天大藥業有限公司
TIANDA PHARMACEUTICALS LIMITED

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

PROFIT WARNING

This announcement is made by Tianda Pharmaceuticals Limited (the **Company**, together with 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 the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the **Board**) wishes to inform shareholders and potential investors of the Company that, based on a preliminary assessment of the unaudited management accounts of the Group for the year ended 31 March 2019 (the **Current Financial Year**), the Group expects to record a significant decline in the profit attributable to owners of the parent for the Current Financial Year as compared with the profit attributable to owners of the parent of approximately HK$10 million for the year ended 31 March 2018 (the **Last Corresponding Year**).

The Board is of the view that the expected decline in the profit attributable to owners of the parent is as a result combining the following favourable and unfavourable factors:

1) The net profit in the pharmaceuticals and biotechnology business recorded a double-digit growth as compared to the Last Corresponding Year;

2) The Group's Tradition Chinese Medicine (TCM) business was at the teething stage since the completion of acquisitions in the recent years. The operating loss of TCM business offset the net profit generated from the pharmaceuticals and biotechnology business;

3) The Group's major product, Tuoping (Valsartan capsules), had to undergo Conformity Assessment Project during the Current Financial Year and led to a significant increment in research and development costs; and

4) A gain on disposal of available-for-sale investments of approximately HK$8.3 million was recorded in the Last Corresponding Year, but no such gain was recognised during the Current Financial Year.

The information contained in this announcement is only based on the preliminary assessment by the Board according to the information currently available, including the unaudited consolidated management accounts of the Group for the year ended 31 March 2019 which have not yet been audited by the Company's independent auditor. The Company is still in the course of preparing and finalising its annual results for the year ended 31 March 2019 which is expected to be announced on 26 June 2019.

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

For and on behalf of the Board
Tianda Pharmaceuticals Limited
FANG Wen Quan
Chairman and Managing Director

Hong Kong, 18 June 2019

As at the date of this announcement, the executive Directors are Mr. FANG Wen Quan (Chairman and Managing Director) and Mr. LUI Man Sang; the non-executive Directors are Mr. SHEN Bo, Mr. FENG Quanming and Dr. LAM Lee G.; and the independent non-executive Directors are Mr. LAM Yat Fai, Mr. CHIU Sung Hong and Mr. CHIU Fan Wa.