中国泰凌医药集团
CHINA NT PHARMA GROUP

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1011)

ANNOUNCEMENT

PAST NOTIFIABLE TRANSACTIONS AND CONNECTED TRANSACTIONS IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE AND LOAN AGREEMENTS AND DISCLOSURE OF JUDICIAL PROCEDURE RECORDS OF A DIRECTOR

PAST NOTIFIABLE TRANSACTIONS AND CONNECTED TRANSACTIONS

In September 2022 and July 2024, Annie Investment (as pledgee) entered into the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge with the Group, respectively.

Between October 2019 and June 2021, the Group (through NT China, as borrower) entered into the Loan Agreements with Mr. Ieong Iat (as the lender).

It has recently come to the attention of the Board that the Share Pledges and the Loan Agreements (together with the relevant charges/security created therefrom) constituted or might have constituted notifiable and connected transactions under Chapters 14 and 14A of the Listing Rules and were not announced (and, where applicable, not made conditional upon and approved by the independent shareholders) at the relevant time.

IMPLICATIONS UNDER THE LISTING RULES

The Share Pledges

As at the date of when the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge were created, Mr. Ieong Chong Mang was a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Annie Investment, being wholly-owned by Ms. Shum Ning (the spouse of Mr. Ieong Chong Mang), is an associate of Mr. Ieong Chong Mang and thus also a connected person of the Company. Accordingly, the provision of the Share Pledges in favour of Annie Investment constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of each of the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge were more than 75%, each of the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge constituted or might have constituted a very substantial disposal under Chapter 14 of the Listing Rules and a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules.

The Loan Agreements

As at the respective dates of the Loan Agreements, Mr. Ieong Chong Mang was a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Mr. Ieong Yat, being the son of Mr. Ieong Chong Mang, is an associate of Mr. Ieong Chong Mang and therefore a connected person of the Company under the Listing Rules. Accordingly, the Loan Agreements constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the loan and the pledged assets under the 2019 Loan Agreement was less than 5%, the transaction under the 2019 Loan Agreement constituted a partially exempt connected transaction for the Company under Chapter 14A of the Listing Rules and should be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Ch. 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the loan and the pledged assets under the 2020 Supplemental Loan Agreement was less than 5%, the transaction under the 2020 Supplemental Loan Agreement (which varied certain terms of the then existing 2019 Loan Agreement) might have constituted a partially exempt connected transaction for the Company under Chapter 14A of the Listing Rules that might be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Ch. 14A of the Listing Rules.

Given that the highest percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the loan and the pledged assets under the 2021 Supplemental Loan Agreement was more than 5%, the transaction under the 2021 Supplemental Loan Agreement (which varied certain terms of the then existing 2019 Loan Agreement (as supplemented by the 2020 Supplemental Loan Agreement)) might have constituted a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules that might be subject to the reporting, announcement and independent shareholders' approval requirements under Ch. 14A of the Listing Rules.

REMEDIAL ACTIONS

Notwithstanding the above, the Company would like to emphasize that the above non-compliances did not have any material adverse effect on the Group's business operations or financial position, since the relevant transactions have, in substance, been addressed and are no longer continuing. In particular, the Share Pledges have been terminated under the 2025 Termination Agreement and the equity interests in NT Pharma (Overseas) and NT Pharma (Pacific) had been restored to their original position in 2022 and 2024, respectively (i.e. to the position before the entering into of the 2022 Settlement Agreement, the 2022 Share Pledge Agreement and the 2024 Supplemental Agreement). In addition, the outstanding indebtedness under the Loan Agreements had been settled through the completion of the Loan Capitalisation following the publication of the relevant announcements and circular and the obtaining of independent shareholders' approval. The Board sincerely regrets the non-compliances and the Company is committed to preventing recurrence of similar incidents. The Group has adopted and will continue to implement enhanced governance, compliance and internal control measures to prevent the recurrence of similar non-compliance incidents in the future.

INTRODUCTION

References are made to:

(a) the announcement of the Company dated 13 June 2017 for the issuance of Convertible Preference Shares;

(b) the announcements of the Company dated 2 May 2023, 25 July 2023, 21 August 2023 and 14 September 2023 in relation to the restructuring of the Company; and

(c) the announcements of the Company dated 28 November 2024 and 21 February 2025, and the circular of the Company dated 28 January 2025 in relation to, among other things, the Loan Agreements, the Subscription Agreement and Loan Capitalisation.

