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GOLDEN FAITH GROUP HOLDINGS LIMITED

高豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2863)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION – ACQUISITION OF THE TARGET RIGHTS AND ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

Reference is made to the announcement (the “**Announcement**”) of Golden Faith Group Holdings Limited (the “**Company**”) dated 20 October 2020 in relation to, among other things, the acquisition of the target rights of a drug and issue of consideration shares. Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Board would like to provide the following additional information in relation to (1) the basis of determining the Acquisition Consideration; and (2) information on the Vendor.

ACQUISITION CONSIDERATION

As set out in the Announcement, the Acquisition Consideration was determined between the Purchaser and the Vendor based on normal commercial terms on an arm’s length basis, with reference to the values of development and distribution rights of other similar drugs and the Vendor’s estimation of the future development of the Drug. The Directors have considered a few biomedical projects with similar drugs in the market and opine that the valuation of the new drug is reasonable, and have also obtained advices from registered valuer who confirms the valuation approach being reasonable.

The Board would like to clarify that the Acquisition Consideration was determined based on arm’s length negotiations between the parties to the Acquisition Agreement, having considered the followings:

- (i) The Drug has been recognised worldwide with registered patents. The Drug has been approved by FDA in USA to enter into clinical trial Phase II in 2020. In addition, due to the new reform measures of the Chinese authority in the year of 2020, which has stated that the Chinese authority would recognise the clinical trial data of new drugs collected from major foreign developed countries including countries in Europe, USA and Japan. The Vendor's estimation of the future development of the Drug is optimistic.
- (ii) values of the development and distribution rights of three similar drugs in Phase II clinical trials for curing one single type of cancer by companies listed on the Stock Exchange ranging from approximately HK\$28.0 million to approximately HK\$474.3 million which have been adjusted for Greater China Region distribution. The Drugs that has been in clinical trial Phase II in the USA in 2020 for curing two types of cancers including prostate cancer and mesothelioma; and
- (iii) the Company's discussion with an independent registered valuer Ascent Partners Valuation Service Limited, among other things, the Company's approach of comparison of values of the development and distribution rights of similar drugs is one of the commonly adopted valuation approaches under normal market practice for valuing similar assets and Company's adoption of the methodology is consistent with normal market practice for valuation of similar assets.

INFORMATION ON THE VENDOR

As set out in the Announcement, the Vendor is a wholly-owned subsidiary of EPS EKISHIN Co., Ltd, and its ultimate holding company is EPS Holdings, Inc. which is a company listed in Tokyo Stock Exchange, First Section (security code: 4282), with prestige shareholders, including international investment bank, the biggest drugs logistics company in Japan, Japanese Banks and insurance company. EPS Holdings, Inc. provides a wide range of Contrast Research Organisation (CRO), Site Management Organization (SMO), Contract Sale Organization (CSO), and after related services for pharmaceutical and medical device development in Japan and Asia. It is a full services provider of optimized pharmaceutical solution in the health industry.

EPS EKISHIN Co., Ltd is owned as to 65% by EPS Holdings, Inc. and 35% by Suzuken Co., Ltd which is a company listed in Tokyo Stock Exchange, First Section (security code: 9987).

Completion of the Acquisition is subject to the fulfillment of the conditions precedent set out in the Acquisition Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Golden Faith Group Holdings Limited
Li Kar Fai, Peter
Executive Director

Hong Kong, 26 October 2020

As at the date of this announcement, the executive Directors are Mr. Ko Chun Kay Kelvin and Mr. Li Kar Fai, Peter; the non-executive Directors are Mr. Yung On Wah and Ms. Wong Cheuk Wai Helena and the independent non-executive Directors are Mr. Chan Cho Chak, Mr. Chan Wing Fai, and Mr. Yeung Wai Lung.