among the Company, Anhui Pharmaceutical and Zhonghe Beidou in relation to the cooperation for the establishment of the JV Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Independent Third Party”	any individual(s) or any company(ies) who or which is/are independent of and is/are not connected with any director, chief executive or substantial shareholder (within the meaning of the GEM Listing Rules) of the Company, its subsidiaries or any of their respective associates (within the meaning of the GEM Listing Rules)
“Investment Cooperation Agreement”	the investment cooperation agreement entered into between the Company and Zhonghe Beidou on 28 November 2016 in respect of the establishment of the JV Company

“JV Company”	a limited company to be established in the PRC pursuant to the Investment Cooperation Agreement, proposed to be named as Anhui Beidou Jia Health Data Co., Ltd.* (安徽北斗嘉健康數據有限公司) (the actual name shall be subject to the approval of the relevant industry and commerce bureau in the PRC)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 28 November 2016 entered into among the Company, Anhui Pharmaceutical and Zhonghe Beidou in relation to the change of the form of the cooperation contemplated under the Framework Agreement
“Zhonghe Beidou”	Zhonghe Beidou Information Technology Co., Ltd.* (中和北斗信息技術股份有限公司), a company established in the PRC with limited liability
“%”	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**

Jilin, the PRC, 28 November 2016

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

*This announcement, for which the Directors 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, 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.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the day of its posting and the Company’s website at <http://www.northeasttiger.com> from the date of this announcement.*

*\* For identification purpose only*