It has recently come to the attention of the Board that the Share Pledges and the Loan Agreements, together with the relevant charges/security created therefrom, constituted or might have constituted notifiable and connected transactions under Chapters 14 and 14A of the Listing Rules, were not announced (and where applicable, not made conditional upon and approved by the independent shareholders) at the relevant time.

The Board sincerely and unreservedly acknowledges that the failure to make timely disclosure of, among other things, the Share Pledges and the Loan Agreements, constituted non-compliance with the Listing Rules, and this announcement is made to provide further disclosure and information about the Share Pledges and the Loan Agreements.

BACKGROUND TO THE SHARE PLEDGES

On 13 June 2017, the Company completed the issuance of 294,659,500 convertible preference shares to not fewer than six placees through a placing agent at the placing price of HK$1.83 per convertible preference share. Annie Investment, as one of the placees, subscribed for the Convertible Preference Shares for a total consideration of HK$399,999,570.

On 23 September 2022, Annie Investment and the Company entered into the 2022 Settlement Agreement, under which the Convertible Preference Shares owned by Annie Investment were cancelled and the repayment of the Redemption Amount was extended to 31 December 2023. Further, on the same day, NT Pharma (Group), a wholly-owned subsidiary of the Company, entered into the 2022 Share Pledge Agreement with Annie Investment, pursuant to which NT Pharma (Group) pledged its equity interests in NT Pharma (Overseas) to Annie Investment as security of the Redemption Amount (i.e. creating the NT Pharma (Overseas) Share Pledge). No disposal proceeds were received and no gain or loss arose because no sale of shares took place upon creation of the NT Pharma (Overseas) Share Pledge. NT Pharma (Overseas) remained an indirect subsidiary of the Company following the creation of the NT Pharma (Overseas) Share Pledge.

Set out below is the financial information of NT Pharma (Overseas) for the two financial years ended 31 December 2020 and 2021, prepared in accordance with HKFRS:

	For the year ended			
	31 December 2020 (unaudited)		**31 December 2021 (unaudited)**	
	RMB (million)	*Equivalent to HK$ (million)*	*RMB (million)*	*Equivalent to HK$ (million)*
Net (loss) before tax*[Note]*	(29.0)	(32.6)	(122.5)	(147.7)

Note: As NT Pharma (Overseas) was the sole shareholder of NT Pharma (Pacific) at the relevant time, the above financial information of NT Pharma (Overseas) was prepared on a consolidated basis and included the financial information of NT Pharma (Pacific).

The unaudited consolidated net asset value of NT Pharma (Overseas) as at 31 December 2021 was approximately RMB232.3 million (equivalent to approximately HK$284.2 million).

However, the Company was unable to repay the Redemption Amount on 31 December 2023 in accordance with the 2022 Settlement Agreement. Following further negotiations, the Company, Annie Investment, NT Pharma (Overseas) and NT Pharma (Pacific) entered into the 2024 Supplemental Agreement on 15 July 2024, pursuant to which, among other things, NT Pharma (Overseas) pledged its equity interests in NT Pharma (Pacific) (which, being the direct wholly-owned subsidiary of NT Pharma (Overseas), were already subject to the NT Pharma (Overseas) Share Pledge) to Annie Investment as security until the full repayment of the Redemption Amount (i.e. creating the NT Pharma (Pacific) Share Pledge). No disposal proceeds were received and no gain or loss arose because no sale of shares took place upon creation of the NT Pharma (Pacific) Share Pledge. NT Pharma (Pacific) remained an indirect subsidiary of the Company following the creation of the NT Pharma (Pacific) Share Pledge.

Set out below is the financial information of NT Pharma (Pacific) for the two financial years ended 31 December 2022 and 2023, prepared in accordance with HKFRS:

	For the year ended			
	31 December 2022 (unaudited)		**31 December 2023 (unaudited)**	
	RMB (million)	*Equivalent to HK$ (million)*	*RMB (million)*	*Equivalent to HK$ (million)*
Net profit/(loss) before tax	0.7	0.8	(15.1)	(16.5)

The unaudited consolidated net asset value of NT Pharma (Pacific) as at 31 December 2023 was approximately RMB246.6 million (equivalent to approximately HK$268.2 million).

Upon further discussion on the repayment of the Redemption Amount, on 18 July 2025, the Company and Annie Investment entered into the 2025 Termination Agreement whereby Annie Investment agreed to, among others, terminate the Share Pledges.

As of 31 December 2025, an aggregate amount of approximately HK$362.2 million of the Redemption Amount remains outstanding. The Company is currently exploring various options for settlement of the outstanding Redemption Amount with Annie Investment, including but not limited to a possible loan capitalisation. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to update the Shareholders and potential investors of the Company on any material development in this regard.

