天大藥業有限公司
TIANDA PHARMACEUTICALS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00455)

(1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019 AND (2) CHANGE OF ADDRESS OF HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

HIGHLIGHTS

Revenue was approximately HK$527,000,000 (FYE 2018: approximately HK$361,600,000), representing an increase of 45.8%.

Gross profit margin was at 80.5% (FYE 2018: 74.8%), representing a significant increase of 5.7 percentage points.

Profit for the year and profit attributable to owners of the parent amounted to approximately HK$16,000,000 and HK$2,700,000 respectively.

The Group's financial position remains strong with structured deposits, short term bank deposits and cash of approximately HK$451,100,000 (31 March 2018: approximately HK$493,200,000).

The Board of Directors has recommended the payment of a final dividend of HK0.11 cents per share (FYE 2018: HK0.35 cents per share).

The Board of Directors of Tianda Pharmaceuticals Limited (the Company) is pleased to announce the consolidated results of the Company and its subsidiaries (the Group) for the year ended 31 March 2019, together with comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	**2019**	2018
		HK$	*HK$*
REVENUE	4	**527,002,819**	361,554,649
Cost of sales		**(102,923,092)**	(91,195,131)
Gross profit		**424,079,727**	270,359,518
Other income, gains and losses		**16,934,667**	14,968,639
Selling and distribution expenses		**(344,673,402)**	(197,184,674)
Administrative expenses		**(63,258,048)**	(55,062,819)
Research and development expenses		**(6,915,847)**	(3,138,669)
PROFIT BEFORE TAX		**26,167,097**	29,941,995
Income tax expense	5	**(10,184,154)**	(7,779,956)
PROFIT FOR THE YEAR		**15,982,943**	22,162,039
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		**–**	14,450,894
Reclassification adjustment for a gain included in profit or loss		**–**	(8,293,917)
		–	6,156,977

	Note	2019 HK$	2018 HK$
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value on equity investments designated at fair value through other comprehensive income		**(8,788,452)**	–
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		**(59,415,495)**	70,260,166
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(68,203,947)**	76,417,143
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(52,221,004)**	98,579,182
Profit for the year attributable to:			
Owners of the parent		**2,657,173**	10,007,756
Non-controlling interests		**13,325,770**	12,154,283
		15,982,943	22,162,039
Total comprehensive (loss)/income attributable to:			
Owners of the parent		**(62,804,615)**	81,713,550
Non-controlling interests		**10,583,611**	16,865,632
		(52,221,004)	98,579,182
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	6		
Basic and diluted		**HK0.12 cents**	HK0.47 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2019

	Notes	**2019** **HK$**	2018 HK$
NON-CURRENT ASSETS			
Property, plant and equipment		**95,560,915**	151,064,566
Prepaid land lease payments		**38,248,463**	113,643,582
Goodwill		**104,827,352**	112,148,013
Other intangible assets	8	**28,486,293**	33,343,979
Deposit for acquisition of items of property, plant and equipment		**160,260**	217,936
Equity investments designated at fair value through other comprehensive income		**8,990,647**	–
Available-for-sale investments		**–**	17,779,099
Total non-current assets		**276,273,930**	428,197,175
CURRENT ASSETS			
Inventories		**48,776,986**	36,324,377
Trade and bills receivables	9	**78,289,710**	74,797,171
Prepayments, deposits and other receivables		**8,836,915**	8,857,547
Prepaid land lease payments		**863,203**	3,977,486
Structured deposits		**57,954,216**	–
Cash and cash equivalents		**384,908,930**	493,153,768
		579,629,960	617,110,349
Assets of a disposal group classified as held for sale	11	**140,864,684**	–
Total current assets		**720,494,644**	617,110,349
CURRENT LIABILITIES			
Trade payables	10	**31,801,584**	17,196,713
Other payables and accruals		**106,352,836**	106,747,564
Amount due to a related company		**690,501**	427,133
Dividend payable		**17,009,531**	1,771,345
Tax payable		**7,757,339**	8,470,839
		163,611,791	134,613,594
Liabilities directly associated with the assets classified as held for sale	11	**14,551,017**	–
Total current liabilities		**178,162,808**	134,613,594

	Notes	**2019** *HK$*	2018 *HK$*
NET CURRENT ASSETS		**542,331,836**	482,496,755
TOTAL ASSETS LESS CURRENT LIABILITIES		**818,605,766**	910,693,930
NON-CURRENT LIABILITIES			
Deferred income		**531,247**	699,315
Deferred tax liabilities		**7,108,589**	24,409,730
Total non-current liabilities		**7,639,836**	25,109,045
NET ASSETS		**810,965,930**	885,584,885
EQUITY			
Equity attributable to owners of the parent			
Share capital		**215,004,188**	215,047,588
Reserves		**562,198,397**	632,679,945
		777,202,585	847,727,533
Non-controlling interests		**33,763,345**	37,857,352
TOTAL EQUITY		**810,965,930**	885,584,885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments, equity investments at fair value through other comprehensive income and structured deposits which have been measured at fair value. The disposal group held for sale is stated at the lower of its carrying amount and fair value less cost to sell. These financial statements are presented in Hong Kong dollars (HK$) and all values are rounded to nearest dollar except when otherwise indicated.

2. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Except for the amendments to HKFRS 2, HKFRS 4, HKAS 40 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

(a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 April 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 April 2018 is as follows:

		HKAS 39 measurement			HKFRS 9 measurement			
	Note	Category	Amount HK$	Re-classification HK$	ECL HK$	Other HK$	Amount HK$	Category
Financial assets								
Equity investments designated at fair value through other comprehensive income		N/A	–	17,779,099	–	–	17,779,099	FVOCI (equity)
From: Available-for-sale investments	(i)			17,779,099	–	–		
Available-for-sale investments		AFS	17,779,099	(17,779,099)	–	–	–	N/A
To: Equity investments designated at fair value through other comprehensive income	(i)			(17,779,099)	–	–		
Trade and bills receivables		L&R	74,797,171	–	(8,287)	–	74,788,884	AC
Financial assets included in prepayments, deposits and other receivables		L&R	7,340,682	–	(76,515)	–	7,264,167	AC
Cash and cash equivalents		L&R	493,153,768	–	–	–	493,153,768	AC
Total assets			593,070,720	–	(84,802)	–	592,985,918	
Financial liabilities								
Trade payables		AC	17,196,713	–	–	–	17,196,713	AC
Financial liabilities included in other payables and accruals		AC	78,742,730	–	–	–	78,742,730	AC
Amount due to a related company		AC	427,133	–	–	–	427,133	AC
Dividend payable		AC	1,771,345	–	–	–	1,771,345	AC
Total liabilities			98,137,921	–	–	–	98,137,921	

FVOCI: Financial assets at fair value through other comprehensive income
AFS: Available-for-sale investments
L&R: Loans and receivables
AC: Financial assets or financial liabilities at amortised cost

Note:

(i) The Group has elected the option to irrevocably designate its previous available-for-sale equity investments as equity investments at fair value through other comprehensive income.

(b) *Impairment*

The following table reconciles the aggregate opening impairment allowances under HKAS 39 to the ECL allowances under HKFRS 9.

	Impairment allowances under HKAS 39 at 31 March 2018	**Re-measurement**	**ECL allowances under HKFRS 9 at 1 April 2018**
	HK$	*HK$*	*HK$*
Trade and bills receivables	–	8,287	8,287
Financial assets included in prepayments, deposits and other receivables	–	76,515	76,515
	–	84,802	84,802

Impact on reserves and retained profits

The impact of transition to HKFRS 9 on equity is as follows:

	Available-for-sale investment revaluation reserve	**Fair value reserve**	**Retained profits**	**Non-controlling interests**
	HK$	*HK$*	*HK$*	*HK$*
Balance as at 31 March 2018 under HKAS 39	6,156,977	–	215,737,773	37,657,352
Reclassification of equity investments from available-for-sale investments to equity investments designated at fair value through other comprehensive income	(6,156,977)	6,156,977	–	–
Recognition of expected credit losses under HKFRS 9	–	–	(82,097)	(2,705)
Balance as at 1 April 2018 under HKFRS 9	–	6,156,977	215,655,676	37,654,647

(c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 April 2018.

For the year ended 31 March 2019, the Group has concluded that the adoption of HKFRS 15 has not had a material impact on the timing of revenue recognition. There was no financial impact of the transition to HKFRS 15 on the Group's retained profits at 1 April 2018. However, upon adoption of HKFRS 15, the Group has recognised revenue-related contract liabilities for the unsatisfied performance obligation which were previously recognised as "Receipts in advance" under "Other payables and accruals (current)". Therefore, upon adoption of HKFRS 15, the Group reclassified HK$17,815,075 from receipts in advance to contract liabilities as at 1 April 2018 in relation to the consideration received from customers in advance as at 1 April 2018. As at 31 March 2019, under HKFRS 15, HK$12,824,486 was reclassified from receipts in advance to contract liabilities in relation to the consideration received from a customer in advance for the sale of the pharmaceutical products.

(d) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

3. OPERATING SEGMENT INFORMATION

Information reported to the managing director of the Company, being the chief operating decision maker (CODM), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered. Other than the revenue analysis as set out below, no operating results and other discrete financial information relating to major products is prepared regularly for internal reporting to the CODM for resource allocation and performance assessment. The CODM reviews the financial performance of pharmaceutical and biotechnology business as a whole for allocating resources and assessing performance. In addition, the CODM monitors the Group's assets and liabilities as a whole and, accordingly, no segment assets and liabilities are presented.

Segment performance is evaluated based on segment profit or loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax except that the allocation of central administration costs, certain other income, and other gains and losses are excluded from such measurement.

