



# 金威医疗集团有限公司

Good Fellow Healthcare Holdings Limited

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

(Stock Code: 8143)

## THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

### CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement for which the directors (the “Directors”) of Good Fellow Healthcare Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.*

## HIGHLIGHTS

- The Group has recorded total turnover of approximately HK\$36.554 million for the nine months ended 31 December 2020 as compared to a total turnover of approximately HK\$135.970 million recorded in the corresponding period in 2019, representing a decrease of approximately 73.12%.
- Loss attributable to owners of the Company for the nine months ended 31 December 2020 was approximately HK\$15.880 million (2019: approximately HK\$6.556 million).
- Loss attributable to owners of the Company for the three months ended 31 December 2020 was approximately HK\$6.879 million (2019: approximately HK\$5.651 million).
- The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2020 (2019: Nil).

<sup>#</sup> *The English translation of Chinese name(s) in this announcement, where indicated, is included for information only, and should not be regarded as the official English name(s) of such Chinese name(s).*

## THIRD QUARTERLY RESULTS

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months and nine months ended 31 December 2020, together with the unaudited comparative figures for the corresponding periods in 2019 as follows:

### Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 31 December 2020

	Notes	Three months ended		Nine months ended	
		31 December		31 December	
		2020	2019	2020	2019
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Turnover</b>	3	<b>14,017</b>	35,187	<b>36,554</b>	135,970
Cost of sales		<u>(581)</u>	<u>(10,849)</u>	<u>(7,610)</u>	<u>(35,892)</u>
<b>Gross profit</b>		<b>13,436</b>	24,338	<b>28,944</b>	100,078
Other revenue and income		<b>940</b>	1,167	<b>4,799</b>	4,367
Gain on disposal of subsidiary		–	–	–	17,147
Selling and distribution expenses		<b>(5,059)</b>	(13,428)	<b>(11,225)</b>	(71,113)
Administrative expenses		<b>(23,170)</b>	(17,362)	<b>(47,186)</b>	(54,963)
<b>Loss from operations</b>		<b>(13,853)</b>	(5,285)	<b>(24,668)</b>	(4,484)
Finance costs		<b>2,653</b>	(68)	<b>(421)</b>	(340)
<b>Loss before taxation</b>		<b>(11,200)</b>	(5,353)	<b>(25,089)</b>	(4,824)
Taxation	4	–	(302)	–	(1,068)
<b>Loss for the period</b>		<b>(11,200)</b>	(5,655)	<b>(25,089)</b>	(5,892)
<b>Other comprehensive income, net of tax:</b>					
Exchange differences arising on translating foreign operations		<b>(583)</b>	3,491	<b>2,339</b>	(1,017)
<b>Total comprehensive loss for the period</b>		<b><u>(11,783)</u></b>	<b><u>(2,164)</u></b>	<b><u>(22,750)</u></b>	<b><u>(6,909)</u></b>

## Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 31 December 2020

	Notes	Three months ended		Nine months ended	
		31 December		31 December	
		2020	2019	2020	2019
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Loss for the period</b>					
<b>attributable to:</b>					
Owners of the Company		(6,879)	(5,651)	(15,880)	(6,556)
Non-controlling interests		(4,321)	(4)	(9,209)	664
		<u>(11,200)</u>	<u>(5,655)</u>	<u>(25,089)</u>	<u>(5,892)</u>
<b>Total comprehensive loss</b>					
<b>attributable to:</b>					
Owners of the company		(7,462)	(2,392)	(12,560)	(7,320)
Non-controlling interests		(4,321)	228	(10,190)	411
		<u>(11,783)</u>	<u>(2,164)</u>	<u>(22,750)</u>	<u>(6,909)</u>
<b>Dividends</b>	5	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loss per share attributable to</b>					
<b>the owners of the Company</b>					
- Basic (HK cents)	6	<u>(0.244)</u>	<u>(0.194)</u>	<u>(0.563)</u>	<u>(0.225)</u>
- Diluted (HK cents)		<u>(0.244)</u>	<u>(0.194)</u>	<u>(0.563)</u>	<u>(0.225)</u>