BACKGROUND TO THE LOAN AGREEMENTS

On 31 October 2019, NT China, a former indirect wholly-owned subsidiary of the Company, as borrower, entered into the 2019 Loan Agreement, with, among others, Mr. Ieong Iat, as lender, for a principal aggregate amount of RMB45 million in two installments with the first installment of RMB20 million advanced on 4 November 2019 and the second installment of RMB25 million advanced on 4 December 2019. Each instalment was repayable within one year from the date of drawdown, with interest at 15% per annum. The 2019 Loan Agreement was secured by assets of the Group.

As NT China was unlikely to repay the principal and accrued interest on time, on 25 September 2020, NT China entered into the 2020 Supplemental Loan Agreement with, among others, Mr. Ieong Iat, to (i) revise the outstanding amount to reflect, among other things, the principal loan amount and the accrued but unpaid interest, (ii) extend the repayment deadline by one year and (iii) introduce a clause entitling Mr. Ieong Iat to charge default interest at four times the loan prime rate in respect of any overdue amounts. In accordance with the 2020 Supplemental Loan Agreement, the repayment dates of the two instalments under the 2019 Loan Agreement was extended to 4 November 2021 and 4 December 2021, respectively.

On 1 June 2021, NT China and, among others, Mr. Ieong Iat entered into the 2021 Supplemental Loan Agreement such that NT China would partially repay RMB7 million by 15 June 2021, and the remaining outstanding balance of RMB58.08 million (representing the outstanding principal loan and accrued but unpaid interest at the relevant time) would then be extended and become repayable on 16 June 2022, at the existing annual interest rate of 15%. The 2021 Supplemental Loan Agreement also included a condition precedent such that if NT China failed to repay RMB7 million by 15 June 2021, the 2021 Supplemental Loan Agreement would not take effect and the repayment obligations under the 2019 Loan Agreement (as supplemented by the 2020 Supplemental Loan Agreement) would remain in force.

On 16 June 2022, the repayment date under the 2019 Loan Agreement (as supplemented by the 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement) fell due. NT China was unable to fully repay the amount owed to Mr. Ieong Iat under the 2019 Loan Agreement (as supplemented by the 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement).

The outstanding loan due to Mr. Ieong Iat under the 2019 Loan Agreement (as supplemented by the 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement) was partially repaid pursuant to a restructuring approved by a court in the People's Republic of China in July 2023. However, a substantial amount of the loan owed to Mr. Ieong Iat remained outstanding. The remaining repayment obligations of NT China owed to Mr. Ieong Iat were assumed by the Company upon the completion of the restructuring.

On 30 August 2024, after reviewing the circumstances and available options to repay the remaining balance to Mr. Ieong Iat, the Board resolved to proceed with a loan capitalisation.

On 28 November 2024, after review and approval by the Board, the Company entered into the Subscription Agreement with Mr. Ieong Iat, pursuant to which the Company conditionally agreed to issue 146,520,146 new shares to Mr. Ieong Iat at a subscription price of HK$0.33 per share for a total consideration of approximately HK$48.4 million, which was satisfied by offsetting the corresponding amount owed to Mr. Ieong Iat under the 2019 Loan Agreement (as supplemented by the 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement). Details of the Loan Capitalisation was set out in the circular of the Company Circular dated 28 January 2025. The Loan Capitalisation was approved by the independent shareholders at an extraordinary general meeting held by the Company on 17 February 2025. On 21 February 2025, the Loan Capitalisation was completed and, among others, 146,520,146 shares were issued to Mr. Ieong Iat pursuant to the Subscription Agreement.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE SHARE PLEDGES AND THE LOAN AGREEMENTS

As disclosed in the annual reports of the Company for the years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 (the "**Annual Reports**"), the Group recorded net losses for each of the years ended 31 December 2019 to 31 December 2024 and had net current liabilities as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, with a relatively low level of cash and bank balances. These conditions, together with the other matters as set forth in the Annual Reports, indicated that material uncertainties existed that cast significant doubt on the Group's ability to continue as a going concern. Against this background, the Company had explored various options to improve the working capital, liquidity and cash flow position of the Group.

The 2022 Share Pledge Agreement was entered into in connection with the 2022 Settlement Agreement to provide assurance to Annie Investment that repayment of the Redemption Amount would be made by the Company when the financial condition of the Company improved. The 2024 Supplemental Agreement was entered into following further negotiations between the Company and Annie Investment, having taken into account the financial condition of the Company at the relevant time and the Company's inability to repay the Redemption Amount in accordance with the 2022 Settlement Agreement.

