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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00455)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

Reference is made to an announcement of Tianda Pharmaceuticals Limited (the "Company") dated 12 November 2012 (the "Announcement") in relation to the Framework Agreement entered into among Tianda Pharmaceuticals (Zhuhai) and Cheng Cheng for the three financial years ended 31 March 2015.

As the Framework Agreement has expired on 31 March 2015 and it is currently expected that the transactions contemplated under the Framework Agreement will continue to be entered into on a recurring basis, the New Framework Agreement was entered into among Tianda Pharmaceuticals (Zhuhai) and Cheng Cheng.

As Cheng Cheng is a subsidiary of Tianda Group Limited, the controlling shareholder of the Company, it is a connected person of the Company under the Listing Rules. It is also a connected person of the Company because it is an associate of Hongta, a substantial shareholder of the Company. Accordingly, the New Framework Agreement and the transactions contemplated under the agreement constitute continuing connected transactions of the Company under the Listing Rules.

The Directors, including the independent non-executive Directors, consider that the transactions under the New Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the New Framework Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As all the applicable percentage ratios represented by the annual caps for transactions contemplated under the New Framework Agreement are less than 25% and the highest annual cap is less than HK\$10,000,000, the New Framework Agreement is only subject to reporting and announcement requirements, but is exempt from independent shareholders' approval under Chapter 14A of the Listing Rules.

### **BACKGROUND**

Reference is made to an announcement of Tianda Pharmaceuticals Limited (the "Company") dated 12 November 2012 (the "Announcement") the Framework Agreement was entered into among Tianda Pharmaceuticals (Zhuhai) and Cheng Cheng for the three financial years ended 31 March 2015. On 24 April 2015, the New Framework Agreement was entered into among Tianda Pharmaceuticals (Zhuhai) and Cheng Cheng. The principal terms of the New Framework Agreement are set out below.

### **THE NEW FRAMEWORK AGREEMENT**

#### **Date**

24 April 2015

## Parties

- (i) Tianda Pharmaceuticals (Zhuhai); and
- (ii) Cheng Cheng

## Nature of transactions

The term of the New Framework Agreement commences from the date of the New Framework Agreement and ends on 31 March 2018. Pursuant to the New Framework Agreement, Tianda Pharmaceuticals (Zhuhai) purchases the Package Products and Services from Cheng Cheng Group. The Package Products and Services include printed instruction leaflets, packaging boxes and related products and services. The transactions for the purchases the Package Products and Services shall be provided on normal commercial terms.

## Pricing basis

The prices of the transactions will be determined by the parties in arm's length negotiations with reference to the prevailing market prices. If there are no comparables in the market, the transactions will be at such prices no less favourable to Tianda Pharmaceuticals (Zhuhai) than those available to independent third parties.

## REASONS AND BENEFITS OF THE TRANSACTIONS

As at the date of this announcement, the Company is an investment holding company listed on the main board of the Stock Exchange. With its headquarters based in Hong Kong, the Group is primarily engaged in the research and development, manufacturing and sales of pharmaceutical, biotech and healthcare products.

Tianda Pharmaceuticals (Zhuhai) is a sino-foreign owned enterprise established under the laws of the PRC with limited liability. It is a wholly-owned subsidiary of the Company and its principal activities are the research and development, manufacturing and sales of pharmaceutical, biotechnology and healthcare products. Cheng Cheng is a sino-foreign owned enterprise established in Zhuhai, the PRC and Cheng Cheng Group is principally engaged in the manufacture of packaging and other printing products and related services in the PRC.

As the Framework Agreement has expired on 31 March 2015 and it is currently expected that the transactions contemplated under the Framework Agreement will continue to be entered into on a recurring basis. In the view of the aforesaid, the Board believes that it is for the benefit of the Group to enter into the New Framework Agreement among Tianda Pharmaceuticals (Zhuhai) and Cheng Cheng.

The Directors, including the independent non-executive Directors, consider that the transactions under the New Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the New Framework Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## Historical figures and new annual purchase caps

Based on the Group's audited financial statements for the years ended 31 March 2013 and 31 March 2014 and the latest unaudited management accounts for the financial year ended 31 March 2015, the amount of transactions for the Package Products and Services by Tianda Pharmaceuticals (Zhuhai) from Cheng Cheng Group as follows:

Financial year ended 31 March 2013 (audited)	HK\$1,593,831
Financial year ended 31 March 2014 (audited)	HK\$2,932,241
Financial year ended 31 March 2015 (unaudited)	HK\$4,280,000

The proposed new annual caps for the Package Products and Services from Cheng Cheng Group by Tianda Pharmaceuticals (Zhuhai) for the three financial years ending 31 March 2018 are HK\$ 6,500,000, HK\$ 8,000,000 and HK\$ 9,000,000 respectively.