## Unaudited Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2020

	Share capital <i>HK\$'000</i> <i>(Note (a))</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i> <i>(Note (b))</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interest <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2019 (audited)	29,168	440,289	295,610	551	(31,315)	1,802	4,220	(608,667)	131,658	15,952	147,610
Loss for the period	-	-	-	-	-	-	-	(6,556)	(6,556)	664	(5,892)
Exchange difference on translating foreign operations	-	-	-	-	-	(3,372)	-	2,608	(764)	(253)	(1,017)
Total	-	-	-	-	-	(3,372)	-	(3,948)	(7,320)	411	(6,909)
Transfer to statutory reserve	-	-	-	-	-	-	(2,961)	-	(2,961)	-	(2,961)
At 31 December 2019 (unaudited)	<u>29,168</u>	<u>440,289</u>	<u>295,610</u>	<u>551</u>	<u>(31,315)</u>	<u>(1,570)</u>	<u>1,259</u>	<u>(612,615)</u>	<u>121,377</u>	<u>16,363</u>	<u>137,740</u>
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interest <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2020 (audited)	29,168	440,289	295,610	551	(31,315)	(3,081)	1,173	(654,970)	77,425	(5,658)	71,767
Loss for the period	-	-	-	-	-	-	-	(15,880)	(15,880)	(9,209)	(25,089)
Exchange difference on translating foreign operations	-	-	-	-	-	2,247	-	1,073	3,320	(981)	2,339
Total	-	-	-	-	-	2,247	-	(14,807)	(12,560)	(10,190)	(22,750)
Transfer to statutory reserve	-	-	-	-	-	-	380	-	380	-	380
At 31 December 2020 (unaudited)	<u>29,168</u>	<u>440,289</u>	<u>295,610</u>	<u>551</u>	<u>(31,315)</u>	<u>(834)</u>	<u>1,553</u>	<u>(669,777)</u>	<u>65,245</u>	<u>(15,848)</u>	<u>49,397</u>

### Notes:

- (a) As at 31 December 2020, the total issued share capital of the Company was approximately HK\$29.168 million (31 March 2020: approximately HK\$29.168 million) divided into 2,818,249,944 ordinary shares and 98,500,000 non-voting convertible preference shares (31 March 2020: 2,818,249,944 ordinary shares and 98,500,000 non-voting convertible preference shares) of HK\$0.01 each (31 March 2020: HK\$0.01 each).
- (b) As stipulated by the relevant People's Republic of China ("PRC") laws and regulations, the subsidiaries of the Company established in the PRC shall set aside 10% of its profit after taxation for the statutory surplus reserve fund (except where the reserve balance has reached 50% of the subsidiaries' paid-up capital). The reserve fund can only be used, upon approval by the Board and by the relevant authority, to offset accumulated losses or increase capital.

# NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

*For the three months and nine months ended 31 December 2020*

## 1. Corporate Information

The Company was incorporated in the Cayman Islands on 28 May 2001 as an exempted company with limited liability. The shares of the Company are listed on GEM. The registered office of the Company is at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KYI-1103, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is located at Unit 3309, 33rd Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company, and the functional currency of most of its subsidiaries is Renminbi (“**RMB**”). The Directors considered that it is more appropriate to present the condensed consolidated financial statements in HK\$ as the shares of the Company are listed on GEM. The unaudited condensed consolidated financial statements are presented in thousands of units of HK\$ (HK\$’000), unless otherwise stated.

The Company acts as an investment holding company while its subsidiaries are principally engaged in the provision of general hospital services in the PRC.

## 2. Basis of preparation and principal accounting policies

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2020 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which is a collective term that includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (the “**Interpretations**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial results have been prepared under the historical cost convention except for certain financial assets and investment properties that are measured at fair value. Historical cost is generally based on the fair value of the consideration of given in exchange of assets.