Further, the 2019 Loan Agreement provided timely liquidity to the Group in light of the Company's financial distress, while the 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement were entered into to extend the repayment timetable of the outstanding indebtedness owed by NT China to Mr. Ieong Iat and thereby alleviated the Group's immediate repayment pressure.

Prior to entering into the Share Pledges and Loan Agreements, the Company considered other fund-raising and refinancing alternatives, including additional bank borrowings, share placings and rights issues. In 2019, the Group faced a difficult external business environment. The Group's revenue continued to decline, while its debt level and finance costs increased significantly as a result of the Group's business expansion during 2018 and the first half of 2019. As a result, the Group was under acute liquidity pressure and had an urgent need for new funding to stabilise its operations. Mr. Ng, for and on behalf of the Company, explored various financing methods. However, due to the deteriorating market environment and the Group's financial position at the relevant time, banks, financial institutions and investment funds were generally unwilling to extend credit to the Group. At the same time, the Company was unable to secure placing agents or underwriters willing to conduct a meaningful equity fund-raising exercise. Against this background, Mr. Ng, for and on behalf of the Company, approached the substantial shareholders of the Company and his business contacts to explore whether financial support could be obtained. Annie Investment, which had been a supportive financial investor of the Company since 2017, was not in a position to provide further financial assistance at that time due to insufficient funds.

The Board considered that, having regard to the Group's financial position and prevailing market conditions at the relevant time, the entering into of the 2019 Loan Agreement represented an appropriate fund-raising option then available to the Company. In particular, the 2019 Loan Agreement provided funding support to the Group at a time when other debt and equity fund-raising options were not practically available, while the Share Pledges and the supplemental arrangements under the Loan Agreements formed part of the arrangements reached with the relevant counterparties in light of the Group's repayment position and financing needs at the relevant times.

The Company used the net proceeds from the 2019 Loan Agreement for (i) general working capital purposes and (ii) repayment and/or refinancing of the Group's existing indebtedness (including loans and borrowings).

Having taken into account, among other things, prevailing market conditions, the financial positions of NT Pharma (Overseas), NT Pharma (Pacific) and the Group's financial position at the relevant times as illustrated above, the then directors of the Company (including the independent non-executive Directors) considered that, the terms of each of the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge were determined after arm's length negotiations, on normal commercial terms, were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having taken into account, among other things, prevailing market conditions and the Group's financial position at the relevant times as illustrated above, the then directors of the Company (including the independent non-executive Directors) considered that, the terms of each of the 2019 Loan Agreement, the 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement were determined after arm's length negotiations, on normal commercial terms, were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND PARTIES TO THE NT PHARMA (OVERSEAS) SHARE PLEDGE, NT PHARMA (PACIFIC) SHARE PLEDGE AND THE LOAN AGREEMENT

The Group

The Company is an investment holding company. The Group has nearly 30 years of experience in the medical field, serving over 10,000 various terminal medical institutions. The Group is currently focusing on developing a full-cycle intelligent healthcare ecosystem platform for bone health in the PRC, covering the entire process of testing, treatment and rehabilitation. The Group's principal businesses include the (i) testing business; (ii) treatment business; and (iii) the health rehabilitation business.

NT Pharma (Group) is a company established in the BVI with limited liability on 5 December 2002. It is a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

NT Pharma (Overseas) is a company established in the BVI with limited liability on 30 June 2015. It is an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of NT Pharma (Group). It is principally engaged in investment holding.

NT Pharma (Pacific) is a company established in Hong Kong with limited liability on 22 August 2017. It is an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of NT Pharma (Overseas). It is principally engaged in investment holding.

Annie Investment

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, Annie Investment is a company established in BVI with limited liability on 11 September 2013 and is wholly-owned by Ms. Shum Ning. Ms. Shum Ning is the spouse of Mr. Ieong Chong Mang, who is a substantial shareholder of the Company. It is principally engaged in investment holding.

Mr. Ieong Iat

Mr. Ieong Iat is the son of Ms. Shum Ning and Mr. Ieong Chong Mang.

IMPLICATIONS UNDER THE LISTING RULES

The Share Pledges

As at the dates on which the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge were created, Mr. Ieong Chong Mang was a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Annie Investment, being wholly-owned by Ms. Shum Ning (the spouse of Mr. Ieong Chong Mang), was an associate of Mr. Ieong Chong Mang and thus also a connected person of the Company. Accordingly, the provision of the Share Pledges in favour of Annie Investment constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of each of the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge were more than 75%, each of the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge constituted or might have constituted a very substantial disposal under Chapter 14 of the Listing Rules and a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules.

