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華億金控集團有限公司
SINOFORTUNE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08123)

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO A DISCLOSEABLE TRANSACTION

Reference is made to the announcement (the “**Announcement**”) of Sinofortune Financial Holdings Limited dated 9 September 2019 relating to the Group’s investment in the Limited Partnership and the change of use of proceeds raised from the Subscription. Unless the context otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, on 9 September 2019 (after trading hours), Shenzhen Huayi Biotechnology, a direct wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with the General Partner.

The Company would like to provide further information on certain matters relating to the Limited Partnership Agreement, the Limited Partnership and the General Partner.

INFORMATION ON THE INVESTMENT MANDATE TO THE EXECUTIVE PARTNER

As disclosed in the Announcement, the Executive Partner of the Limited Partnership, who being the General Partner, shall use its best efforts to act in good faith to operate the Limited Partnership and will solely be responsible for the day-to-day management and operation of the Limited Partnership.

The Executive Partners is given a mandate (the “**Investment Mandate**”) by the Limited Partnership on the investment principles for it to conduct investments on new medicine development projects on behalf of the Limited Partnership (the “**Underlying Projects**”). Set out below is a summary of the Investment Mandate:–

No.	Subject	Principles
1.	Purpose	: To achieve satisfactory economic returns for the Partners through a portfolio investments
2.	Scope of investment	: the innovative medicine development projects in the pharmaceutical market and those companies and teams with similar operation
3.	Investment strategy	: Adopting a lower-risk investment principle and by using the experience of the Executive Partner in new medicine development projects to select projects that have the potential to obtain permission to enter into the IND clinical trials stage to invest and by supporting the projects to successfully obtain the IND clinical trials stage permission to enhance the value of the projects
4.	Form of investment	: Either solely or jointly with other parties and by means of shareholdings, debt or convertible debt investments
5.	Investment cycle	: Not more than 5 years
6.	Other investments	: If the Executive Partner wants to make investments that are outside the Investment Mandate, it may do so by setting out the reasons for the investment decision including the benefits and earnings that could be brought to the Limited Partnership within 30 days prior to making the relevant decision
7.	Review	: The scope of investment and the investment strategy of the Investment Mandate shall be reviewed and discussed by all the Partners by every 12 months at the partners’ meeting of the Limited Partnership
8.	Modification	: The Investment Mandate may be modified by the Partners with the consent of more than 50% of the Paid Capital Contributions

No investment committee was set up for the Limited Partnership and the Executive Partner is solely responsible for all the decisions on the investments on the Underlying Projects in accordance with the Limited Partnership Agreement and the Investment Mandate.

INFORMATION ON THE UNDERLYING PROJECTS OF THE LIMITED PARTNERSHIP

To the best of the knowledge, information and belief of the Company as advised by the Executive Partner, the Executive Partner is currently engaged in negotiations to acquire four Underlying Projects from a large pharmaceutical company in the PRC. Set out below are brief descriptions of the varieties and current stages of development of the new medicines under the four Underlying Projects as well as the estimated time for them to obtain IND clinical trials permissions from the NMPA.

No.	Variety	Current Stages	Estimated time to obtain IND clinical trials permission
1.	Lung cancer adjuvant treatment medicine	In pre-IND clinical trials development stage	2nd quarter of 2020
2.	Multiple types of tumor treatment medicine	In PCC research and development stage	2021
3.	Rectal cancer adjuvant treatment medicine	In PCC research and development stage	2021
4.	Multiple types of tumor adjuvant treatment medicine	In PCC research and development stage	2021

The Board wishes to emphasize that the acquisitions of the abovementioned Underlying Projects may or may not materialised, Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement will be made by the Company relating to the acquisition of the Underlying Projects in accordance with the GEM Listing Rules as and when appropriate.

FURTHER INFORMATION ON THE GENERAL PARTNER

To the best of the knowledge, information and belief of the Company, after having made all reasonable enquiries, the General Partner is 99% ultimately owned by Jiang Ning (姜寧), the general manager of the General Partner and 1% ultimately owned by Jiang Shoujian (蔣守建) and both of them are Independent Third Parties.