The accounting policies adopted in preparing the unaudited condensed consolidated financial results for the nine months ended 31 December 2020 are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2020 (the “**2019/2020 Financial Statements**”), except for the new and revised standards, amendments and interpretations of HKFRSs (“**new and revised HKFRSs**”) issued by HKICPA which have become effective in this period as detailed in notes to the 2019/2020 Financial Statements. The Directors believe that the application of these new and revised HKFRSs has no material impact on the amounts reported and disclosures set out in these unaudited condensed consolidated financial results.

### 3. Turnover

Turnover represents the provision of general hospital services during the period. The analysis of the Group's revenue for the period is as follows:

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Turnover</b>				
Provision of general hospital services	<u>14,017</u>	<u>35,187</u>	<u>36,554</u>	<u>135,970</u>

### 4. Taxation

No provision for Hong Kong profits tax has been made in the financial statements as the Group had no assessable profits derived from Hong Kong's operations during the period (2019: Nil).

Corporate income tax of approximately 25% has been provided for the profit generated from provision of general hospital services in the PRC (2019: approximately 25%).

### 5. Dividends

The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2020 (2019: Nil).

### 6. Loss per share

The calculation of basic loss per share for the three months ended 31 December 2020 was based on the loss attributable to owners of the Company of approximately HK\$6.879 million (2019: approximately HK\$5.651 million) and on the weighted average number of ordinary share of approximately 2,818,249,944 shares (2019: 2,818,249,944 shares).

The calculation of basic loss per share for the nine months ended 31 December 2020 was based on the net loss attributable to owners of the Company of approximately HK\$15.880 million (2019: approximately HK\$6.556 million) and on the weighted average number of ordinary shares of approximately 2,818,249,944 shares (2019: 2,818,249,944 shares).

Diluted loss per share was calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the three months and nine months ended 31 December 2020, the Company had a category of dilutive potential ordinary shares: share options. For the three months and nine months ended 31 December 2020 and 2019, the calculation of diluted earnings per share did not assume the exercise of the convertible note existed at 31 December 2020 and 2019 as the exercise of the convertible note would increase earnings per share, therefore anti-dilutive.

For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding shares options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	<b>Three months ended 31 December 2020 HK\$'000 (Unaudited)</b>	<b>Nine months ended 31 December 2020 HK\$'000 (Unaudited)</b>
Loss attributable to owners of the Company		
– Loss for the purpose of diluted earnings per share	<u>(6,879)</u>	<u>(15,880)</u>
Weighted average number of ordinary shares in issue	2,818,249,944	2,818,249,944
Adjustments for assumed exercise of share options	<u>–</u>	<u>–</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>2,818,249,944</u>	<u>2,818,249,944</u>
	<b>Three months ended 31 December 2020</b>	<b>Nine months ended 31 December 2020</b>
– Basic ( <i>HK cents</i> )	<u>(0.244)</u>	<u>(0.563)</u>
– Diluted ( <i>HK cents</i> )	<u>(0.244)</u>	<u>(0.563)</u>



# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Review

For the nine months ended 31 December 2020 (the “**period under review**”), the Group recorded a turnover on business operations of approximately HK\$36.554 million (2019: approximately HK\$135.970 million), representing a decrease of approximately 73.12% compared to the same period last year. The decrease was mainly related to the disposal of Jiaxing City Shuguang Western and Chinese Composite Hospital Company Limited (the “**Jiaxing Hospital**”).

Selling and distribution expenses for the period under review amounted to approximately HK\$11.225 million (2019: approximately HK\$71.113 million), representing a decrease of approximately 84.22% compared to the same period last year. The decrease was due to the disposal of the Jiaxing Hospital.

Administrative expenses amounted to approximately HK\$47.186 million (2019: approximately HK\$54.963 million), decreased by approximately 14.15%. The decrease was due to the disposal of the Jiaxing Hospital.

The Group recorded a loss attributable to owners of the Company of approximately HK\$15.880 million for the period under review (2019: approximately HK\$6.556 million). The loss attributable to owners of the Company for the three months ended 31 December 2020 was approximately HK\$6.879 million (2019: attributable to owners approximately HK\$5.651 million).