None of the directors of the Company at the relevant time had a material interest in the creation of each of the Share Pledges and accordingly, none of them was required to abstain from voting on the Board resolutions approving the entering into each of the 2022 Settlement Agreement, the 2022 Share Pledge Agreement and the 2024 Supplemental Agreement.

The Company does not intend to convene an extraordinary general meeting to seek independent shareholders' approval for the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge. This is because the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge had already been terminated pursuant to the 2025 Termination Agreement, and the equity interests in NT Pharma (Overseas) and NT Pharma (Pacific) had, in substance, been restored to their original positions prior to the entering into of the 2022 Settlement Agreement, the 2022 Share Pledge Agreement and the 2024 Supplemental Agreement, respectively. In addition, the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge were not registered in the British Virgin Islands and Hong Kong, respectively, and Annie Investment had not obtained legal priority over other creditors of the Company in respect of the relevant pledged equity interests. Accordingly, re-complying with the relevant requirements under the Listing Rules, including seeking independent shareholders' approval for the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge where applicable, would not alter the current position of the Company or the existing arrangement with Annie Investment.

The Loan Agreements

As at the respective dates of the Loan Agreements, Mr. Ieong Chong Mang was a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Mr. Ieong Yat, being the son of Mr. Ieong Chong Mang, is an associate of Mr. Ieong Chong Mang and therefore a connected person of the Company under the Listing Rules. Accordingly, the Loan Agreements constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the loan and the pledged assets under the 2019 Loan Agreement was less than 5%, the transaction under the 2019 Loan Agreement constituted a partially exempt connected transaction for the Company under Chapter 14A of the Listing Rules and should be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Ch. 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the loan and the pledged assets under the 2020 Supplemental Loan Agreement was less than 5%, the transaction under the 2020 Supplemental Loan Agreement (which varied certain terms of the then existing 2019 Loan Agreement) might have constituted a partially exempt connected transaction for the Company under Chapter 14A of the Listing Rules that might be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Ch. 14A of the Listing Rules.

Given that the highest percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the loan and the pledged assets under the 2021 Supplemental Loan Agreement was more than 5%, the transaction under the 2021 Supplemental Loan Agreement (which varied certain terms of the then existing 2019 Loan Agreement (as supplemented by the 2020 Supplemental Loan Agreement)) might have constituted a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules that might be subject to the reporting, announcement and independent shareholders' approval requirements under Ch. 14A of the Listing Rules.

None of the directors of the Company at the relevant time had a material interest in the entering into of each of the 2019 Loan Agreement, 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement. Accordingly, none of them was required to abstain from voting on the Board resolutions approving the entering into each of the 2019 Loan Agreement, 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement.

The Company does not intend to convene an extraordinary general meeting to seek independent shareholders' approval for the 2021 Supplemental Loan Agreement, since the 2021 Supplemental Loan Agreement has been settled by the Loan Capitalisation, which was approved by the independent shareholders of the Company on 17 February 2025, the results of which was published in the announcement of the Company on the same date. Accordingly, obtaining independent shareholders' approval for the 2021 Supplemental Loan Agreement at this stage would be impractical and have no impact on the current business operations and financial position of the Company.

REASONS FOR THE BREACH OF THE LISTING RULES

The Company sincerely and unreservedly acknowledges that it has failed to comply with the relevant requirements under Chapters 14 and 14A of the Listing Rules in respect of the Share Pledges and the Loan Agreements, including the failure to publish the relevant announcement(s) and, where applicable, to obtain independent shareholders' approval at the material time.

The Board would like to reiterate that the non-compliances were inadvertent and unintentional. The reasons include, among other things, (i) limitations in the then company secretarial/compliance support and record-keeping arrangements within the Company and the Group, (ii) the absence, at the material time, of an external legal adviser engaged to provide ongoing Listing Rules compliance support, and (iii) in respect of the Loan Agreements, the connected person relationship was not timely identified at the time due to, among other things, the relevant agreements being prepared in Chinese and the relationship not being highlighted through the internal control process then in place.

