



GOOD FELLOW HEALTHCARE HOLDINGS LIMITED

金威醫療集團有限公司

Incorporated in the Cayman Islands with limited liability
(Stock Code: 8143)



Interim Report
2024/2025

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*This report, 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 report 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 report misleading.*

HIGHLIGHTS

- The Group has recorded a total revenue of approximately HK\$10.435 million for the six months ended 30 September 2024 as compared with approximately HK\$26.125 million in the corresponding period in year 2023, representing a decrease of approximately 60.05%.
- Gross profit margin of the Group was approximately 78.40% for the six months ended 30 September 2024, compared with 74.22% in the corresponding period in year 2023, representing an increase of approximately 4.18 Percentage points.
- The Group has recorded a profit attributable to owners of the Company for the six months ended 30 September 2024 of approximately HK\$7.602 million (2023: loss attributable to owners of the Company of approximately HK\$7.160 million).
- The Directors do not recommend the payment of a dividend for the six months ended 30 September 2024 (2023: Nil).

INTERIM RESULTS (UNAUDITED)

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 six months ended 30 September 2024, together with the unaudited comparative figures for the corresponding periods in 2023 as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months and six months ended 30 September 2024

		Six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
Revenue	4 & 5	10,435	26,125
Cost of sales		(2,254)	(6,734)
Gross profit		8,181	19,391
Other revenue		61	83
Gain on disposal of subsidiaries	15	10,458	–
Selling and distribution expenses		(1,549)	(3,519)
Administrative expenses		(9,459)	(21,881)
Fair value loss on financial assets at fair value through profit or loss		57	(275)
Profit/(loss) from operations	6	7,749	(6,201)
Finance costs	7	(152)	(140)
Profit/(loss) before taxation		7,597	(6,341)
Taxation	8	–	(1,068)
Profit/(loss) for the period		7,597	(7,409)

	<i>Notes</i>	Six months ended	
		2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Other comprehensive expense for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(332)	(806)
Total comprehensive income/(expense) for the period		7,265	(8,215)
Profit/(loss) for the period attributable to:			
Owners of the Company		7,602	(7,161)
Non-controlling interests		5	(248)
		7,597	(7,409)
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		7,336	(8,114)
Non-controlling interests		(71)	(101)
		7,265	(8,215)
Dividends	13	–	–
Profit/(loss) per share attributable to owners of the Company			
– Basic (HK cents)	9	1.349	(1.270)
– Diluted (HK cents)		1.349	(1.270)

Condensed Consolidated Statement of Financial Position

As at 30 September 2024

		30 September 2024	31 March 2024
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		15,240	16,035
Right-of-use assets		2,600	4,138
Rental deposits		268	268
		<u>18,108</u>	<u>20,441</u>
Current assets			
Inventories		408	1,063
Trade and other receivables	10	4,228	3,761
Financial assets at fair value through profit or loss		294	237
Cash and cash equivalents		1,630	3,644
		<u>6,560</u>	<u>8,705</u>
Total assets		<u>24,668</u>	<u>29,146</u>
EQUITY			
Capital and reserves			
Share capital	11	29,168	29,168
Reserves		(17,475)	(24,811)
Equity attributable to owners of the Company		<u>11,693</u>	<u>4,357</u>
Non-controlling interests		<u>(3,021)</u>	<u>(2,950)</u>
Total equity		<u>8,672</u>	<u>1,407</u>