The annual caps are determined by reference to (i) the historical values of such transactions; (ii) the estimated demand for the Package Products and Services by Tianda Pharmaceuticals (Zhuhai) for the period from the date of the New Framework Agreement to 31 March 2018; (iii) growth of the general economy and inflation in the PRC; and (iv) the provision of buffer for possible increase in business volume of Tianda Pharmaceuticals (Zhuhai).

## **LISTING RULES IMPLICATIONS**

As Cheng Cheng is a subsidiary of Tianda Group Limited, the controlling shareholder of the Company, it is a connected person of the Company under the Listing Rules. It is also a connected person of the Company because it is an associate of Hongta, a substantial shareholder of the Company. Accordingly, the New Framework Agreement and the transactions contemplated under the agreement constitute continuing connected transactions of the Company under the Listing Rules.

Mr. Fang Wen Quan, the Chairman of the Board and the Managing Director, is considered to have a material interest in the transactions since he has the entire equity interest in Tianda Group Limited. Mr. Lui Man Sang was appointed as an executive director by Tianda Group Limited, Mr. Liu Huijiang was appointed as an executive director by Hongta, each of Mr. Fang Wen Quan, Mr. Liu Huijiang and Mr. Lui Man Sang has not taken part in the voting at the board meeting to approve the New Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the New Framework Agreement and the transactions contemplated thereunder.

As all the applicable percentage ratios represented by the annual caps for transactions contemplated under the New Framework Agreement are less than 25% and the highest annual cap is less than HK\$10,000,000, the New Framework Agreement is only subject to reporting and announcement requirements, but is exempt from independent shareholders' approval under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Announcement”	the announcement of the Company dated 12 November 2012 in relation to, among others, the Framework Agreement and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Cheng Cheng”	珠海經濟特區誠成印務有限公司 (Zhuhai S.E.Z. Cheng Cheng Printing Co., Ltd.), a sino-foreign owned enterprise established under the laws of the PRC with limited liability, and in which Tianda Group Limited and Hongta owns 60% and 40% of its equity respectively
“Cheng Cheng Group”	Cheng Cheng and its wholly-owned subsidiary
“Company”	Tianda Pharmaceuticals Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange

“Directors”	the directors of the Company
“Framework Agreement”	the agreement dated 12 November 2012 entered into between Tianda Pharmaceuticals (Zhuhai) and Cheng Cheng for purchasing printed instruction leaflets and packaging boxes by Tianda Pharmaceuticals (Zhuhai) from Cheng Cheng
“Group”	the Company and its subsidiaries
“Hongta”	紅塔煙草(集團)有限責任公司 (Hongta Tobacco (Group) Limited*), a state-owned enterprise established in Yunnan Province, the PRC holding approximately 96.57% interest in the issued share capital of South Hong Investment Limited, a substantial shareholder of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New Framework Agreement”	the new agreement dated 24 April 2015 entered into between Tianda Pharmaceuticals (Zhuhai) and Cheng Cheng for purchasing printed instruction leaflets and packaging boxes by Tianda Pharmaceuticals (Zhuhai) from Cheng Cheng
“Package Products and Services”	printed instruction leaflets, packaging boxes and related products and services
“PRC”	the People’s Republic of China, for the purposes of this announcement and for geographical reference only, excludes Taiwan, the Macau Special Administrative Region and Hong Kong Special Administrative Region (unless otherwise indicated)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianda Pharmaceuticals (Zhuhai)”	天大藥業(珠海)有限公司 (Tianda Pharmaceuticals (Zhuhai) Co., Ltd.*), a sino-foreign owned enterprise established under the laws of the PRC with limited liability, and in which the Company owns its entire equity
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

*\*: Name translated for reference purpose only in this announcement*

On behalf of the Board  
**Tianda Pharmaceuticals Limited**  
**FANG Wen Quan**  
*Chairman*

Hong Kong, 24 April 2015

*As at the date of this announcement, the executive Directors are Mr. FANG Wen Quan (the Chairman and Managing Director), Mr. LIU Huijiang, Mr. LUI Man Sang and Mr. SHI Shaobin and the independent non-executive Directors are Mr. CHIU Sung Hong, Mr. CHIU Fan Wa and Mr. LAM Yat Fai.*