

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

### INTRODUCTION

References are made to the announcements of the Company dated 9 April 2021, 1 April 2022 and 25 November 2022 (collectively the “Announcements”) in relation to, among other things, the continuing connected transactions contemplated under 2021 Framework Agreement with SPH for a term of three years ending 31 March 2024, the continuing connected transactions contemplated under 2022 Framework Agreement with TCH (China) for a term of three years ending 31 March 2025 and the change of financial year end date of the Company from 31 March to 31 December respectively. Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

Due to the continuous increase in market demand for the Group’s products and the rapid business growth of the Group, it is expected that the amounts for sales of products and provision of logistics services provided to SPH Group and the purchases of the Package Products and Designing Services from TCH (China) Group will increase compared with the original estimate. Therefore, the Board re-estimated and decided on 29 December 2022 to revise up the respective annual caps in the 2021 Framework Agreement and the 2022 Framework Agreement. In addition, in order to align with the Company’s new financial year end date, the Company revised the relevant period of the existing annual caps of the continuing connected transactions so that the revised annual caps cover the period/year ending on 31 December.

### REVISED ANNUAL CAPS

Pursuant to the 2021 Framework Agreement entered into between the Company and SPH and 2022 Framework Agreement entered into between the Company and TCH (China), the existing and revised annual caps for the aggregate transaction amounts are disclosed as follows:

#### (A) Selling of products and provision of product logistics services to be provided by the Group to SPH Group

According to the audited financial statements for the financial year ended 31 March 2022 and the unaudited management accounts for the period from 1 April 2022 to 30 November 2022, the transaction amounts are approximately HK\$18,796,000 and HK\$13,825,000 respectively.

	Year ending 31 March 2023	Year ending 31 March 2024
	(HK\$)	(HK\$)
Existing annual caps	18,000,000	18,000,000

Pursuant to the Board's resolution, the annual caps will be revised as follows:

	Nine months ending 31 December 2022	Year ending 31 December 2023	Three months ending 31 March 2024
	(HK\$)	(HK\$)	(HK\$)
<b>Revised annual caps</b>	18,000,000	24,000,000	6,000,000

The revised annual caps are formulated with reference to the following factors: (1) the amount of such transactions in the past; (2) the expected increase in demand of products and provision of logistics services provided by the Group to SPH Group; (3) China's medical industry policies; and (4) based on the relevant periods/years ending 31 December in accordance with the new financial year end date of the Company.

**(B) Procurement of products and provision of product logistics services to be provided by SPH Group to the Group**

According to the audited financial statements for the financial year ended 31 March 2022 and the unaudited management accounts for the period from 1 April 2022 to 30 November 2022, no transactions occurred during the period.

	Year ending 31 March 2023	Year ending 31 March 2024
	(HK\$)	(HK\$)
<b>Existing annual caps</b>	7,000,000	7,000,000

Pursuant to the Board's resolution, the annual caps will be revised as follows:

	Nine months ending 31 December 2022	Year ending 31 December 2023	Three months ending 31 March 2024
	(HK\$)	(HK\$)	(HK\$)
<b>Revised annual caps</b>	5,250,000	7,000,000	1,750,000

The revised annual caps were calculated based on the existing annual caps but allocated to the relevant periods/years ending 31 December in accordance with the new financial year end date of the Company.

**(C) Purchasing the Package Products and Designing Services to be provided by the Group to TCH (China)**

According to the audited financial statements for the financial year ended 31 March 2022 and the unaudited management accounts for the period from 1 April 2022 to 30 November 2022, the transaction amounts are approximately HK\$9,017,000 and HK\$9,345,000 respectively.

	Year ending 31 March 2023	Year ending 31 March 2024	Year ending 31 March 2025
	(HK\$)	(HK\$)	(HK\$)
<b>Existing annual caps</b>	19,000,000	19,000,000	20,000,000

Pursuant to the Board's resolution, the annual caps will be revised as follows:

	Nine months ending 31 December 2022	Year ending 31 December 2023	Year ending 31 December 2024	Three months ending 31 March 2025
	(HK\$)	(HK\$)	(HK\$)	(HK\$)
<b>Revised annual caps</b>	14,000,000	24,000,000	24,000,000	6,000,000

The revised annual caps are formulated with reference to the following factors: (1) the amount of such transactions in the past; (2) the expected increase in demand of the Package Products and Designing Services by the Group; (3) based on the relevant periods/years ending 31 December in accordance with the new financial year end date of the Company.

Save as disclosed above, all other terms and conditions of the 2021 Framework Agreement and the 2022 Framework Agreement remain unchanged.

## **REASONS AND BENEFITS FOR REVISION OF ANNUAL CAPS UNDER RENEWED FRAMEWORK AGREEMENT**

The Directors continuously and cautiously monitor the past transaction amounts and estimated demands of the continuing connected transactions under the 2021 Framework Agreement and the 2022 Framework Agreement. Due to the business growth of the Group, the Board expects the transaction amounts under the transactions contemplated under framework agreements will be higher than originally estimated and may exceed the existing annual caps. Besides, in order to align with the change from 31 March to 31 December, being the new financial year end date of the Company, the Company proposes to revise the annual caps for the existing continuing connected transactions such that the revised annual caps will cover the periods/years ending 31 December.