It was disclosed in the Announcement by the Company of three of the investment programmes involved or conducted by members of the senior management of the General Partner of which one is related to new medicines under research and development. The Company wishes to further disclose that according to the information provided by the General Partner although there is only one investment programme within the portfolio that has direct relationship with the new medicine development (“**Investment Programme 3**”), the Company was informed by the General Partner that apart from Investment Programme 3, members of its senior management had experiences of evaluating three potential investment programmes relating to new medicine or medical devices development relating to (a) stroke rehabilitation treatment equipment development, (b) visual urine, uric acid and enzymology rapid test equipment and (c) hypolipidemic medicine develop from artemisia annua and out of these four potential investment programmes, they have only selected Investment Programme 3 that was considered as having potential value to justify investing therein.

The Company wishes to further disclose that Professor Wei Yuquan (魏于全教授) had been appointed as the director of the State Key Laboratory of Biotherapy of Sichuan University (四川大學生物治療國家重點實驗室) (“**SKLBSU**”) for almost 15 years. SKLBSU was established by the Ministry of Sciences and Technology in China in 2005, and became one of the national research and development platforms for new medicines jointly founded by the Ministry of Sciences and Technology and the Ministry of Public Health. During the time that Wei is with SKLBSU, he has participated in many new medicine development programmes. Wei has entered into an engagement agreement with the General Partner to serve as the Chief Scientist of the General Partner for a term of 5 years from August 2019.

The Board is of the view that, although only one of the three new medicines under research and development under Investment Programme 3 has reached the IND clinical trials stage which has not yet been commercialized nor successfully exited, the decision of investing in the Limited Partnership to team up with the General Partner was made on the basis and consideration of the combined backgrounds and experiences of the senior management team of the General Partner and in particular on their experiences and abilities to identify new medicine development projects for investment or acquisition by the Limited Partnership as Underlying Projects that are likely to progress to the IND clinical trials stage and it is the assessment and belief of the Board that the Group will benefit on the experiences and abilities of the General Partner in the Limited Partnership.

THE LIMITED PARTNERSHIP AGREEMENT

It was disclosed by the Company in the Announcement under the heading “Profit and Loss Sharing” that losses incurred by the Limited Partnership due to investments in projects shall be borne by all Partners in proportion to their respective percentage of contribution in the Limited Partnership. The other losses incurred by the Limited Partnership shall be borne by all Partners in proportion to their respective Paid Capital Contributions. The Company wishes to clarify that the phrase “percentage of contribution in the Limited Partnership” used in the context has the same meaning as “Paid Capital Contributions”.

WARNING

The Board wishes to emphasize that the acquisitions of the abovementioned Underlying Projects may or may not materialised, Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement will be made by the Company relating to the acquisition of the Underlying Projects in accordance with the GEM Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Announcement”	The announcement of the Company dated 9 September 2019 relating to the Group’s investment in the Limited Partnership and the change of use of proceeds raised from the Subscription
“Investment Mandate”	The investment mandate given by the Limited Partnership to the Executive Partner on the investment principles for conducting investments on Underlying Projects
“NMPA”	國家藥品監督管理局 (transliterated as National Medical Products Administration)

“PCC”	Preclinical candidate compound, means a newly developed compound that meets the standard to qualify as a candidate for selection to proceed to the IND clinical trial stage of new medicine development
“SKLBSU”	四川大學生物治療國家重點實驗室 (transliterated as State Key Laboratory of Biotherapy of Sichuan University)
“Underlying Project(s)”	the new medicine development project(s) that the Limited Partnership may invest into

By order of the Board
Sinofortune Financial Holdings Limited
Wang Jiawei
Chairman

Hong Kong, 17 September 2019

As of the date of this announcement, the executive Directors are Mr. Wang Jiawei and Ms. Lai Yuk Mui, the non-executive Directors are Mr. Liu Runtong and Mr. James Beeland Rogers Jr. and the independent non-executive Directors are Professor Zhang Benzhen, Mr. Li Jianxing and Professor Chen Shu Wen.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of GEM of the Stock Exchange at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at <http://www.sinofortune.hk>.