2019

	Pharmaceutical and biotechnology business	**Unallocated**	**Total**
	HK$	***HK$***	***HK$***
Segment revenue:			
Sales to external customers	**527,002,819**		**527,002,819**
Revenue	**527,002,819**		**527,002,819**
Segment results	**36,349,774**	**(10,182,677)**	**26,167,097**
Profit before tax			**26,167,097**

2018

	Pharmaceutical and biotechnology business	Unallocated	Total
	HK$	*HK$*	*HK$*
Segment revenue:			
Sales to external customers	361,554,649		361,554,649
Revenue	361,554,649		361,554,649
Segment results	45,157,539	(15,215,544)	29,941,995
Profit before tax			29,941,995

Geographical information

(a) ***Revenue from external customers***

	2019	2018
	HK$	*HK$*
Mainland China	**525,088,733**	360,009,359
Hong Kong	**1,020,944**	1,030,835
Australia	**893,142**	514,455
	527,002,819	361,554,649

The revenue information of operations above is based on the locations of the customers.

(b) ***Non-current assets***

	2019	2018
	HK$	*HK$*
Mainland China	**265,698,418**	408,307,160
Hong Kong	**1,567,639**	2,085,669
Australia	**17,226**	25,247
	267,283,283	410,418,076

The non-current assets information of operations above is based on the locations of the assets and excludes financial instruments.

Information about a major customer

During the years ended 31 March 2019 and 2018, no revenue from any single customer accounted for 10% or more of the total revenue of the Group.

4. REVENUE

An analysis of revenue is as follows:

	2019	2018
	HK$	*HK$*
Revenue from contracts with customers		
Sale of pharmaceutical, biotechnology and healthcare products:		
– Cerebroprotein hydrolysate injection	**268,520,338**	158,269,495
– Tuoping (Valsartan capsules)	**69,206,399**	56,633,856
– Tuoen (Ibuprofen suspension and drops)	**65,386,623**	65,285,097
– Other products	**123,889,459**	81,366,201
	527,002,819	361,554,649

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 March 2019

Segments	**Pharmaceutical, biolotechnology and healthcare products**
	HK$
Type of goods	
Sale of goods	**527,002,819**
Total revenue from contracts with customers	**527,002,819**
Geographical markets	
Mainland China	**525,088,733**
Hong Kong	**1,020,944**
Australia	**893,142**
Total revenue from contracts with customers	**527,002,819**
Timing of revenue recognition	
Goods transferred at a point in time	**527,002,819**
Total revenue from contracts with customers	**527,002,819**
Revenue from contracts with customers	
External customers	**527,002,819**
Total revenue from contracts with customers	**527,002,819**

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in current period:

	2019
	HK$
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	
Sale of goods	**17,815,075**

(ii) ***Performance obligations***

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of the pharmaceutical, biotechnology and healthcare products and payment is generally due within 60 to 180 days from delivery, except for new customers, where payment in advance is normally required.

5. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2018: Nil). Tax on profits assessable in the Mainland China has been calculated at the applicable Mainland China corporate income tax ("CIT") rate of 25% (2018: 25%), except for Yunnan Meng Sheng Pharmaceutical Co., Ltd. ("Meng Sheng Pharmaceutical") and Tianda Pharmaceuticals (Zhuhai) Ltd. ("Tianda Pharmaceuticals (Zhuhai)"), which are the subsidiaries of the Group. Meng Sheng Pharmaceutical is established in the Kunming economic development zone. Pursuant to the relevant laws and regulations in the PRC, Meng Sheng Pharmaceutical is engaged in Western China Development and was entitled to a preferential tax rate of 15% during the year (2018: 15%). Tianda Pharmaceuticals (Zhuhai) is qualified as an advanced technology enterprise and has obtained approvals from the relevant tax authorities for a preferential tax rate of 15% for a period of 3 years up to December 2019. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2019	2018
	HK$	*HK$*
Current – Mainland China		
Charge for the year	**10,017,876**	10,441,726
Underprovision in prior years	**217,675**	–
Withholding tax	**1,786,240**	1,582,309
Deferred tax	**(1,837,637)**	(4,244,079)
Total tax charge for the year	**10,184,154**	7,779,956

6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,150,191,944 (2018: 2,150,620,268) in issue during the year.

	2019	2018
	HK$	*HK$*
Profit attributable to ordinary equity holder of the parent, used in basic earnings per share	**2,657,173**	10,007,756

	Number of shares	
	2019	2018
Weighted average number of ordinary shares in issue during the year for the purposes of basic earnings per share calculation	**2,150,191,944**	2,150,620,268

The Group had no potentially diluted ordinary shares in issue during the years ended 31 March 2019 and 2018.

7. DIVIDEND

	2019	2018
	HK$	*HK$*
Final – HK0.11 cents per share for 2019 (HK0.35 cents per share for 2018)	**2,365,046**	7,525,146

A final dividend of HK0.11 cents per share amounting to HK$2,365,046 in respect of the year ended 31 March 2019 (2018: HK0.35 cents per share amounting to approximately HK$7,525,146) has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