REMEDIAL ACTIONS

Notwithstanding the above, the Company would like to emphasize that the above non-compliances did not have any material adverse effect on the Group's business operations or financial position, since the relevant transactions had, in substance, been addressed and are no longer continuing. In particular, the Share Pledges had been terminated under the 2025 Termination Agreement and the equity interests in NT Pharma (Overseas) and NT Pharma (Pacific) had been restored to their original positions in 2022 and 2024, respectively (i.e. to the position before the entering into of the 2022 Settlement Agreement, the 2022 Share Pledge Agreement and the 2024 Supplemental Agreement). In addition, the outstanding indebtedness under the Loan Agreements had been settled through the completion of the Loan Capitalisation following the publication of the relevant announcements and circular and the obtaining of independent shareholders' approval.

Notwithstanding the limited adverse impact, the Board sincerely regrets the historical non-compliances with Chapters 14 and 14A of the Listing Rules. To prevent the reoccurrence of similar breaches of the Listing Rules in the future, the Group has adopted and will continue to implement the following measures:

(a) the Company enhanced its company secretarial/compliance support by recruiting a new company secretary in November 2025 with (i) prior experience working in a Hong Kong listed company and (ii) practical experience in handling transactions under Chapters 14 and 14A of the Listing Rules, together with relevant professional qualifications. Reference is made to the announcement of the Company dated 25 November 2025. Going forward, the Company will maintain (and where necessary recruit) at least one suitably experienced personnel who is familiar with Chapters 13, 14 and 14A of the Listing Rules;

(b) the Company established a dedicated remediation/rectification working group in December 2025, comprising the chief executive officer of the Company, the company secretary of the Company and the head of the finance department to oversee and drive the implementation of the remedial actions and related enhancements on an ongoing basis;

(c) the Company will implement at least one mandatory training each year on the identification, assessment and handling of notifiable and connected transactions under Chapters 14 and 14A of the Listing Rules. The trainings will cover the Directors, members of senior management, accounting staff and operational staff across the Group. The first training was conducted by the Company's external legal adviser on 5 January 2026;

(d) the Company has finalised and adopted an internal reporting and approval system protocol in January 2026 to strengthen the implementation of its internal control system on material transactions, including, among other things: (i) enhancing coordination and mandatory reporting procedures among the compliance, finance, legal, and business departments; (ii) ensuring that, where a potential transaction may constitute a notifiable transaction and/or connected transaction, or where disclosure obligations under Chapter 13 of the Listing Rules may be involved, the Company will consult its external legal adviser before entering into any binding agreement or deciding whether an announcement should be published; (iii) properly documenting and retaining key steps, internal clearances and approvals to support timely compliance with any applicable disclosure and/or shareholders' approval requirements and (iv) conducting periodic reviews of compliance with such protocol on a half-yearly basis. The steps of identifying and approving potential notifiable or connected transactions consist of:

a) an initiation from the business unit to notify the company secretarial/listing compliance and finance departments at an early stage when a transaction is contemplated by filling in a standardised internal reporting form with the key terms and major parameters of the proposed transaction (including, for example, nature, size, counterparty information and the ultimate beneficial owner(s) of the counterparty);

b) an initial assessment of relevant Chapter 14 and 14A size tests under the Listing Rules (to the extent practicable based on available information) and conduct a preliminary screening for potential Listing Rules implications (including Chapters 13, 14 and 14A under the Listing Rules), including checking the counterparty and its ultimate beneficial owner(s) against the Company's connected person list (as updated from time to time) by the company secretary;

c) compulsory consultation of the Company's external legal adviser by the company secretary for prompt professional advice concerning transactions that are, or may be, notifiable and/or connected, or are otherwise complex and involve other disclosure considerations. The external legal adviser's assessment and recommended course of action will be included in the materials to be submitted to the appropriate internal approval authority for proper review;

d) prior consultation with the Stock Exchange before signing any binding agreement or deciding whether an announcement should be published, if uncertainty remains as to the application of the Listing Rules (including whether a person should be treated as connected or whether the connected transaction requirements apply); and

e) the escalation of notifiable or disclosable transactions promptly to the Board for consideration and approval before the Company enters into any binding agreement or decides whether any announcement should be published.

(e) the Company has established a Board documentation protocol which involves:

  a) the preparation and circulation the first draft minutes of each board meeting (and board committee meeting, where applicable) within two working days after each meeting;

  b) the finalisation of the minutes within five working days after each meeting, after circulation to the Directors for comments and arrangement for the minutes to be approved and/or signed by the chairman of the Board in accordance with the Company's governance procedures. Written resolutions (if any) will be duly executed by the Directors in accordance with the Company's articles; and

  c) the online storage of board papers (if any), finalised board minutes, voting records, written resolutions (if any) and supporting materials in a dedicated board record repository maintained by the company secretarial department of the Company;

(f) the Company has formally appointed an external legal adviser to assist in reviewing potential transactions that may be subject to the Listing Rules, advising on compliance with all relevant disclosure and approval requirements, and providing ongoing trainings to the Group; and

(g) the Company has appointed an independent internal control consultant to conduct an internal control review of the Group's internal control policies and procedures, with particular emphasis on those relating to notifiable transactions and connected transactions under the Listing Rules. The review has already commenced in late April 2026, with initial recommendations from the internal control consultant to be provided within one month after commencement. The internal control consultant is expected to then conduct a second review by June 2026 to ensure that the all proposed internal control policies have been adopted.

