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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)

SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the annual report of Jilin Province Huinan Changlong Bio-pharmacy Company Limited for the year ended 31 December 2019 (the "**2019 Annual Report**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2019 Annual Report.

In addition to the information disclosed in the section "Management Discussion and Analysis – Business Review – Investments in wealth management products", the Board would like to provide the following additional information pursuant to Rule 18.41(4A) of the GEM Listing Rules in relation to the significant investment of the Group held as at 31 December 2019:

As at 31 December 2019, the Company held Wealth Management Products totalling approximately RMB683,483,000. Information of the Wealth Management Products held by the Company as at 31 December 2019 is stated as follows:

Name of the issuer of the wealth management products (the "Issuers")	**Name of the wealth management products**	**Expected annualized return rate**	**Initial investments cost** *(RMB'000)*	**Unrealised gains on fair value change for the year ended 31 December 2019** *(RMB'000)*	**Fair value as at 31 December 2019** *(RMB'000)*	**Percentage to the Group's total assets as at 31 December 2019**
Industrial and Commercial Bank of China	"Ru Yi Ren Sheng V" 24 Weeks Wen Li RMB wealth management product (「如意人生 V」24周穩利人民幣理財產品) ICBC principal guaranteed "Free e" corporate account extension wealth management product (工商銀行保本「隨心E」法人拓戶理財產品) "Ri Sheng Yue Heng" return ascending corporate RMB wealth management product (「日升月恒收益遞增型法人」人民幣理財產品)	3.30% to 3.85%	170,000	1,408	171,408	10.25%
Agricultural Bank of China	"Jin Ya Shi • An Xin Kuai Xian" RMB wealth management product (「金鑰匙 • 安心快線」人民幣理財產品) "Ben Li Feng Tian Tian Li " RMB wealth management product (「本利豐天天利」人民幣理財產品)	3.00% to 3.65%	110,000	2,648	112,648	6.74%

Name of the issuer of the wealth management products (the "Issuers")	Name of the wealth management products	Expected annualized return rate	Initial investments cost *(RMB'000)*	Unrealised gains on fair value change for the year ended 31 December 2019 *(RMB'000)*	Fair value as at 31 December 2019 *(RMB'000)*	Percentage to the Group's total assets as at 31 December 2019
China Construction Bank	"Qian Yuan – Ri Xin Yue Yi" open-ended portfolio product (乾元－日鑫月溢開放組合產品)	3.70%	65,000	1,174	66,174	3.96%
Bank of China	RMB "An Qi Kai Fang" wealth management product (人民幣「按期開放」理財產品)	2.95% to 3.55%	220,000	1,240	221,240	13.24%
Bank of Jilin	"Jiri Zeng Li Xilie" RMB wealth management product (「吉日增利系列」人民幣機構理財產品)	4.00%	30,000	23	30,023	1.8%
Postal Saving Bank of China	"Cai Fu Xin Xin Xiang Rong" RMB wealth management product (中國郵政儲蓄銀行財富鑫鑫向榮人民幣理財產品)	3.80% to 4.10%	80,000	1,990	81,990	4.91%
	"You Yin Cai Zhi • Sheng Shi" RMB wealth management product (中國郵政儲蓄銀行郵銀財智•盛勢人民幣理財產品)					
Total			675,000	8,483	683,483	

As at 31 December 2019, the unrealised gains on fair value change by the Group from the wealth management products as set out above amounted to approximately RMB8,483,000.

The Issuers are licensed banks in the PRC, which are principally engaged in the provision of corporate and personal banking and other financial services in the PRC.

As disclosed in the 2019 Annual Report, the subscriptions of Wealth Management Products were carried out by the Group for treasury management purpose in order to maximize the utilization of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a low level of risks. Taking into account of, among others, the low level of risks and the expected rates of return, the Group considers that the subscriptions will provide the Group with better returns than the returns on deposits generally offered by commercial banks and increase the Group's overall earnings in the long run. The Group will monitor and manage the subscriptions more closely and effectively. As at 31 December 2019, the Group did not experience any losses on the wealth management products. Further, the subscriptions were funded by the surplus cash of the Company and are redeemable on demand or highly liquid, therefore they would not affect the working capital or the operation of the Group. As such, the Directors are of the view that the subscriptions are fair and reasonable and in the interests of the Group and the Shareholders as a whole. The Group will continue to seek opportunities in utilising its idle cash by investing in appropriate Wealth Management Projects.

Save as disclosed, there were no other significant investments held during the period under review.

The above additional information does not affect other information contained in the 2019 Annual Report and save as disclosed above, all other information in the 2019 Annual Report remains unchanged.

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

Jilin Province, the PRC
23 December 2020

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 three independent non-executive directors, being Gao Yong Cai, Gao Qi Pin and Tian Jie.

This announcement, for which the directors of the 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 of Hong Kong Limited 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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