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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)

**(1) FURTHER DEVELOPMENT IN RELATION TO
DISCLOSEABLE TRANSACTION
ESTABLISHMENT OF THE JV COMPANY
(2) ESTABLISHMENT OF A NEW SUBSIDIARY**

**FURTHER DEVELOPMENT IN RELATION TO DISCLOSEABLE
TRANSACTION FOR ESTABLISHMENT OF THE JV COMPANY**

Reference is made to the announcement of the Company dated 28 November 2016 (the “**Announcement**”) in relation to the investment cooperation agreement dated 28 November 2016 entered into between the Company and Zhonghe Beidou for the establishment of the JV Company. Unless otherwise defined, terms defined in this announcement shall have the same meaning as those defined in the Announcement.

Background

As disclosed in the Announcement, 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 terms of 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 registration procedures with the relevant industry and commerce bureau in the PRC have been completed and the JV Company was established on 8 December 2016. As at the date of this announcement, the equity interest of the JV Company is owned as to 90% and 10% by the Company and Zhonghe Beidou respectively. However, the aforesaid capital contribution by the Company and Zhonghe Beidou to the JV Company has not been made.

The Equity Transfer Agreement

The Board announces that on 21 April 2017, the Company (as purchaser) and Zhonghe Beidou (as vendor) entered into the Equity Transfer Agreement, pursuant to which Zhonghe Beidou agreed to transfer and the Company agreed to acquire the 10% equity interest in the JV Company held by Zhonghe Beidou.

The consideration for the above transfer is nil, which was determined between the Company and Zhonghe Beidou taking into consideration the fact that each of the Company and Zhonghe Beidou has not yet made their respective capital contribution to the JV Company under the Investment Cooperation Agreement.

The business scope of the JV Company shall remain unchanged as that disclosed in the Announcement. Upon the completion of the transactions contemplated under the Equity Transfer Agreement, the JV Company will become a wholly-owned subsidiary of the Company.

Reasons for and Benefits of the Equity Transfer Agreement

The Group is very optimistic about the businesses of “pharmaceutical & Beidou big data, development of the health-related big data and healthcare management services”, and hope to proceed with the development of such business in a more efficient manner. The entering into of the Equity Transfer Agreement can separate the business and technical cooperation from the equity cooperation in order to enable the Group to obtain the Group’s overall control of such business, so that the Group can make the planning and promotion of the development and future operation of such business more efficient.

The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

General

The JV Company is an insignificant subsidiary of the Company. As Zhonghe Beidou holds 10% equity interest in the JV Company, it is a substantial shareholder of an insignificant subsidiary of the Company, and therefore notwithstanding Zhonghe Beidou’s interest in the JV Company, it and its ultimate beneficial owners are not regarded as connected persons of the Company pursuant to rule 20.08 of the GEM Listing Rules. Therefore the Equity Transfer Agreement does not constitute a connected transaction under Chapter 20 of the GEM Listing Rules.

As all the applicable percentage ratios (as defined under the GEM Listing Rules) for the Equity Transfer Agreement are less than 5%, the Equity Transfer Agreement does not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules.

ESTABLISHMENT OF A NEW SUBSIDIARY

The Board is pleased to announce that the Company has established a new wholly-owned subsidiary in the PRC (the “**New Subsidiary**”). Details of the New Subsidiary are as follows:

Registered name	:	北京北斗嘉管理諮詢有限公司
Translated name	:	Beijing Baytacare Management Consulting Company Limited*
Place of establishment	:	The PRC
Registered capital	:	RMB10,000,000
Date of establishment	:	10 March 2017
Term of operation	:	10 March 2017 to long term

The business scope of the New Subsidiary as shown in its business licence includes enterprise management consulting; economic and trade consulting; corporate planning; financial advisory (excluding auditing, capital verification, checking of account, assessment, accounting consulting, agency accounting and other business requiring special approval, and issuing a corresponding audit report, a verification report, an account-checking report, an assessment report and other text materials); market research; trademark agency; copyright trade; product design; technology promotion services; organization of cultural and artistic exchange activities (excluding performances); undertaking exhibitions and display activities; design, production, acting as agent, placing of advertisements; technology development, providing technical advice, technology promotion, technical services; data processing (except the bank card center processing in data, cloud computing data center with the PUE value of more than 1.5); sales of electronic products, medical equipment in class I, medical equipment, machinery and equipment.

As at the date of this announcement, the New Subsidiary had not yet begun any business operations and had not recorded any revenue.

DEFINITIONS

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

“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

“Equity Transfer Agreement”	the equity transfer agreement dated 21 April 2017 entered into between the Company and Zhonghe Beidou for the transfer of the 10% equity interest in 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
“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”	Anhui Baytacare Health Data Co., Ltd.* (安徽北斗嘉健康數據有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

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, 21 April 2017

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*