The Board believes that these measures will enhance the Group's internal controls and regulatory compliance and help prevent the recurrence of similar non-compliance incidents in the future.

Further announcement(s) will be made by the Company as and when appropriate, including the findings of the internal control consultant.

DISCLOSURE OF JUDICIAL PROCEDURE RECORDS OF A DIRECTOR

The Company also wishes to provide the following information in respect of certain judicial procedure records concerning Mr. Ng Tit ("**Mr. Ng**"), an executive Director and the chairman of the Board.

These records arose because Mr. Ng had served as the legal representative of certain subsidiaries of the Group and/or had provided personal guarantees in respect of indebtedness of the Group's subsidiaries, and were not attributable to any personal misconduct or financial impropriety on the part of Mr. Ng. The entities involved in the relevant judicial proceedings and the background of each case are set out below:

Jiangsu Tailings Investment Co., Ltd. (a former subsidiary) was subject to a consumption restriction order issued by the Changsha Kaifu District People's Court (Case No.: (2022)湘0105執4406號) in connection with a contractual dispute with Hunan Hengchang Pharmaceutical Group Co., Ltd., and was also listed as a dishonest person for failure to satisfy the obligations under an effective legal instrument. Mr. Ng, as the then legal representative of that company, became subject to consumption restrictions in accordance with the relevant PRC laws.

Jiangsu Tailings Investment Co., Ltd. (a former subsidiary) was subject to a consumption restriction order issued by the Suzhou Industrial Park People's Court (Case No.: (2023)蘇0591執4170號) in connection with a financial loan contract dispute with China Merchants Bank Co., Ltd. Suzhou Branch. Mr. Ng, as the then legal representative of that company, became subject to consumption restrictions in accordance with the relevant PRC laws.

NT (China) Investment Co., Ltd. (a former subsidiary) was subject to a consumption restriction order issued by the Suzhou Industrial Park People's Court (Case No.: (2023)蘇0591執4643號) in connection with an engagement contract dispute with CBRE (Shanghai) Management Consulting Co., Ltd. Mr. Ng, as the then legal representative of that company, became subject to consumption restrictions in accordance with the relevant PRC laws.

NT Biopharmaceuticals Jiangsu Co., Ltd. (a former subsidiary) was subject to a consumption restriction order issued by the Suzhou Industrial Park People's Court (Case No.: (2023)蘇0591執4171號) in connection with a financial loan contract dispute with China Merchants Bank Co., Ltd. Suzhou Branch. Mr. Ng, as the then legal representative of that company, became subject to consumption restrictions in accordance with the relevant PRC laws.

In addition, Mr. Ng himself was subject to two consumption restriction orders issued by the Suzhou Intermediate People's Court (Case Nos.: (2022)蘇05執474號; (2026)蘇05執213號) in connection with personal guarantee(s) provided by him in respect of loans extended by China Merchants Bank Co., Ltd. Suzhou Branch to the Group's subsidiaries.

The above consumption restriction orders primarily restrict high consumption and non-essential living or work-related consumption activities and do not affect Mr. Ng's discharge of his duties as an executive Director and the chairman of the Board in Hong Kong. To the best of the Board's knowledge, having made reasonable enquiries, Mr. Ng has never been sanctioned by any PRC court for personal debts or any personal misconduct.

