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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00455)

BUSINESS INFORMATION UPDATE AND PROFIT ALERT

This announcement is made by Tianda Pharmaceuticals Limited (the “Company”) and its subsidiaries (the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”).

BUSINESS INFORMATION UPDATE

Reference is made to the announcement of the Company dated 13 June 2014 (the “Announcement”) in relation to, among other matters, the Expansion Project, obtaining of the New GMP Version certificate and the production resumption time of Yunnan Meng Sheng Pharmaceutical Co., Limited (“Meng Sheng Pharmaceutical”), a subsidiary of the Company. Terms defined in the Announcement shall have the same meanings when used herein unless otherwise stated.

According to the Announcement, Meng Sheng Pharmaceutical originally expected to obtain the New GMP Version certificate, resume production and re-launch the first batch of its products in the third quarter of 2014. Meng Sheng Pharmaceutical finished the Expansion Project but its completion time was later than expected. Meng Sheng Pharmaceutical has already applied for the certificate with the relevant authorities and the verification is in process currently. Considering the time required for the approval process of certificate issuance, as re-assessed by the Company, it is expected that Meng Sheng Pharmaceutical will obtain the New GMP Version certificate and roll out the first batch of its products to the market around the end of 2014.

Further announcement(s) will be made by the Company as appropriate and in compliance with the Listing Rules when there is any significant progress in the above matter of the New GMP Version.

PROFIT ALERT

The Board of Directors of the Company (the “Board”) hereby informs the shareholders of the Company and potential investors, based on preliminary assessment of the Group’s latest unaudited consolidated management accounts and the information currently available, the Group is expected to record consolidated loss for the six months ending 30 September 2014, while consolidated profit was recorded in the corresponding period last year.

As described in the “Business Information Update” section above, due to the suspension of original production line of Meng Sheng Pharmaceutical, its sales and earnings recorded a decline compared with the corresponding period last year. Therefore it is anticipated that the Group’s consolidated results for the six months ending 30 September 2014 will turn to a loss.

The new plant and production line will not only fulfil the New GMP certification requirements and enhance the related products in production process for the commitment to good manufacturing practices and quality assurance but it will also increase the production capacity significantly and uplift the overall competitiveness and brand image of Meng Sheng Pharmaceutical. The existing distributors of Meng Sheng Pharmaceutical have expressed support and they anticipate eagerly to the re-launching of the first batch of products to the market. The Board expected, after the New GMP Version certification granted around the end of 2014 with full resumption of production, the flagship product of the Group, Cerebroprotein Hydrolysate, will be re-launched to the market. In conjunction with the focus on developing market of Aceglutamide Injection this year, the overall sales potential will substantially increase. The impact of production suspension on the results for the financial year 2015 is believed to be mitigated.

Despite the consolidated loss likely to be recorded for the six months ending 30 September 2014, the Board considers that the Group’s overall financial position is still healthy and the Board remains positive on the long term prospect of the Group.

This announcement is a preliminary estimate by the Board according to the Group’s latest unaudited consolidated management accounts and the information currently available, which is not based on any information which has been audited or reviewed by the independent auditor of the Company. Further details of financial result and performance of the Group will be disclosed when the Group’s interim results for the six months ending 30 September 2014 are published.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Tianda Pharmaceuticals Limited
FANG Wen Quan
Chairman

Hong Kong, 30 September 2014

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