8. OTHER INTANGIBLE ASSETS

	Trademark *HK$*	Licences and permits *HK$*	Total *HK$*
31 March 2019			
Cost at 1 April 2018, net of accumulated amortisation and impairment	**–**	**33,343,979**	**33,343,979**
Amortisation provided during the year	**–**	**(4,698,901)**	**(4,698,901)**
Acquisition of a subsidiary *(note 12)*	**–**	**2,254,837**	**2,254,837**
Exchange realignment	**–**	**(2,413,622)**	**(2,413,622)**
At 31 March 2019	**–**	**28,486,293**	**28,486,293**
At 31 March 2019:			
Cost	**5,558,066**	**94,769,208**	**100,327,274**
Accumulated amortisation and impairment	**(5,558,066)**	**(66,282,915)**	**(71,840,981)**
Net carrying amount	**–**	**28,486,293**	**28,486,293**
31 March 2018			
Cost at 1 April 2017, net of accumulated amortisation and impairment	1,298,260	39,737,458	41,035,718
Additions	5,168	–	5,168
Amortisation provided during the year	–	(11,039,985)	(11,039,985)
Acquisition of a subsidiary	–	1,702,650	1,702,650
Impairment during the year	(1,307,629)	–	(1,307,629)
Exchange realignment	4,201	2,943,856	2,948,057
At 31 March 2018	–	33,343,979	33,343,979
At 31 March 2018:			
Cost	5,558,066	99,913,780	105,471,846
Accumulated amortisation and impairment	(5,558,066)	(66,569,801)	(72,127,867)
Net carrying amount	–	33,343,979	33,343,979

Upon the review of the useful lives of certain licences and permits by the management with effect from 1 April 2018, the Group changed the estimated useful life of certain licences from 10 years to 13 years. This change in accounting estimate has been applied prospectively and has resulted in a decrease in amortisation of approximately HK$6,489,235 for the year ended 31 March 2019.

9. TRADE AND BILL RECEIVABLES

	2019	2018
	HK$	*HK$*
Trade and bills receivables	**78,294,431**	74,797,171
Impairment	**(4,721)**	–
	78,289,710	74,797,171

The Group's trading terms with its customers are mainly on credit. The credit periods are ranging from 60 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each reporting period, based on the invoice date and net of loss allowance, is as follows:

	2019	2018
	HK$	*HK$*
Within 1 month	**58,448,762**	48,684,132
1 to 2 months	**10,278,397**	9,372,744
2 to 3 months	**5,083,244**	6,810,351
Over 3 months	**4,479,307**	9,929,944
	78,289,710	74,797,171

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2019	2018
	HK$	*HK$*
At beginning of year	**–**	–
Effect of adoption of HKFRS 9	**8,287**	–
At beginning of year (restated)	**8,287**	–
Reversal of impairment losses, net	**(3,566)**	–
At end of year	**4,721**	–

Impairment under HKFRS 9 for the year ended 31 March 2019

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The Group's bills receivable of HK$8,516,061 at 31 March 2019 are due within 90 days from the date of billing. There was no recent history of default from bills receivable and the Group estimated that the expected loss rate for bills receivable is minimal.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2019

		Past due		
	Current	**Less than 1 month**	**1 to 3 months**	**Total**
Expected credit loss rate	N/A	0.1%	0.0%	0.0%
Gross carrying amount (HK$)	60,521,020	4,773,321	4,484,029	69,778,370
Expected credit losses (HK$)	–	2,504	2,217	4,721

Impairment under HKAS 39 for the year ended 31 March 2018

The ageing analysis of the trade and bills receivables as at 31 March 2018 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

	2018
	HK$
Neither past due nor impaired	68,868,016
Less than 1 month past due	2,401,721
1 to 3 months past due	3,527,434
	74,797,171

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the reporting period, based on the invoice date, is as follows:

	2019	2018
	HK$	*HK$*
Within 2 months	**29,974,310**	15,451,209
2 to 3 months	**351,249**	472,263
Over 3 months	**1,476,025**	1,273,241
	31,801,584	17,196,713

Trade payables are non-interest-bearing and are normally settled with terms of 30 to 60 days.

11. ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

On 22 February 2019, the Company announced the decision of its board of directors to dispose of Zhuhai Tianda Realty Limited ("Zhuhai Realty"). Zhuhai Realty engages in property holding. The Group has decided to dispose of the property because it will no longer have any operation in Zhuhai Realty after the relocation of its existing Research and Development ("R&D") and production base to a new R&D and production base in Jinwan District, Zhuhai, the PRC. The disposal of Zhuhai Realty is expected to be completed by 2020. As at 31 March 2019, final negotiations for the sale were fixed and Zhuhai Realty was classified as a disposal group held for sale.

The major classes of assets and liabilities of Zhuhai Realty classified as held for sale as at 31 March 2019 are as follows:

	HK$
Assets	
Property, plant and equipment	**66,264,213**
Prepaid land lease payments	**66,340,980**
Cash and short term deposits	**8,259,491**
Assets classified as held for sale	**140,864,684**
Liabilities	
Accruals	**(285,177)**
Deferred tax liabilities	**(14,265,840)**
Liabilities directly associated with the assets classified as held for sale	**(14,551,017)**
Net assets directly associated with the disposal group	**126,313,667**

12. BUSINESS COMBINATION

On 31 July 2018, the Group acquired a 100% interest in Zhuhai TPCHM from an independent third party, Mr. Zhang Junhui. Zhuhai TPCHM is principally engaged in the production and sale of Traditional Chinese Medicine (TCM) decoction pieces and the trading of agricultural by-products. The purposes of the acquisition were for the Group's on-going development of its fully-integrated TCM industry value chain and it made as part of the Group's strategy to promote the development of TCM, TCM decoction pieces and Chinese patient medicine businesses in both domestic and foreign markets. The purchase consideration for the acquisition was in the form of cash, with RMB2,428,000 (equivalent to approximately HK$2,775,000) paid in full at the acquisition date.