Reference is made to the Company's previous financial reports and announcements, the equity interests in Jiangsu Tailings Investment Co., Ltd. and NT (China) Investment Co., Ltd. have been legally transferred and both entities are no longer subsidiaries of the Company. NT Biopharmaceuticals Jiangsu Co., Ltd. has completed its bankruptcy liquidation process and will be deregistered with the relevant authorities in due course. In respect of the indebtedness arising from the personal guarantee(s) provided by Mr. Ng, the Company is actively negotiating repayment arrangements with the relevant creditor and will make further announcement(s) as and when appropriate.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

"2019 Loan Agreement"	the loan agreement entered into between NT China and Mr. Ieong Iat dated 31 October 2019
"2020 Supplemental Loan Agreement"	the supplemental loan agreement entered into between NT China and Mr. Ieong Iat dated 25 September 2020
"2021 Supplemental Loan Agreement"	the supplemental loan agreement entered into between NT China and Mr. Ieong Iat dated 1 June 2021
"2022 Settlement Agreement"	the settlement agreement entered into between the Company and Annie Investment dated 23 September 2022 in relation to, among other things, the cancellation of the Convertible Preference Shares and the extension of repayment of the Redemption Amount
"2022 Share Pledge Agreement"	the agreement between NT Pharma (Group) and Annie Investment dated 23 September 2022 for the NT Pharma (Overseas) Share Pledge
"2024 Supplemental Agreement"	the agreement among the Company, Annie Investment, NT Pharma (Overseas) and NT Pharma (Pacific) dated 15 July 2024 for the NT Pharma (Pacific) Share Pledge

"2025 Termination Agreement"	the agreement entered into between the Company and Annie Investment dated 18 July 2025 to, among other things, terminate the Share Pledges
"Annie Investment"	Annie Investment, a company established in BVI with limited liability on 11 September 2013 and wholly-owned by Ms. Shum Ning
"Board"	the board of Directors
"BVI"	British Virgin Islands
"Company"	China NT Pharma Group Co. Ltd. (中國泰凌醫藥集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1011)
"connected person(s)"	shall have the meaning ascribed thereto in the Listing Rules
"Convertible Preference Shares"	218,579,000 convertible preference shares of the Company subscribed by Annie Investment on 13 June 2017
"Director(s)"	directors of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars
"HKFRS"	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreements"	the 2019 Loan Agreement, 2020 Supplemental Loan Agreement and 2021 Supplemental Loan Agreement
"Loan Capitalisation"	the issuance of 146,520,146 new shares of the Company to Mr. Ieong Iat at a subscription price of HK$0.33 per share for a total consideration of approximately HK$48.4 million, which was satisfied by offsetting the corresponding amount owed to Mr. Ieong Iat under the 2019 Loan Agreement (as supplemented by the 2020 Supplemental Loan Agreement and the 2021 Supplemental Loan Agreement)

"Mr. Ng"	Mr. Ng Tit, an executive Director and the chairman of the Board
"NT China"	NT (China) Investment Co., Ltd.* (泰凌(中國)投資有限公司), a company established in the PRC with limited liability on 26 October 2012 and formerly an indirect wholly-owned subsidiary of the Company
"NT Pharma (Group)"	NT Pharma Group Company Limited, a company established in the BVI with limited liability on 5 December 2002 and a direct wholly-owned subsidiary of the Company
"NT Pharma (Overseas)"	NT Pharma (Overseas) Holding Co., Ltd., a company established in the BVI with limited liability on 30 June 2015. It is an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of NT Pharma (Group)
"NT Pharma (Overseas) Share Pledge"	a pledge created over NT Pharma (Group)'s equity interests in NT Pharma (Overseas) in favour of Annie Investment under the 2022 Share Pledge Agreement
"NT Pharma (Pacific)"	NT Pharma Pacific Company Limited, a company established in Hong Kong with limited liability on 22 August 2017. It is an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of NT Pharma (Overseas)
"NT Pharma (Pacific) Share Pledge"	a pledge created over NT Pharma (Overseas)'s equity interests in NT Pharma (Pacific) in favour of Annie Investment under the 2024 Supplemental Agreement
"PRC"	the People's Republic of China, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Redemption Amount"	outstanding principal amount and accrued interest under the Convertible Preference Shares
"RMB"	Renminbi
"Share Pledges"	the NT Pharma (Overseas) Share Pledge and the NT Pharma (Pacific) Share Pledge
"Stock Exchange"	the Stock Exchange of Hong Kong Limited

"Subscription Agreement"	the agreement entered into between the Company and Mr. Ieong Iat dated 28 November 2024 for the Loan Capitalisation
"subsidiary(ies)"	shall have the meaning ascribed thereto in the Listing Rules

By Order of the Board
Mr. Ng Tit
Chairman

Hong Kong, 8 May 2026

As at the date of this announcement, the executive Directors are Mr. Ng Tit and Ms. Ng, Anna Ching Mei; the non-executive Directors are Dr. Qian Wei, Ms. Chin Yu and Mr. Lou Yongbin; and the independent non-executive Directors are Mr. Yu Tze Shan Hailson, Mr. Kwok Che Chung and Dr. Zhao Yubiao.

* *For identification purposes only*