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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)

BUSINESS UPDATE
IN RELATION TO THE LIMITED PARTNERSHIP

This announcement is made by Sinofortune Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the announcement of the Company dated 9 September 2019 and the supplemental announcement of the Company dated 17 September 2019 (collectively the “**Announcements**”) relating to a discloseable transaction of the Company whereby Shenzhen Huayi Biotechnology, a direct wholly-owned subsidiary of the Company, as the Limited Partner entered into the Limited Partnership Agreement with the General Partner to form the Limited Partnership. Unless the context otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

BUSINESS UPDATE OF THE LIMITED PARTNERSHIP

It was disclosed in the Announcements that the Limited Partnership was formed between the Limited Partner and the General Partner with the intention to concentrate on the investment of new medicine development projects in PRC and the Executive Partner would be solely responsible for the day-to-day management and operation of the Limited Partnership and the financial results of the Limited Partnership would not be consolidated into the Group’s financial statements.

The purpose of this announcement is to provide the Shareholders and potential investors of the Company with information of the latest business development of the Limited Partnership.

The Group was informed by the Executive Partner that on 28 September 2019, Chengdu Jia Bao Yao Yin, the 90% owned investment vehicle of the Limited Partnership, entered into a joint development agreement (“**JDA**”) with WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司) (“**WXAT Shanghai**”) to co-operate in the joint development of three new medicines.

THE JDA

The Executive Partner has advised the Group that the terms and conditions of the JDA have been arrived at after arm’s length negotiations between Chengdu Jia Bao Yao Yin and WXAT Shanghai. Set out below is a summary of the JDA as advised by the Executive Partner to the Group.

The Projects

The JDA provides that WXAT Shanghai and Chengdu Jia Bao Yao Yin shall co-operate in the joint development of the following three new medicine development projects (collectively, the “**Projects**”):–

- (1) a new medicine in the treatment of lymphoma;
- (2) a new medicine in the treatment of cell tumors; and
- (3) a new medicine in the treatment of colorectal cancer.

Scope of the co-operation

WXAT Shanghai shall perform and complete the research and development works on the PCC and the IND stage in accordance with the regulations imposed by the National Medical Products Administration (國家藥品監督管理局) for the Projects to ensure the smooth applications for approvals for clinical trials of the new medicines under the Projects.

Chengdu Jia Bao Yao Yin shall pay WXAT Shanghai a fee for the right to jointly develop the three new medicines under the Projects which fee should also be applied as funds for the expenses required for the research and development of the three new medicines under the Projects within their expected development periods and Chengdu Jia Bao Yao Yin will participate with WXAT Shanghai to formulate a development plan for each of the three new medicines under the Projects and to supervise the implementation of those plans.

Estimated development periods for the Projects

The development periods under the Projects are expected to commence from 1 October 2019 to 30 March 2021. The development periods for the Projects may be extended by mutual agreements between Chengdu Jia Bao Yao Yin and WXAT Shanghai in the event of any delay caused by objective scientific technical reasons. WXAT Shanghai will be responsible for the expenses for the research and development of the three new medicines under the Projects in the extended development periods.

Risk and profit sharing of the Projects

WXAT Shanghai and Chengdu Jia Bao Yao Yin agreed that the Projects shall adopt the model of joint research and development, risk sharing and revenue sharing. Under the model, WXAT Shanghai and Chengdu Jia Bao Yao Yin will co-operate to formulate development plans for the three new medicines under the Projects and will jointly apply for governmental supports, subsidies and rewards and other preferential policies, for the research and development of the Projects. WXAT Shanghai and Chengdu Jia Bao Yao Yin will also co-operate to formulate commercialization plans including disposal or licensing for the three new medicines under the Projects and to publish the results and findings of the researches of the Projects on medical journals or publications jointly.

Chengdu Jia Bao Yao Yin shall own the intellectual property rights and application materials of the Projects and WXAT Shanghai is entitled to share the incomes generated from the results of the research and development of the Projects in accordance with the ratio agreed in the JDA.

INFORMATION ON WXAT SHANGHAI

To the best information, knowledge, and belief of the Directors, WXAT Shanghai is a wholly owned subsidiary of Wuxi Apptec Co., Ltd. (無錫藥明康德新藥開發股份有限公司) (“**WXPT**”), a joint stock company incorporated in PRC with limited liability, whose shares are listed on the main board of the Stock Exchange under stock code: 2359. WXPT is headquartered in Shanghai, PRC and is a leading global pharmaceutical research and development services platform that provides comprehensive and integrated research and manufacturing services throughout the discovery, development and manufacturing spectrum for small molecule drugs and it also provides development and manufacturing services for cell and gene therapies as well as testing services for medical devices. WXAT Shanghai is a company established in Shanghai, PRC that provides small molecule drug discovery and research services and possesses registration proof of Shanghai Pathogenic Microorganism Laboratories, license for use of laboratory animals and radiation safety permit.

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, WXAT Shanghai and WXAT and their respective associates are Independent Third Parties.

BUSINESS IMPACT AND RISK OF THE PROJECTS TO THE LIMITED PARTNERSHIP

The Limited Partner considers that by entering into the JDA with WXAT Shanghai, it will give the Limited Partnership the opportunity to co-operate with one of the leading global pharmaceutical research and development services group in jointly participate in new medicine development projects to seek scientific solutions for human tumors in the promotion of betterment of human health and life that would lay the foundation in the field of anti-tumor new medicines development projects for the Limited Partnership in the future, however, given the characteristics of long cycle and high investment and risk in projects for research and development of new medicines, the Limited Partner considers that the Projects will also involve uncertainty and risks and there is no guarantee that the Projects or any one of them will be successful.

WARNING

The Board wishes to emphasize that the business of new medicines development projects such as the Projects will involve uncertainty and risks and there is no guarantee that the Projects or any one of them will be successful, Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 15 October 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>.