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吉林省輝南長龍生化藥業股份有限公司

Jilin Province Huinan Changlong Bio-pharmacy Company Limited

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8049)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

On 19 September 2021, Jilin Province Huinan Changlong Bio-pharmacy Company Limited (the “**Company**”) and Jilin Province Chunjia Real Estate Development Co., Ltd. (吉林省春佳房地產開發有限公司) (“**Chunjia Real Estate**”) entered into the Loan Agreement, pursuant to which the Company has agreed to provide a secured loan in the principal amount of RMB70,000,000 to Chunjia Real Estate for a term of one (1) year.

As one or more of the applicable percentage ratios under Rule 19.07 of the Listing Rules in respect of the amount of financial assistance granted to Chunjia Real Estate exceeds 5% but is less than 25%, the Loan granted under the Loan Agreement constitute a discloseable transaction for the Company under Chapter 19 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

On 19 September 2021, the Company and Chunjia Real Estate entered into the Loan Agreement, pursuant to which the Company has agreed to provide a secured loan in the principal amount of RMB70,000,000 to Chunjia Real Estate for a term of one (1) year.

THE LOAN AGREEMENT

Principal amount of the Loan	:	RMB70,000,000
Date of drawdown	:	RMB70,000,000 shall be transferred to Chunjia Real Estate before 30 September 2021
Interest rate	:	4% per annum, payable in full at the end of the term of the Loan together with the repayment of the Loan
Term	:	One (1) year from the date of transferred
Security	:	Chunjia Real Estate shall pledge a total of 34 sets of its own commercial premises, with an area of 6,787.6 square meters, at an average unit price of RMB10,500 per square meter and a total value of approximately RMB71,269,800, as a security for the Loan to be repaid to the Company.
Early repayment	:	If Chunjia Real Estate repays the principal amount of the Loan in advance, interest will be accrued to the date of repayment

The terms of the Loan Agreement were arrived at after arm's length negotiations amongst the Company and Chunjia Real Estate with reference to commercial practice, funding requirement of Chunjia Real Estate and the costs of funds of the Group.

FUNDING OF THE LOAN

The Group will finance the Loan by internal resources.

INFORMATION ON THE PARTIES

The Company is principally engaged in the manufacture and distribution of Chinese medicines and pharmaceutical products in the PRC under the brand names of Changlong (長龍) and Qing Tong (清通).

Chunjia Real Estate is a company established in the PRC. It is principally engaged in real estate development.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Chunjia Real Estate and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The terms of the Loan Agreement (including the interest) were negotiated on an arm's length basis between the lender and the borrower on normal commercial terms.

Having considered the financial background of the borrower and the stable interest income to be generated by the Company, the Directors are of the opinion that the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Loan granted under the Loan Agreement represents financial assistance (as defined in the Listing Rules) provided by the Company.

As one or more of the applicable percentage ratios under Rule 19.07 of the Listing Rules in respect of the principal amount of the financial assistance granted to Chunjia Real Estate exceeds 5% but is less than 25%, the Loan granted under the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Chunjia Real Estate”	Jilin Province Chunjia Real Estate Development Co., Ltd. (吉林省春佳房地產開發有限公司), a company established in the PRC, being the borrower under the Loan Agreement
“Company”	Jilin Province Huinan Changlong Bio-pharmacy Company Limited, a joint stock limited company established in the PRC, the Shares of which are listed on the GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“Loan”	a secured loan in the principal amount of RMB70,000,000 to be provided by the Company to Chunjia Real Estate under the Loan Agreement
“Loan Agreement”	a loan agreement dated 19 September 2021 entered into between the Company and Chunjia Real Estate in relation to the Loan
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“Shares”	the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Jilin Province Huinan Changlong Bio-pharmacy Company Limited
Zhang Hong
Chairman

Tonghua, Jilin Province, the PRC

19 September 2021

As at the date of this announcement, the Board comprises six executive directors, being Zhang Hong, Zhang Xiao Guang, Zhao Bao Gang, Wu Guo Wen, Zhang Yi and Xu Xiang Fu and two independent non-executive directors, being Gao Qi Pin and Tian Jie.

This announcement, for which the directors of Jilin Province Huinan Changlong Bio-pharmacy Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange for the purpose of giving information with regard to Jilin Province Huinan Changlong Bio-pharmacy Company Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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