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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF ASSETS

On 28 November 2016, the Company entered into the Assets Transfer Agreement as vendor with the Purchaser to dispose of the Assets at the aggregate consideration of RMB48,800,000.

The Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and therefore is subject to the notification and announcement requirements thereunder.

In accordance with the requirements under the Articles of Association and the Companies Law, the EGM will be convened to consider and, if thought fit, approve the Assets Transfer Agreement and the transactions contemplated thereunder. To the best of the information, knowledge and belief of the Directors, as at the date of this announcement, none of the Shareholders is required to abstain from voting in respect of the resolutions for the approval of the Assets Transfer Agreement and the transactions contemplated thereunder at the EGM.

A circular which contains, among other things, further information on the Disposal and the Assets Transfer Agreement and a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

THE ASSETS TRANSFER AGREEMENT

Date

28 November 2016

The Assets Transfer Agreement shall become effective after (1) the signing by the legal representative or authorized representative of each of the Company and the Purchaser; and (2) each of the Company and the Purchaser having completed their respective internal approval procedures for the Disposal.

Parties

Vendor: the Company

Purchaser: Jilin Chun Hua Qiu Shi Agricultural Development Co., Ltd.*

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Assets to be disposed

The assets to be disposed of under the Assets Transfer Agreement comprise the following:

Assets	Net book value <i>(as at 30 September 2016)</i> <i>(in RMB)</i>
Materials in transit at the warehouse	69,647.04
Buildings	18,582,971.15
Erections and other ancillary facilities	118,229.38
Machineries and equipment	5,532,954.57
Vehicles	39,601.66
Electronic equipment	289,851.86
Land use rights	8,787,754.31
Software	75,944.94
Total	<u><u>33,496,954.91</u></u>

Consideration

The aggregate consideration for the Disposal under the Assets Transfer Agreement is RMB48,800,000 (the "**Consideration**"), which was determined after arm's length negotiations between the Company and the Purchaser with reference to the valuation of the fair value of the Assets at approximately RMB47,980,000 as at 30 September 2016 conducted by Shenzhen Lixin Asset Appraisal Co., Ltd., an independent asset appraisal company appointed by the Company.

Payment of consideration

Within 30 days of the satisfaction of all the conditions precedent of the Assets Transfer Agreement (details of which are set out in the section headed “Assets to be disposed” below), the Company shall issue a payment notice to the Purchaser for the payment of the Consideration (the “**Payment Notice**”). Within 60 days of the receipt of the Payment Notice, the Purchaser shall pay the Consideration in full to the Company.

Conditions precedent

Completion of the Disposal shall be conditional upon fulfillment of the following conditions:

- (a) the Assets Transfer Agreement having become effective (“**Condition A**”);
- (b) the shareholders of the Company having approved the Assets Transfer Agreement and the transactions contemplated thereunder (“**Condition B**”); and
- (c) all the necessary approval, authorization and filings in relation to the Disposal having been obtained (“**Condition C**”).

The Assets Transfer Agreement shall lapse and cease to have effect if any one of Condition A, Condition B and Condition C have not been fulfilled within 180 days of the date of the Assets Transfer Agreement (or such later date as agreed by the parties in writing), provided that the lapse of the Assets Transfer Agreement shall not affect the rights, obligations and liabilities of the parties accrued before the lapse of the Assets Transfer Agreement.

Delivery of possession

If all the above conditions precedent of the Assets Transfer Agreement have been fulfilled within 180 days of the date of the Assets Transfer Agreement (or such later date as agreed by the parties in writing), the Company shall, on the Delivery Date, deliver possession of the Assets and documents transfer list related to the Assets (including, among others, the approval documents, financial statements, documents of title of the Assets) to the Purchaser. The Purchaser shall conduct inspection of the Assets and the related documents and acknowledge receipt by signing and stamping.