The fair values of the identifiable assets and liabilities of Zhuhai TPCHM as at the date of acquisition were as follows:

	Note	**Fair value recognised on acquisition** *HK$*
Property, plant and equipment		242,005
Other intangible asset	8	2,254,837
Inventories		1,113,788
Other receivables and prepayments		11,164
Cash and bank balances		752,105
Tax recoverable		99,994
Trade payables		(909,547)
Other payables and accruals		(1,546,994)
Deferred tax liabilities		(563,709)
Total identifiable net assets at fair value		1,453,643
Goodwill on acquisition		1,321,530
Satisfied by cash		2,775,173

No transaction cost was incurred for this acquisition.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	HK$
Cash consideration	(2,775,173)
Cash and bank balances acquired	752,105
Net outflow of cash and cash equivalents included in cash flows from investing activities	(2,023,068)

Since the acquisition, no revenue was contributed by Zhuhai TPCHM to the Group's revenue and a loss of HK$1,213,580 was contributed to the consolidated profit for the year ended 31 March 2019.

Had the combination taken place at the beginning of the year, the revenue and the profit of the Group for the year would have been HK$527,886,330 and HK$15,041,572, respectively.

None of the goodwill recognised is expected to be deductible for income tax purpose.

13. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	Notes	**2019** **HK$**	2018 HK$
Purchases of package materials and designing services:			
Tianda Culture Holdings (China) Limited ("TCHL") and its subsidiaries (collectively "TCH Group")	(i)	**5,444,975**	4,023,094
Office rental expenses:			
Tianda (China) Ltd.	(ii)	**427,665**	712,948

Notes:

(i) TCHL is a fellow subsidiary of the Company. The purchases from TCH Group were made according to the published prices and conditions offered by TCH Group to their major customers.

(ii) Tianda (China) Ltd. is a fellow subsidiary of the Company. The transactions were conducted in accordance with the terms and conditions mutually agreed by both parties.

(b) Outstanding balances with a related party:

The Group had an outstanding trade balance due to its related party, Zhuhai S.E.Z. Cheng Cheng Printing Co. Ltd. (a fellow subsidiary of the Company), of HK$690,501 (2018: HK$427,133) as at the end of the reporting period. The purchases from Zhuhai S.E.Z. Cheng Cheng Printing Co. Ltd. were made according to the published prices and conditions offered by Zhuhai S.E.Z. Cheng Cheng Printing Co. Ltd. to its major customers. This balance is not yet past due, unsecured, interest-free and has no fixed terms of repayment.

(c) Compensation of key management personnel of the Group:

	2019	2018
	HK$	*HK$*
Short term employee benefits	**4,191,770**	4,851,199
Post-employment benefits	**81,024**	72,000
Total compensation paid to key management personnel	**4,272,794**	4,923,199

(d) On 22 February 2019, the Group entered into a conditional sale and purchase agreement to dispose of its entire interest in Zhuhai Realty, to Tianda Group Limited (the controlling shareholder of the Company) at a consideration of no more than RMB145,000,000 (equivalent to approximately HK$168,200,000) in any event. The gain on disposal before tax is expected to be approximately RMB14,700,000 (equivalent to approximately HK$17,100,000).

The transactions were approved by independent shareholders at an extraordinary general meeting held on 7 May 2019 and have not yet completed as at the date of publishing this result announcement.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2019 as set out in the preliminary announcement of results have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement of results.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the year ended 31 March 2019 (the Current Financial Year), the Group recorded a consolidated revenue of approximately HK$527,000,000 from its core business, representing an increase of 45.8% as compared with approximately HK$361,600,000 for the year ended 31 March 2018 (the FYE 2018). Gross profit increased by 56.9% from approximately HK$270,400,000 for the FYE 2018 to approximately HK$424,100,000 for the Current Financial Year. Gross profit margin increased by 5.7 percentage points from 74.8% for the FYE 2018 to 80.5% for the Current Financial Year. During the Current Financial Year, the Group's results were affected by various factors, resulting in a decrease in profit for the year of 27.9% from approximately HK$22,200,000 for the FYE 2018 to approximately HK$16,000,000 for the Current Financial Year.

During the Current Financial Year, sales revenue of Tianda Pharmaceuticals (Zhuhai) Ltd. (Tianda Pharmaceuticals (Zhuhai)), a wholly-owned subsidiary of the Company, increased by 10.3% from approximately HK$160,400,000 for the FYE 2018 to approximately HK$177,000,000 for the Current Financial Year, the sales performance of its main product Tuoping (Valsartan capsules) was remarkable with the sales volume and sales revenue of which increased by 13.9% and 22.2% respectively as compared to that of the FYE 2018. However, the costs arising from the commencement of conformity assessment of Valsartan capsules have recorded a significant increase of 164.7% to approximately HK$6,400,000, which led to a reduction in profit contribution by Tianda Pharmaceuticals (Zhuhai) from approximately HK$20,400,000 for the FYE 2018 to approximately HK$16,900,000 for the Current Financial Year.