## Business Review and Outlook

### *General hospital services*

During the nine months ended 31 December 2020, the Group operated two general hospitals in Putian and Beijing (2019: Jiaxing and Beijing), principally engaged in the provision of general hospital services including but not limited to medical wards, surgical wards, medical checkup and examination. The total turnover contributed by these general hospitals for the nine months ended 31 December 2020 was approximately HK\$36.554 million (2019: approximately HK\$135.970 million), representing a decrease of approximately 73.12% compared to the same period last year.

## **Future Prospects**

The COVID-19 has significantly changed the landscape of healthcare in the world, especially in China where a comprehensive healthcare system is still being built to deal with both chronic and acute diseases and the unexpected outbreak of public health pandemics. To focus on a shortage of effective healthcare resources in the country is considered as one of the key tasks in the newly released “14th Five Year Plan”. While 2020 has achieved the major healthcare targets set out 5 years ago, 2021 will be marked as the first year of the next five year plan to continue to improve China’s multi-tier medical service provision system. The needs for more high quality private hospitals, more smart medical technologies, and the more preventive disease prevention measure are increasing to satisfy the fast growing demands from the public. Those increasing demands are the driving forces to improve and to expand the existing healthcare infrastructures, including hospitals, clinics and testing facilities across the country. The Company has realized that the healthcare industry shows more potential for both financial and technological investments in the country in accordance with the economic and social targets of the country as indicated in the new five year plan. As such, the management foresees more opportunities to expand our services through the general and specialized medical models and is confident that the Group is well poised to take advantage of the favorable situations in the country.

The company will take the advantage of its well established extensive international collaboration with the world leading medical institutions and service organizations to adopt new approaches to treating acute and chronic diseases, ultimately introducing more advanced and affordable service delivery models. While our hospitals are adapting the new rules required by the pandemic to ensure the safety of our patients and staff, we will continue to focus on the introduction of new treatment model for diabetes, and other chronic diseases as well as the provision of the services of other specialized medicines. Our existing hospitals will continue to improve the quality of services and introduce the new medical technologies in the local market. The Group is confident to explore more opportunities in 2021 as the first year of the “14th Five Year Plan”, and will continue to allocate more resources to further strengthen our capabilities and positions in the local markets in 2021.

## **Dividends**

The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2020 (2019: Nil).

## Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

### *Subscription of shares in Edinburgh International*

On 5 October 2020, Sino Business Investment Development Limited (“**Sino Business**”), an indirect wholly-owned subsidiary of the Company, executed the subscription letter dated 5 October 2020 in favour of Edinburgh International Investments Ltd. (“**Edinburgh International**”), an indirect non wholly-owned subsidiary of the Company, pursuant to which Sino Business subscribed for 96 subscription shares, representing 24% of the issued share capital of Edinburgh International as enlarged by the allotment and issue of the subscription shares, at the subscription price of RMB114,218.75 (equivalent to approximately HK\$130,209.38) per subscription share. The total consideration payable for the subscription was RMB10,965,000 (equivalent to approximately HK\$12,500,100).

Completion of the subscription took place on the same date, the shareholding interest of Sino Business in Edinburgh International increased from 51% to 75%.

For more details, please refer to the announcement of the Company dated 5 October 2020.

Save as disclosed, during the period under review, the Group did not have any material acquisitions and disposal of subsidiaries, associates or joint ventures.

### **COOPERATION FOR THE OPERATION OF THE INTERNATIONAL DIABETES CENTER IN HAINAN, THE PRC**

Reference is made to the annual report of the Company for the year ended 31 March 2020. On 3 November 2019, a PRC investment company (the “**PRC Investor**”), a PRC hospital operator (the “**PRC Hospital**”) and Edinburgh International, an indirect non wholly-owned subsidiary of the Company, entered into the letter of intent in relation to the cooperation (the “**Cooperation**”) for the establishment of an international diabetes center (the “**International Diabetes Center**”) in Hainan, the PRC, being the clinical services pilot project for sino-foreign collaborative International Diabetes Center, which aims to introduce clinical proof diabetes diagnosis and treatment technology from international experience to provide diabetes diagnosis and treatment programme in the PRC, in order to attract patients to the Boao Lecheng International Medical Tourism Pilot Zone# (博鰲樂城國際醫療旅遊先行區) to enjoy medical tourism services.

