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## **Sinopharm Tech Holdings Limited**

**國藥科技股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8156)**

### **VOLUNTARY ANNOUNCEMENT IN RELATION TO A MEMORANDUM OF STRATEGIC COOPERATION WITH LEE FONG SUPERMARKET COMPANY LIMITED**

This announcement is made by Sinopharm Tech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

The board of directors (the “**Board**”) of the Company is pleased to announce that, as of the date of this announcement, a subsidiary of the Company has signed a memorandum of strategic cooperation agreement (the “**Strategic MOU**”) with Lee Fong Supermarket Company Limited (“**Lee Fong Supermarket**”). According to the Strategic MOU, the Group will take advantage of its extensive smart supply chain management and precise interactive marketing technology to accommodate with Lee Fong Supermarket which is rooted in Macau and possesses extensive offline operation experiences and comprehensive store networks. Both parties make use of their own advantages to jointly further upgrade and transform operation and management of online and offline smart stores and stores under shop-in-shop model. The Strategic MOU is to define the cooperation relationship and development direction. The term of the Strategic MOU is three years. The relevant parties will separately enter into further specific cooperation agreements when further detailed terms of cooperation are reached between the parties.

To the best of the directors’ knowledge, information and belief having made all reasonable enquiries, Lee Fong Supermarket is independent of and not connected with the Company and its core connected person (as defined in the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The Board considers that the Strategic MOU was entered into in the ordinary course of business of the Company and on normal commercial terms after arm's length negotiation.

## **FORMS OF STRATEGIC COOPERATION**

The Group and Lee Fong Supermarket will jointly upgrade and transform the retail stores or shops of Lee Fong Supermarket in accordance with online-offline smart stores or shop-in-shop models, and select an appropriate timing to work together on online sales channels expansion.

## **THE MAJOR DUTIES OF EACH PARTY UNDER THE STRATEGIC MOU**

### Major duties of the Group

Completes the establishment of platform based on "Internet Plus" technique and technology, to ensure the completion of upgrade and transform of Lee Fong Supermarket offline smart physical retail stores, and guides the relevant operations of smart retail stores; and provides Lee Fong Supermarket with reliable product supply channels and analyzes data of product sales.

### Major duties of Lee Fong Supermarket

To be responsible for providing its supermarkets as offline smart physical retail stores for upgrade and transformation, and plan all operation issues related to local smart retail stores and receives feedback from the Group on the data collected by the actual operation system for the upgrade and reform of the smart retail stores, and actively improves based on real-time status.

## **REASONS FOR AND BENEFITS OF SIGNING THE STRATEGIC MOU**

The model from online to offline has become the major development trend for the current "Internet Plus" industry. This strategic cooperation further verifies that the Group has continuously made its steps towards the upper-stream and downstream industry chain in the "Internet Plus" business.

The smart retail under the Group's "Internet Plus Health" solutions provides products and services to end customers through on-going cooperation with different online and offline channels, so as to provide and create income sources with promising growth for the Group.

For the upper and downstream supply chain, the Group has formed a stable supply relationship with Lung Fung Group Limited in Hong Kong and other renowned upper stream suppliers. For downstream, the Group currently commences new cooperation with Lee Fong Supermarket, a large-scale offline supermarket chain group in Macau, following its partnership with JD.com International Limited, a leading online internet company. The online E-commerce platform and the offline smart physical retail store complement each other to provide consumers with a

closed-loop for complete service. Meanwhile, the Group will apply “Internet Plus” technology in the whole supply chain, helping optimize the whole smart retail management procedure and effectively release the potential value of the traditional retail industry. Currently, the Group newly engages in the offline sales channels in Macau, which can lay a good foundation for future cooperation between online and offline channels.

The Board believes that with the extensive industrial experiences of the Group in “Internet Plus” piled up continuously in various market sectors, combining with its own solution technologies, business networks and resources acquired throughout long years, it prompts the Group to form a complete closed-loop in upper and downstream supply chain. In future development, the Group can collaborate with more diverse corporations to engage in a broader commercial products market on the existing base it endeavors to build, ultimately aiming to deliver the Group’s products and services to users through online and offline manners.

## **ABOUT THE GROUP**

The Group mainly provides lottery and “Internet Plus” solutions. With the advantage of an excellent R&D team and abundant industry experience, the Group has been applying the relevant “Internet Plus” solutions into multiple market segments, including public security, government affairs, leasing, health and lottery. The Group also possesses advantages in extensive experience in the field of lottery operation for many years and self-developed comprehensive solution to the lottery industry in the PRC. Meanwhile, the Group is also the priority strategic partner of Tencent Cloud Computing (Beijing) Company Limited on a nationwide basis in four specific market segments, namely government affairs, public security, health and lottery. The Group has signed a business cooperation agreement with Shenzhen branch of China UnionPay (中國銀聯股份有限公司深圳分公司) on nationwide authorization on the “Mobile QuickPass” (“雲閃付”) platform.

## **ABOUT LEE FONG SUPERMARKET**

Lee Fong Supermarket is a large-scale supermarket chain group based in Macau, which currently owns 9 supermarkets in Macau region. It principally engages in the operation of large-scale supermarket, wholesale, consumer products design and trading business. In the future, it will continue to scale up business in Greater Bay Area, refine supply chain system, ongoingly widen sales network and plan to establish large-scale integrated shopping malls, logistics, online-offline e-commerce and other one-stop services.

## **GENERAL**

The Board wishes to emphasize that the Strategic MOU merely defines the cooperation relationship and development direction between a subsidiary of the Company and Lee Fong

Supermarket. The terms of cooperation contemplated under the Strategic MOU are subject to the terms of any definitive agreements which the subsidiary of the Company and Lee Fong Supermarket may subsequently enter into from time to time. As at the date of this announcement, the subsidiary of the Company and Lee Fong Supermarket have not yet entered into any legally binding agreements in relation to any specific cooperation plans. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board  
**Sinopharm Tech Holdings Limited**  
國藥科技股份有限公司  
**CHAN Ting**  
*Executive Director and Chief Executive Officer*

Hong Kong, 12 November 2019

*As at the date of this announcement, the Board comprises Madam CHEUNG Kwai Lan, Mr. CHAN Ting as executive Directors, Mr. CHAN Tung Mei and Dr. CHENG Yanjie as non-executive Directors and Mr. YANG Qing Cai and Dr. LIU Ta-pei as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of its publication and on the website of the Company at [www.sinopharmtech.com.hk](http://www.sinopharmtech.com.hk).*