For Yunnan Meng Sheng Pharmaceutical Co., Ltd. (Meng Sheng Pharmaceutical), a subsidiary of the Company, its sales revenue increased from approximately HK$196,300,000 for the FYE 2018 to approximately HK$328,000,000 for the Current Financial Year. Sales revenue of its flagship product, Cerebroprotein Hydrolysate Injection, recorded an increase of approximately 69.7% to approximately HK$268,500,000, while the sales revenue of Qi-Shangzhen oral solution, a healthcare product using notoginseng stalks (sanqi, a local herbal medicine in Yunnan) as base ingredient, increased significantly from approximately HK$2,000,000 for the FYE2018 to approximately HK$6,700,000 for the Current Financial Year. Profit contribution from Meng Sheng Pharmaceutical, after netting off non-controlling interests' share, increased from approximately HK$13,700,000 for the FYE 2018 to approximately HK$14,600,000 for the Current Financial Year.

For the development of Traditional Chinese Medicine (TCM) business, subsequent to the completion of the acquisition of Tianda Chinese Medicine (China) Ltd. in the FYE2018, the Group completed the acquisition of Zhuhai Tianda Processed Chinese Herbal Medicine Ltd. (formerly known as Zhuhai Tonghui Pharmaceutical Co. Ltd.*) on 31 July 2018 and prepared for the opening of the flagship TDMall clinic during the Current Financial Year. In spite of the sales revenue of approximately HK$13,500,000 for the Current Financial Year, the overall loss recorded by TCM business for the Current Financial Year widened to approximately HK$10,800,000 when compared to approximately HK$2,200,000 for the FYE 2018 as the TCM business was in the early stage of consolidation, expansion, investment and new development following mergers and acquisitions.

Due to the implementation of the Two-Invoice System of the State, selling and distribution expenses increased from approximately HK$197,200,000 for the FYE 2018 to approximately HK$344,700,000 for the Current Financial Year. For administrative expenses, as it had to recruit more talents for the development of the TCM business, which led to a slight increase in the overall administrative expenses from approximately HK$55,100,000 for the FYE 2018 to approximately HK$63,300,000 for the Current Financial Year.

The Group recorded other income and other net gains of approximately HK$16,900,000, increased from approximately HK$15,000,000 for the FYE 2018. The increase in other income and other net gains for the Current Financial Year was mainly due to the followings: 1) the interest income from bank deposits and wealth management products amounting to approximately HK$13,000,000, representing an increase by approximately HK$3,600,000 or 39.3% as compared to approximately HK$9,400,000 for the FYE 2018, which was driven by the rise of deposit interest rates and increase in deposit balance; 2) the aggregate government subsidy income of approximately HK$3,400,000 received by Meng Sheng Pharmaceutical and Tianda Pharmaceuticals (Zhuhai) during the Current Financial Year, representing an increase of 142.7% from approximately HK$1,400,000 for the FYE 2018; 3) the net foreign exchange gains of approximately HK$17,000 recorded by the Group for the Current Year, representing a turnaround from the net foreign exchange losses (after deducting gains or losses from foreign exchange linked investments) of approximately HK$3,100,000 for the FYE 2018. However, the above three items grouped under other income and other net gains for the Current Financial Year were offset by the absence of the one-off gain (FYE 2018: approximately HK$8,300,000) arising from the disposal of ASLAN shares as recorded in the FYE 2018.

Based on the foregoing, profit attributable to shareholders of the parent company for the Current Financial Year was approximately HK$2,700,000, representing a decrease of approximately 73.0% from approximately HK$10,000,000 in the FYE 2018, while basic and diluted earnings per share were both HK0.12 cents (FYE 2018: HK0.47 cents).

The Group's financial position remained strong. As at 31 March 2019, the Group's structured deposits, short term bank deposits and cash amounted to approximately HK$451,100,000 with no external borrowing. The Group's new R&D and production base project in Jinwan District, Zhuhai, China is progressing in full swing. The construction in progress amounted to approximately HK$29,800,000 for the Current Financial Year while as at 31 March 2019, the Group's capital commitments in respect of the new R&D and production base project amounted to approximately HK$20,200,000. The Group has sufficient cash reserves to meet the funds required for the new R&D and production base project.

BUSINESS REVIEW

During the Current Financial Year, the Group endeavored to further implement the "three integrations" strategy, i.e. pursuing integration in the areas of R&D resources, marketing resources and management resources, and achieved a rapid growth of revenue from traditional business with progressive and steady development of the TCM industry.