On 31 July 2020, the PRC Investor and Edinburgh International Hospital Management (Shenzhen) Co. Ltd.# (愛丁堡國際醫院管理(深圳)有限公司) (“**Edinburgh Hospital Management**”), a wholly-owned subsidiary of Edinburgh International, entered into a cooperation agreement, pursuant to which, among others, the PRC Investor has agreed to provide funding for the operation of the International Diabetes Center that will be operated by Edinburgh International Diabetes (as defined below) in Hainan, and Edinburgh Hospital Management has agreed to, or procure its wholly-owned subsidiary to, enter into a separate cooperation agreement with the PRC Hospital.

On 5 August 2020, the PRC Hospital and Edinburgh International Diabetes Hospital (Hainan) Co. Ltd.# (愛丁堡國際糖尿病醫院(海南)有限公司) (“**Edinburgh International Diabetes**”), a wholly-owned subsidiary of Edinburgh Hospital Management, entered into a cooperation agreement, in relation to the operation of the International Diabetes Center.

For more details, please refer to the announcement of the Company dated 18 August 2020.

## **BUSINESS UPDATE IN RESPECT OF PUTIAN EDINBURGH FRIENDSHIP HOSPITAL**

During the period under review, Putian Edinburgh Friendship Hospital# (莆田愛丁堡友好醫院) had conducted a trial run. The Group is in the course of assessing its operations, in order to formulate the future plan for Putian Edinburgh Friendship Hospital.

## **TERMINATION OF MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITION**

On 13 March 2020, Ally Health International Limited (a wholly-owned subsidiary of the Company) (the “**Purchaser**”) and Deng Ruibao# (鄧瑞寶) (the “**Vendor**”) entered into the memorandum of understanding (the “**MOU**”), pursuant to which the Purchaser intends to acquire and the Vendor intends to dispose of not less than 70% of the equity interest in Changzhou Shuguang Medical Beauty Hospital Limited# (常州曙光醫療美容醫院有限公司) (the “**Possible Acquisition**”). The MOU provides an exclusivity period of 180 days from the date of MOU, during which the parties shall negotiate in good faith to procure a formal agreement to be entered into.

On 10 August 2020, the Purchaser and the Vendor entered into a termination agreement to terminate the MOU with immediate effect, as after further negotiation and discussion, the Purchaser and the Vendor decided not to proceed with the Possible Acquisition.

Accordingly, pursuant to the MOU, the Vendor has refunded the refundable deposit in the amount of HK\$1,000,000 in full (without interest) to the Purchaser.

For more details, please refer to the announcements of the Company dated 13 March 2020, and 10 August 2020, respectively.

## **CHANGE OF REGISTERED OFFICE AND ADDRESS OF PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

With effect from 1 April 2020, the registered office and the address of the principal share registrar and transfer office of the Company in the Cayman Islands, Tricor Services (Cayman Islands) Limited have been changed to Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

The Company's branch share registrar and transfer office in Hong Kong is still maintained by Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

### **Significant Events after the Reporting Period**

No significant event took place subsequent to the end of the reporting period.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

### **Disclosure of Interests**

#### ***(a) Directors' interests and short positions in the securities of the Company and its associated corporations***

As at 31 December 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) *Interests in shares and underlying shares of the Company:*

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Number of shares and underlying shares</b>	<b>Position</b>	<b>Approximate percentage of the total issued shares</b>
Mr. Ng Chi Lung	Personal interest	59,000,000	Long	2.09%
	Corporate interest ( <i>Note</i> )	1,680,459,460	Long	59.63%
Dr. Jiang Tao	Personal interest	9,300,000	Long	0.33%
Mr. Zheng Gang	Personal interest	6,044,000	Long	0.21%

*Note:* Solar Star Global Limited is interested in 1,581,959,460 shares and 98,500,000 convertible preference shares of the Company. The issued share capital of Solar Star Global Limited is owned as to 50% by Mr. Ng Chi Lung, 25% by Ms. Ng Si Wing and 25% by Ms. Ng Yin. Mr. Ng Chi Lung is deemed to be interested in the shares and the convertible preference shares in which Solar Star Global Limited is interested in under Part XV of the SFO.