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 THE PURCHASER

The Purchaser is a company established in the PRC with limited liability and is principally engaged in the research and development of agricultural technologies, planting of agricultural products, fruits and woods and sale of primary agricultural products.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors have been continuously assessing the Group's current business strategy, with the aim to streamline its business, enhance overall performance, prospects and attractiveness to market investors. The Directors basically foresee little growth potential of the original medication business, and coupled with the fact that the revenue of the original business is negligible, therefore limiting the choices and fund-raising capability of the Company. There is a need to implement the strategy of streamlining the key businesses as an opportunity to improve the financial condition of the Group, so as to improve the prospects of the Group. The Directors have assessed the structure of the Disposal and considered the Disposal is a good opportunity for the Group to restructure its strategic business position and focus its resources on implementing development opportunities (including but not limited to "pharmaceutical and Beidou big data, development of health related big data and healthcare management service") while improving and consolidating the Group's financial position and cash flow. The Disposal will improve and consolidate the Group's financial position and cash flow, and the agreed consideration is based on net asset value and is at a premium to the net asset value as at 30 September 2016. The Directors considered the Disposal and the terms of the Assets Transfer Agreement (including the consideration of the Disposal) are fair and reasonable and in the interests of the Company and the shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

With reference to the unaudited accounts of the Company for the nine months ended 30 September 2016, the aggregate net book value of the Assets was approximately RMB33,497,000 as at 30 September 2016. Based on the difference between the consideration for the Disposal and the net book values of the Assets as mentioned above, the Group is expected to realise a gain of approximately RMB15,303,000 (before taxation) as a result of the Disposal.

USE OF PROCEEDS

The proceeds from the Disposal will be used for acquiring business premises as the Group's headquarter in Beijing, the PRC.

GEM LISTING RULES IMPLICATIONS

The Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and therefore is subject to the notification and announcement requirements thereunder.

THE EGM

Pursuant to Article 121 of the Companies Law, where the value of the purchase or sale of any substantial assets by a listed company exceeds 30% of the total asset value of the listed company within a given year, such transaction shall be subject to the approval of the shareholders at a general meeting and the resolution shall be passed by the shareholders representing more than two thirds of the voting rights of all the shareholders present at the meeting.

Pursuant to Article 96 of the Articles of Association, the Directors shall not, without the prior approval of shareholders in general meeting, dispose or agree to dispose of any fixed assets of the Company if the aggregate of:

- (i) the expected value of the consideration for the fixed assets proposed to be disposed of; and
- (ii) the total consideration received by the Company for all disposals of fixed assets which took place within the period of four months immediately preceding the proposed disposal, exceeds 33% of the value of the Company's fixed assets as shown in the latest balance sheet placed before the shareholders in general meeting.

As the amount of consideration for the disposal of the Assets exceeds 30% of the value of the total assets of the Company of RMB109,375,000 as at 31 December 2015 and exceeds 33% of the value of fixed assets of RMB56,442,000 as shown in the audited financial statements of the Company for the year ended 31 December 2015, the Disposal exceeds the limit of the power of the Board in disposing assets of the Company and is subject to the approval of the Shareholders in general meeting.

In accordance with the requirements under the Companies Law and the Articles of Association, the EGM will be convened to consider and, if thought fit, approve the Assets Transfer Agreement and the transactions contemplated thereunder. To the best of the information, knowledge and belief of the Directors, as at the date of this announcement, none of the Shareholders is required to abstain from voting in respect of the resolutions for the approval of the Assets Transfer Agreement and the transactions contemplated thereunder at the EGM.

A circular which contains, among other things, further information on the Disposal and the Assets Transfer Agreement and a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company as of the date of this announcement
“Assets”	certain assets and properties owned by the Company, details of which are set out in the paragraph headed “Assets to be disposed” in this announcement
“Assets Transfer Agreement”	the agreement dated 28 November 2016 entered into between the Company as vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“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)
“Companies Law”	Companies Law of the People’s Republic of China
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Assets by the Company pursuant to the Assets Transfer Agreement
“Delivery Date”	the date to be agreed between the Company and the Purchaser which is within 10 days of the receipt of the Company in full of the consideration for the Disposal (or such later date as agreed by the parties in writing)
“Domestic Share(s)”	issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB0.10 each, which are subscribed for or credited as fully paid in RMB
“EGM”	the extraordinary general meeting of the Company to be convened for the Shareholders to consider and approve the Assets Transfer Agreement and the transactions contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	collectively, the Company and its subsidiaries
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company, with a nominal value of RMB0.10 each, which are listed on the GEM of the Stock Exchange
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) which is independent of and not connected with the Company and any of the connected person (as defined under the GEM Listing Rules) of the Company
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Jilin Chun Hua Qiu Shi Agricultural Development Co., Ltd.* (吉林春華秋實農業開發有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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 People’s Republic of China, 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 website of the GEM 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*