– Maintaining the market price of its products is the focus and emphasis of the Group's marketing team during the Current Financial Year. The pediatric series products have obtained certain price advantages in sales to hospitals; through channel segregation, the respective sales teams servicing the hospital, third terminal and chain store segments have been further expanded with sales potential of products further unleashed, which contributed to the steady growth in sales performance of traditional chemical medicines. "Herb Valley" series healthcare product business has established Manuka Honey as its flagship product and utilized various channels and pipelines to establish its online and offline sales network and has successfully attracted the attention of consumers in Mainland China, Hong Kong and Australia within a short time span.

– Various research and development work continued to forge ahead steadily during the Current Financial Year: 1) The prescription process research and quality research work of Valsartan capsule have been completed; preparation work for bioequivalence trials has been commenced, ethical approval was obtained, and other works such as respective filings with drug approval center and genetics office have been completed; bioequivalence experiment and application for registration are expected to be completed in next year. 2) The design and development of the self-developed products series of TDMall has been completed; the R&D and trial production of over 100 products such as tea bags, soup packages, TCM paste and medicinal liquors have been commenced. 3) The development of dried tangerine peel, a Chinese herb in Guangdong Province, series healthcare products continued. 4) The second development plan of ZhiKang Granules is basically completed. 5) The relevant procedures for the inspection and acceptance of "Re-development and Commercialization of the Cerebroprotein Hydrolysate Injection Chemical Drug" have been completed and the final acceptance certificate has been obtained from Yunnan Provincial Science and Technology Department. Meanwhile, R&D project for conformity assessment was commenced. 6) Capitalizing on the patented technology of Cerebroprotein Hydrolysate to develop related products, pharmaceutical formulation process research work on small-molecule peptide for sleep assisting and memory enhancing oral solution, small-molecule peptide for sport energy supplement and small-molecule peptide household chemical products are underway. 7) Qi-Shangzhen Oral Solution gained popularity in the market and the Group further expanded the development of Sanqi healthcare series to products that would offer various benefits such as lowering the three High Symptoms of high blood pressure, high cholesterol and high blood sugar, producing soothing effect for sleep, producing saliva to quench thirst, beauty maintenance, heat- relieving and sore throat relieving.

– For TCM business, 1) Tianda Chinese Medicine (China) Limited has implemented the measures of the constructing and operating local herbal medicines resource bases and also engaged in trading activities at the same time. It has established an operation mode that matches the characteristics of the Chinese herbal medicine industry and set up branch offices in Sichuan, Yunnan and Eastern China to establish a one-stop traceability system covering the cultivation, harvesting, production, sales of herbal medicines and to establish quality standards for local varieties. The Group will leverage its control over the local herbal medicines resources to achieve absolute advantage over resources such as variety, distributors, pharmaceutical companies being raw material purchasers and to explore the characteristics of large-scale operation of special Chinese herbal medicine varieties and create its own brand of "Tianda Chinese Medicine". 2) Upon the completion of the acquisition of Zhuhai Tianda Processed Chinese Herbal Medicine Ltd. and after months of repair and improvement to its plant and equipment and team building efforts, Zhuhai Tianda Processed Chinese Herbal Medicine Ltd. resumed production in April 2019, the variety of its registered TCM decoction pieces has been increasing, and this development has added an important component to the Group's development of fully-integrated TCM industry value chain. 3) TDMall (Group) Limited has established investment, operation and implementation plans. TDMall (China) Limited partnered with Zhuhai TDMall Ltd. and both have fully devoted to the preparation work of the opening of Zhuhai TDMall, the flagship clinic of TDMall business. Zhuhai TDMall focuses on five major Chinese medicine healthcare services, namely medicines, food, living, shape and health, and promotes the notable specialty and characteristics of traditional Chinese medical practice. It combines modern health management concepts with premiere service concepts to create a unique modern Chinese medicine healthcare service organization. On 2 May 2019, the Group celebrated the grand opening of Zhuhai TDMall. While preparing for the opening of the first TDMall outside Mainland China, TDMall (Hong Kong) Limited has also soft-launched the medical diet catering services in the third quarter of 2018 with healthy soup as its signature dish. It serves white-collar workers in Central, Admiralty and Causeway Bay through online ordering to gather market response and explore new business opportunities. 4) Tianda Chinese Medicine Institute commenced operation and established its system and formulated development plans. It would first establish the "Tianda Standard" that would serve as the quality control benchmark for Chinese herbal medicines, closely monitor the national TCM industry policies, conduct study on the country's first batch of classical and excellent TCM prescriptions project and select three prescriptions amongst which for its initial research. It also supports the products development of TDMall and Zhuhai Tianda Processed Chinese Herbal Medicine Ltd., plans for the products development of prescription granules, explores Chinese medicine diagnosis and treatment, and development of intelligent technologies and products in the field of TCM.

– For the new R&D and production base project of Tianda Pharmaceuticals (Zhuhai), the cost, quality control and safety management as well as other relevant works have all been effectively monitored and have been progressing well. It will be completed by the end of 2019 and is expected to commence formal operation in mid-2020. Meng Sheng Pharmaceutical has commenced the construction of Qi-Shangzhen oral solution production line and upon the completion of which, the production of Qi-Shangzhen oral solution will no longer be commissioned to third parties so as to maintain control over product quality and ensure stable supply to the market.

