

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

MAJOR TRANSACTION

ACQUISITION OF PROPERTY

ASSETS TRANSFER AGREEMENT

On 28 November 2016, the Company entered into the Assets Transfer Agreement as purchaser with the Vendor to acquire the Property at the aggregate consideration of RMB66,600,000.

GEM LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

THE EGM

In accordance with the requirements under the GEM Listing Rules, 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 Acquisition and the Assets Transfer Agreement and a notice of the EGM, is expected to be despatched to the Shareholders on or before 21 December 2016 as additional time is required for the Company to prepare and finalize the information to be included in the circular.

THE ASSETS TRANSFER AGREEMENT

Date

28 November 2016

The Assets Transfer Agreement shall become effective after (1) stamping by each of the Company and the Vendor; and (2) each of the Company and the Vendor having completed their respective internal approval procedures for the Acquisition and obtained the relevant approval documents in writing.

Parties

Purchaser: the Company

Vendor: Beijing Heng Yuan Ji Ye Investment Management Co., Ltd.*

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

Assets to be acquired

The assets to be acquired by the Company under the Assets Transfer Agreement are the first and second floors of the property located in Chaoyang District, Beijing, the PRC with a construction area of 592.13 square metres.

Consideration

The aggregate consideration for the Acquisition under the Assets Transfer Agreement is RMB66,600,000, which was determined after arm's length negotiations between the Company and the Vendor with reference to the valuation of the fair market value of the Property at RMB95,155,300 as at 31 October 2016 conducted by Shenzhen Lixin Asset Appraisal Co., Ltd. (深圳立信資產評估有限公司), an independent asset appraisal company appointed by the Company.

Payment of consideration

The consideration for the Acquisition (the "**Consideration**") shall be payable in the following manner:

- (a). A deposit of RMB13,320,000 (the "**Deposit**"), being 20% of the Consideration, shall be payable by the Company in cash to the Vendor within 10 business days from the date on which the Assets Transfer Agreement becomes effective; and
- (b). Upon the date of the completion of the online signing procedure of the Assets Transfer Agreement, the Company shall transfer RMB53,280,000, being the remaining balance of the Consideration, to an escrow account jointly set up by the Company and the Vendor (the "**Escrow Account**"). Upon the Completion Date on which the Company obtains the real estate certificate of the Property (《不動產權證書》), the Company shall release its joint control on the Escrow Account.

If the conditions precedent of the Assets Transfer Agreement (as set out in the section headed “Conditions precedent” below) are not fulfilled and as a result the Assets Transfer Agreement lapses and ceases to have effect, the Vendor shall return in full the Deposit to the Company within 3 days of the lapse of the Assets Transfer Agreement.

Conditions precedent

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

- (a). the shareholders of the Company having approved the Assets Transfer Agreement and the transactions contemplated thereunder at a general meeting; and
- (b). all the necessary approval, authorization and filings in relation to the Acquisition having been obtained.

The Assets Transfer Agreement shall lapse and cease to have effect upon the occurrence of one of the following events (whichever is earlier) :

- (1). the date on which the shareholders of the Company vote to disapprove the Assets Transfer Agreement and the transactions contemplated thereunder ; or
- (2). all the conditions precedent of the Assets Transfer Agreement have not been fulfilled on 30 April 2017 (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.

Completion

Completion of the Acquisition shall take place on the Completion Date upon the fulfillment of all the above conditions precedent of the Assets Transfer Agreement.

On the Completion Date, the Vendor shall deliver the title documents, other transaction documents related to the Property (including but not limited to the original purchase agreement of the Property, the invoice and title certificate) and other related assets (including the keys and access cards of the Property) to the Company.

The Vendor shall assist the Company to arrange for the relevant registration procedures on the transfer of the Property with the relevant real estate bureau in the PRC, including but not limited to assisting the Company to obtain the real estate certificate (《不動產權證書》) of the Property.

INFORMATION OF THE GROUP

The Group is principally engaged 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 VENDOR

The Vendor is a company established in the PRC with limited liability and is principally engaged in investment management, asset management, investment consulting, design, production, agency and distribution of advertisements.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property will be used as the Group's Beijing headquarter office to cope with the operation needs of the Group and pave for the future growth and development of the Group. The Directors consider that the proposed Acquisition may lower the office rental cost of the Group in the long term. In addition, the Directors consider that the proposed Acquisition may (i) facilitate centralization of its management and operation, improve flexibility of its future development and enhance overall competitiveness by improving staff efficiency, cohesion and communication; (ii) cope with and promote its business expansion plans, staff recruitment and long-term future growth; and (iii) broaden fixed asset base with capital appreciation potential.

The Directors consider that the terms of the Assets Transfer Agreement are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

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.

As the amount of consideration for the acquisition of the Property exceeds 30% of the value of the total assets of the Company of RMB109,375,000 as at 31 December 2015 as shown in the audited financial statements of the Company for the year ended 31 December 2015, the Acquisition exceeds the limit of the power of the Board in acquiring assets of the Company and is subject to the approval of the Shareholders in general meeting.

In accordance with the requirements under the GEM Listing Rules, 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 Acquisition and the Assets Transfer Agreement and a notice of the EGM, is expected to be despatched to the Shareholders on or before 21 December 2016 as additional time is required for the Company to prepare and finalize the information to be included in the circular.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Company pursuant to the Assets Transfer Agreement
“Articles of Association”	the articles of association of the Company as of the date of this announcement
“Assets Transfer Agreement”	the agreement dated 28 November 2016 entered into between the Company and the Vendor in relation to the Acquisition
“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

“Completion Date”	the date to be agreed in writing between the Company and the Vendor for the completion of the Acquisition after the fulfillment of all the conditions precedent of the Assets Transfer Agreement
“Director(s)”	director(s) of the Company
“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
“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
“Property”	certain properties owned by the Vendor, details of which are set out in the paragraph headed “Assets to be acquired” in this announcement
“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
“Vendor”	Beijing Heng Yuan Ji Ye Investment Management Co., Ltd.* (北京恒源基業投資管理有限公司), a company established in the PRC with limited liability

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