The Board (including their respective independent non-executive directors) are of the view that the revised annual caps of the relevant framework agreements are on normal commercial terms, which are fair and reasonable, and in the interest of the Company and their respective shareholders as a whole.

Mr. Shen Bo ("Mr. Shen") is a non-executive Director of the Company. Mr. Shen was nominated by SPH, a substantial shareholder of the Company holding approximately 13.05% interest in the issued share capital of the Company, as its representative in the Board, so he is considered to have interests in the transactions contemplated under 2021 Framework Agreement. Accordingly, Mr. Shen did not take part in the voting to approve the revised annual caps of 2021 Framework Agreement. Save as disclosed above, none of the Directors has a material interest in the revised annual caps of 2021 Framework Agreement and the transactions contemplated thereunder.

TCH (China) being a subsidiary of Tianda Group Limited and Mr. Fang Wen Quan, the Chairman of the Board and the Managing Director, has the entire equity interest in Tianda Group Limited and Mr. Lui Man Sang was appointed as an executive Director by Tianda Group Limited. Therefore, they are considered to have a material interest in the transactions. Besides, Mr. Feng Quanming was appointed as a non-executive Director by Hongta Group and Hongta Group has substantial equity interests in Cheng Cheng, a major subsidiary of TCH (China), so he is considered to have interests in the transactions. Each of Mr. Fang Wen Quan, Mr. Lui Man Sang and Mr. Feng Quanming has not taken part in the voting to approve the revised annual caps of 2022 Framework Agreement. Save as disclosed above, none of the Directors has a material interest in the 2022 Framework Agreement and the transactions contemplated thereunder

## **LISTING RULES IMPLICATIONS**

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

As disclosed in the Announcements, the transactions contemplated under 2021 Framework Agreement and 2022 Framework Agreement respectively constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of revised annual caps of the transactions under 2021 Framework Agreement and 2022 Framework Agreement are more than 0.1% but less than 5% for the Company, the transactions under 2021 Framework Agreement and 2022 Framework Agreement respectively constitutes a continuing connected transaction for the Company which will continue to be subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITION

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

“2021 Framework Agreement”	the framework agreement dated 9 April 2021 entered into between the Company and SPH for sales of pharmaceutical products, Chinese medicine and healthcare products, and provision of logistics services provided to each other
“2022 Framework Agreement”	the framework agreement dated April 1 2022 entered into between the Company and TCH (China) for purchasing Package Products and Designing Services by the Group from TCH (China) Group
“Announcements”	the announcements of the Company dated 9 April 2021, 1 April 2022 and 25 November 2022 in relation to, among other things, the continuing connected transactions contemplated under 2021 Framework Agreement with SPH for a term of three years ending 31 March 2024, the continuing connected transactions contemplated under 2022 Framework Agreement with TCH (China) for a term of three years ending 31 March 2025 and the change of financial year end date of the Company from 31 March to 31 December
“Board”	the board of Directors of the Company
“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 Taiwan, Hong Kong and Macau and domestic joint venture enterprise established under the laws of the PRC with limited liability, and in which Tianda Group Limited and Hongta Group owns 60% and 40% of its equity respectively
“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 with stock code 00455
“Connected Person”	has the meaning ascribed thereto under the Listing Rules
“Continuing Connected Transactions”	The transactions contemplated under 2021 Framework Agreement and 2022 Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hongta Group”	紅塔煙草（集團）有限責任公司 (Hongta Tobacco (Group) Limited*), a state-owned enterprise established in Yunnan Province, a shareholder of the Company who holds approximately 9.66% interest in the issued share capital of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Package Products and Designing Services”	printed instruction leaflets, packaging boxes and related products and designing 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)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“SPH”	Shanghai Pharmaceuticals Holding Co., Ltd.* (上海醫藥集團股份有限公司), a state-owned enterprise established in the PRC, (shares of which are listed on the Shanghai Stock Exchange with stock code 601607; and on the Main Board of the Hong Kong Stock Exchange with stock code 02607) is a substantial shareholder of the Company who holds approximately 13.05% interest in the issued share capital of the Company
“SPH Group”	SPH and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCH (China)”	天大文化控股(中國)有限公司 (Tianda Culture Holdings (China) Limited*), a corporation established in the PRC, (shares of which are listed on the National Equities Exchange and Quotations Systems with Company Code: 837889), is the subsidiary of Tianda Group Limited, the controlling Shareholder of the Company
“TCH (China) Group”	TCH (China) and its subsidiaries including but not limited to Cheng Cheng and its existing subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

\* Name translated for reference purpose only in this announcement

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

Hong Kong, 29 December 2022

*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 and Mr. FENG Quanming; and the Independent Non-executive Directors are Mr. LAM Yat Fai, Mr. CHIU Sung Hong and Mr. CHIU Fan Wa.*