– During the Current Financial Year, the Group has entered into a conditional sale agreement with its controlling shareholder, Tianda Group Limited. The connected transaction was approved by the independent shareholders unanimously at the extraordinary general meeting held on 7 May 2019 by way of poll. The Group will be able to exercise the disposal right to sell the existing R&D and production base in Xiangzhou District, Zhuhai to Tianda Group Limited upon the completion of the first phase of the new R&D and production base project in Jinwan District, Zhuhai and the satisfaction of prerequisite conditions for completion of the transaction as stated in the agreement.

OUTLOOK

The Group will continue to strengthen resources integration, R&D and marketing; comprehensively enhance the level of human resources management, further improve financial management and operational standards, and build excellent management teams. With the joint and concerted effort of the Group's employees and driven by innovation, the Group is committed to capturing the strategic opportunities offered by the Guangdong-Hong Kong-Macau Greater Bay Area and the state's policy of encouraging the development of TCM. The Group will also strive to improve its strategic layout designed for the development of the TCM business and achieve a good start for the TCM business. Apart from further enhancing the performance of its traditional business, the Group will also be devoted to the steady development of becoming an outstanding comprehensive medic-pharmaceuticals enterprise.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity continued to stay in a healthy position. As at 31 March 2019, the Group had structured deposits, short term bank deposits and cash of approximately HK$451,100,000 (31 March 2018: HK$493,200,000), of which approximately 11.6% and 88.1% were denominated in Hong Kong dollar and Renminbi (RMB) respectively with the remaining in Australian dollar, Euro, Macau pataca, New Taiwan dollar and United States dollar. The Group has no external borrowings during the period under review. With this strong financial position, the Group has sufficient financial resources to meet its obligations and daily operational needs.

EXCHANGE RATE EXPOSURE

The Group's assets, liabilities and transactions are substantially denominated in Hong Kong dollar, RMB, United States dollar and Australian dollar.

The Group has sales and investments in foreign operations which use currencies other than its functional currency RMB. As such, the Group has some exposures to foreign currency risks. The management from time to time determines suitable measures, such as entering into forward currency contracts, to lessen exposure to exchange rate fluctuations in material transactions denominated in currencies other than RMB. The Group did not enter into any forward currency contracts to hedge its foreign currency risks as at 31 March 2019.

CHARGES ON ASSETS

The Group did not have any charges on assets as at 31 March 2019.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 March 2019, the Group employed approximately 517 employees in Hong Kong, the PRC and Australia. The Group remunerates its employees based on market terms the qualifications and experience of the employees concerned.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2019, the Company repurchased a total of 434,000 ordinary shares of HK$0.1 each on the Stock Exchange of Hong Kong at a total consideration of HK$111,570 (excluding the transaction cost). All the repurchased shares were subsequently cancelled. Details of the shares repurchased during the year ended 31 March 2019 are set out as follows:

Month of repurchase	**Number of shares**	**Repurchase price per share**		**Total consideration** (excluding transaction cost)
		Highest	Lowest	
		HK$	*HK$*	*HK$*
April 2018	20,000	0.305	0.305	6,100
May 2018	50,000	0.305	0.295	15,000
August 2018	364,000	0.255	0.243	90,470
	434,000			111,570

The Directors believe that repurchases of shares are in the best interests of the Company and its shareholders and that such repurchases of shares would benefit shareholders as a whole by enhancing the earnings per share of the Company. Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the year ended 31 March 2019 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code (the CG Code) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules) during the year ended 31 March 2019 except as mentioned below.

Mr. Fang Wen Quan is the Chairman of the Board and the Managing Director of the Company. Pursuant to code provision of A.2.1 of the CG Code, the roles of the chairman and chief executive officer of an issuer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. Fang Wen Quan acting as both the Chairman of the Board and the Managing Director of the Company is acceptable and in the best interest of the Group. The Board will review this situation periodically.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the Model Code) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all the Directors, they all confirmed that they had complied with the Model Code throughout the year ended 31 March 2019.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors and a non-executive Director of the Company. The audit committee has reviewed together with the management and auditors of the Company the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including review of the financial results of the Group for the year ended 31 March 2019.

CHANGE OF ADDRESS OF HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

The Board hereby announces that with effect from 11 July 2019, the Hong Kong Share Registrar and Transfer Office of the Company, Tricor Secretaries Limited (the Share Registrar), will change its address from Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

All telephone and facsimile numbers of the Share Registrar will remain unchanged.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board of Directors has recommended the payment of a final dividend of HK0.11 cents per share for FYE 2019 (FYE 2018: HK0.35 cents per share). Subject to shareholders' approval at the forthcoming 2019 annual general meeting (AGM), the said final dividend is expected to be paid in September 2019. The dates of closure of register of members of the Company for the purpose of determining the identity of shareholders entitled to attend the 2019 AGM and to receive the proposed final dividend and the payment date of the said final dividend will be announced later.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to the shareholders of the Company for their continued support and sincerely thank the Directors and staffs for their dedication and diligence. I also wish to take this opportunity to express my gratitude to the Group's customers, suppliers and bankers for their ongoing support.

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

Hong Kong, 26 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.