(ii) *Interests in the issued share capital of the Company's associated corporation:*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares</b>	<b>Position</b>	<b>Approximate percentage of shareholdings in the associated corporation's issued share capital</b>
Nil	–	–	–	–	–

(iii) *Interests in share options under share option scheme:*

<b>Name of Director</b>	<b>Exercise period</b>	<b>Exercise price</b>	<b>Number of share options granted</b>	<b>Position</b>
Nil	–	–	–	–

Save as disclosed above, as at 31 December 2020, none of the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) *Substantial shareholders' interests and short positions in shares and underlying shares*

As at 31 December 2020, other than the interests of a director or chief executive of the Company as disclosed in the paragraph headed “Directors’ interests and short positions in securities of the Company and its associated corporations” above, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of shares and underlying shares</b>	<b>Position</b>	<b>Approximate percentage of the total issued shares</b>
Solar Star Global Limited ( <i>Note 1</i> )	Beneficial owner	1,680,459,460	Long	59.63%
Ms. Cheng Wai Yin ( <i>Note 2</i> )	Interest of spouse	1,739,459,460	Long	61.72%
New Hope International (Hong Kong) Limited ( <i>Note 3</i> )	Beneficial owner	343,217,539	Long	12.18%
Southern Hope Enterprise Co., Ltd.# (南方希望實業有限公司) ( <i>Note 3</i> )	Corporate interest	343,217,539	Long	12.18%

Name of shareholder	Capacity	Number of shares and underlying shares	Position	Approximate percentage of the total issued shares
New Hope Group Co., Ltd. <sup>#</sup> (新希望集團有限公司) (Note 3)	Corporate interest	343,217,539	Long	12.18%
Tibet Hengye Feng Industrial Co., Ltd. <sup>#</sup> (西藏恒業鋒實業有限公司) (Note 3)	Corporate interest	343,217,539	Long	12.18%
Mr. Liu Yonghao (Note 3)	Corporate interest	343,217,539	Long	12.18%
Ms. Liu Chang (Note 3)	Corporate interest	343,217,539	Long	12.18%
Ms. Li Wei (Note 4)	Interest of spouse	343,217,539	Long	12.18%

*Notes:*

- (1) Solar Star Global Limited is interested in 1,581,959,460 shares and 98,500,000 convertible preference shares of the Company. The issued share capital of Solar Star Global Limited is owned as to 50% by Mr. Ng Chi Lung, 25% by Ms. Ng Si Wing and 25% by Ms. Ng Yin. Mr. Ng Chi Lung is deemed to be interested in the shares and the convertible preference shares in which Solar Star Global Limited is interested in under Part XV of the SFO.
- (2) Ms. Cheng Wai Yin is the spouse of Mr. Ng Chi Lung. Ms. Cheng Wai Yin is deemed to be interested in the shares and the convertible preference shares in which Mr. Ng Chi Lung is interested in under Part XV of the SFO.
- (3) New Hope International (Hong Kong) Limited is interested in 343,217,539 shares of the Company. The issued share capital of New Hope International (Hong Kong) Limited is owned as to 75% by Southern Hope Enterprise Co., Ltd.<sup>#</sup> which is in turn owned as to 51% by New Hope Group Co., Ltd.<sup>#</sup> and 49% by Tibet Hengye Feng Industrial Co., Ltd.<sup>#</sup>. Both New Hope Group Co., Ltd.<sup>#</sup> and Tibet Hengye Feng Industrial Co., Ltd.<sup>#</sup> are owned as to 62.34% by Mr. Liu Yonghao, as to 36.35% by Ms. Liu Chang and as to 1.31% by Ms. Li Wei. Mr. Liu Yonghao and Ms. Liu Chang are deemed to be interested in the shares in which New Hope International (Hong Kong) Limited is interested in under the SFO.
- (4) Ms. Li Wei is the spouse of Mr. Liu Yonghao. Ms. Li Wei is deemed to be interested in the shares in which Mr. Liu Yonghao is interested in under Part XV of the SFO.

