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SUPPLEMENTAL ANNOUNCEMENT TO TERMINATION OF THE VERY SUBSTANTIAL ACQUISITION AND THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Reference is made to the 2023 Annual Report and the announcement (the “**Announcements**”) issued by China NT Pharma Group Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) dated 19 July 2024 in relation to the termination of the very substantial acquisition (the “**Termination**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

In addition to the information disclosed in the Annual Report and the Announcement, the board of directors (the “**Board**”) of the Company would like to provide to the shareholders of the Company and the potential investors with the following supplementary information.

TERMINATION OF THE VERY SUBSTANTIAL ACQUISITION

As of 20 February 2023, the Company have issued 473,186,591 shares (the “**Consideration Shares**”) to the independent consultants under specific mandate pursuant to consultancy agreements. The duty of consultants encompass overseeing technology and product registration searches and development, crafting research plans for clinical trials, and submitting clinical applications to regulatory bodies. Throughout their guidance, the project has successfully accomplished key milestones such as target validation, drug compound optimization, pharmacokinetic studies in animal models, and preclinical toxicology assessments.

Although the project is early terminated, the Board of Directors have implemented proper safeguard to the Company’s interests regarding the Consideration Shares in case of a possible early termination.

When we decided the consultancy agreements, we have Lock-up arrangement on the Consideration Shares. There is 2 Lock-Up period for 24 months to restrict the consultants on not offer, sell, contract to sell, transfer, pledge, create any encumbrances over or otherwise dispose of, directly or indirectly, the Consideration Shares. Also, the scope of consultants is not limited to the acquisition.

To enhance our orthopedic product line and ensure sustainable development, the Company has reached a cooperation agreement with consultants for the next three years with no extra consideration. The consultants will continue to search globally for innovative orthopedic medical devices and drugs to meet patient needs.

VALUE OF THE INTANGIBLE ASSET ON CIRCULAR

The Valuation report for the Circular was prepared as of May 31, 2022. Various assumptions were made as detailed in the Circular with a success rate of 32% as indicated on the Circular. All the assumptions and information on the Circular were the best estimates available at the time of preparing the Valuation report for the Circular.

During 2023 and period of preparing FY2023 account, it became evident that there are several assumptions were not met, where including:

1. There is significant changes occurred in the current laws, regulations, policies, and the macroeconomic landscape of the country.
 - A draft of Biosecure Act submitted in USA in January 2024, which restricting Chinese Biotech Company access to genetic information about Americans. The Board believes that this legislation may have potential implications for the Company and the clinical trials result previous perform in USA may not be transfer to China
 - Material decline of Biopharmaceutical Industry in 2023
 - China’s National Reimbursement Drug List system is driving down the price of innovative drugs
2. Clinical trials are not started and there are technical issues on sample as the sampling time extended, there was a significant increase in both impurity spectra and impurity content, affecting the stability of the final product formulation.
3. The Project is unlikely to get approval by 2026. The timeline of the project is deferred and cannot confirm the timetable yet.

As a result, the Company believes valuation for the intangible assets on Circular have provide true and fair view of the Company’s position.

RECOGNITION OF THE INTANGIBLE ASSET

On the 2023 Annual Report, the Company have not recognised the intangible assets of the Project in relation to the very substantial acquisition. The Company have considered of the below factors and concluded the intangible asset shall not be recognized:

- (1) the Project is far from the completion;
- (2) there are technical issues of the sample;
- (3) The initial payment USD 2 million to licensor is not yet paid which is payable on the license effective date; and
- (4) The project has a risk of termination.

Save as disclosed above, the Board confirms that all information in the Announcements remains unchanged. This announcement is supplemental to and should be read in conjunction with the Announcements.

By Order of the Board
China NT Pharma Group Company Limited
Ng Tit
Chairman

Hong Kong, 9 October 2024

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors

Mr. Ng Tit (*Chairman*)
Ms. Ng Anna Ching Mei

Non-executive Director

Dr. Qian Wei
Ms. Chin Yu

*Independent Non-executive
Directors*

Mr. Yu Tze Shan Hailson
Mr. Ng Ming Kwan
Dr. Zhao Yubiao