Save as disclosed above, as at 31 December 2020, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.



## **DIRECTORS' RIGHTS TO ACQUIRE SECURITIES**

Apart from as disclosed under the heading "Directors' and chief executive's interests in shares, underlying shares and debentures of the Company and its associated corporations" above, at no time since incorporation of the Company were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

Save as disclosed above, at no time during the period under review was the Company or any of its subsidiaries, associated companies, fellow subsidiaries or holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the period.

## **SHARE OPTION SCHEME**

No share option has been granted, exercised, cancelled or lapsed under the share option scheme for the nine months ended 31 December 2020. As at 31 December 2020, there was no outstanding share option.

The Company had adopted the share option scheme on 10 August 2011, and the terms of which are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

During the period under review, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at 31 December 2020, none of the Directors or their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for the pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company had adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the nine months ended 31 December 2020.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the code provisions in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules for the nine months ended 31 December 2020.

## **REMUNERATION COMMITTEE**

The Company established the remuneration committee of the Company (the “**Remuneration Committee**”) on 3 June 2005 in compliance with the code provision. The Remuneration Committee has four members comprising an executive Director, Mr. Zheng Gang, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Dr. Lam Huen Sum and Mr. Lau Tak Kei Arthur. Ms. Wong Ka Wai, Jeanne is the chairlady of the Remuneration Committee.

The role and function of the Remuneration Committee include the determination of the specific remuneration package of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board of the remuneration of non-executive Directors. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

## **NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

On 11 February 2014, the Board resolved to establish a nomination and corporate governance committee of the Company (the “**Nomination and Corporate Governance Committee**”) in place and stead of the previous nomination committee of the Company, which was established on 27 March 2012 in compliance with the code provision. The Nomination and Corporate Governance Committee has five members comprising the chairman, Mr. Ng Chi Lung, the chief executive officer, Dr. Jiang Tao, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Dr. Lam Huen Sum and Mr. Lau Tak Kei Arthur. Mr. Ng Chi Lung is the chairman of the Nomination and Corporate Governance Committee.

The primary duties of the Nomination and Corporate Governance Committee include, but are not limited to: (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes; (ii) identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of, individuals nominated for directorships; (iii) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman of the Board and the chief executive officer of the Company; and (iv) keeping the effectiveness of the corporate governance and system of internal controls of the Group.

## **AUDIT COMMITTEE**

The Company established the audit committee of the Company (the “**Audit Committee**”) on 2 November 2001, with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The Audit Committee comprises three members comprising all the independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Dr. Lam Huen Sum and Mr. Lau Tak Kei Arthur. Ms. Wong Ka Wai, Jeanne is the chairlady of the Audit Committee.

The primary duties of the Audit Committee are: (i) to ensure the adequacy and effectiveness of the accounting and financial controls of the Group; (ii) oversee the performance of risk management and internal control systems and financial reporting process; and (iii) monitor the integrity of the financial statements and compliance with statutory and listing requirements and to oversee independence and qualifications of the external auditors.

The Group’s unaudited condensed consolidated results for the period under review has not been audited by the auditors of the Company, but were reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

By order of the Board  
**Good Fellow Healthcare Holdings Limited**  
**Ng Chi Lung**  
*Chairman and Executive Director*

Hong Kong, 5 February 2021

*For the purposes of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1.00 = HK\$1.14. Such translation should not be constructed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.*

*As at the date of this announcement, the Board comprises Mr. Ng Chi Lung, Dr. Jiang Tao and Mr. Zheng Gang as executive Directors; Dr. Liu Chenli as a non-executive Director; and Ms. Wong Ka Wai, Jeanne, Dr. Lam Huen Sum and Mr. Lau Tak Kei Arthur as independent non-executive Directors.*

*This announcement will be published on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at <http://www.gf-healthcare.com>.*