		30 September	31 March
		2024	2024
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Audited)
LIABILITIES			
Current liabilities			
Trade and other payables	12	5,155	15,510
Lease liabilities		2,010	3,006
Borrowings		7,493	7,099
Tax payables		4	–
		<u>14,662</u>	<u>25,615</u>
Non-current liabilities			
Lease liabilities		1,334	2,124
Borrowing		–	–
		<u>1,334</u>	<u>2,124</u>
Total liabilities		<u>15,996</u>	<u>27,739</u>
Total equity and liabilities		<u>24,668</u>	<u>29,146</u>
Net current (liabilities)/assets		<u>(8,102)</u>	<u>(16,910)</u>
Total assets less current liabilities		<u>10,006</u>	<u>3,351</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to the owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000 (Note (a))	Special reserve HK\$'000 (Note (b))	Translation reserve HK\$'000 (Note (c))	Statutory reserve HK\$'000 (Note (d))	Accumulated loss HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2023 (audited)	29,168	440,289	295,610	(7,457)	(31,315)	(1,555)	1,608	(704,158)	22,190	(2,815)	19,375
Loss for the period	-	-	-	-	-	-	-	(7,161)	(7,161)	(248)	(7,409)
Exchange difference on translating foreign operations	-	-	-	-	-	(953)	-	-	(953)	147	(806)
Total comprehensive expense for the period	-	-	-	-	-	(953)	-	(7,161)	(8,114)	(101)	(8,215)
At 30 September 2023 (unaudited)	29,168	440,289	295,610	(7,457)	(31,315)	(2,508)	1,608	(711,319)	14,076	(2,916)	11,160
At 1 April 2024 (audited)	29,168	440,289	295,610	(7,457)	(31,315)	(2,278)	1,608	(721,268)	4,357	(2,950)	1,407
Profit for the period	-	-	-	-	-	-	-	7,602	7,602	(5)	7,597
Exchange difference on translating foreign operation	-	-	-	-	-	(765)	-	-	(765)	(66)	(831)
Release of exchange differences upon disposal of subsidiaries	-	-	-	-	-	499	-	-	499	-	499
Total comprehensive expense for the period	-	-	-	-	-	(266)	-	7,602	7,336	(71)	7,265
At 30 September 2024 (Unaudited)	29,168	440,289	295,610	(7,457)	(31,315)	(2,544)	1,608	(713,666)	11,693	(3,021)	8,672

Notes:

- Other reserve represents the difference between the consideration paid for additional equity interest in a subsidiary without the overall change in the control in that subsidiary and the carrying amount of share of net liabilities/assets.
- Special reserve represents the difference between the Company's shares of nominal value of the paid-up capital of subsidiaries acquired over the Company's cost of acquisition of the subsidiaries under common control upon change in ownership interests in subsidiaries.
- Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.
- 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.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash from operating activities	476	909
Net cash (used in) investing activities	(1,737)	(14,521)
Net cash (used in)/from financing activities	(1,392)	575
Net decrease in cash and cash equivalents	(2,652)	(13,038)
Cash and cash equivalents at beginning of the period	3,644	17,685
Effect of foreign currency exchange rate changes	638	338
Cash and cash equivalents at the end of the period	1,630	4,983

Notes to the Condensed Consolidated Financial Statements (Unaudited)

For the six months ended 30 September 2024

1. Corporate information

Good Fellow Healthcare Holdings Limited (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 (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is at the offices of Tricor Services (Cayman Islands) Limited, Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, 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 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 (together with the Company, the “**Group**”) are principally engaged in the provision of general hospital services in the People’s Republic of China (the “**PRC**”).

2. Basis of preparation and principal accounting policies

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024 (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of the Stock Exchange.

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than the changes in accounting policies resulting from application of new HKFRSs, in preparing these Interim Financial Statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimate uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

3. Significant Accounting Policies

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²

The application of these new and amendments to HKFRSs has had no material impact on the Group's financial position and financial performance for the current and/or prior periods and/or on the disclosures set out in the Interim Financial Statements.

The Group has not applied any new and amendments to HKFRSs that have been issued but not yet effective. The application of these new HKFRSs will not have material impact on the condensed consolidated financial statement of the Group.

4. Revenue

Revenue represents those generated from the provision of general hospital services during the period. The analysis of the Group's revenue for the periods is as follows:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Provision of general hospital services	<u>10,435</u>	<u>26,125</u>

5. Segment Information

Information reported internally to the chief operating decision maker (“CODM”) for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group is principally engaged in provision of general hospital services in the PRC. The chief operating decision maker has decided to combine the provision of general hospital service and the provision of healthcare and hospital management services into one single operation division in order to manage and review the performance of the hospital related business more efficiently. These divisions are the basis on which the Group reports its segment information.

For the six months ended 30 September 2024, the Group only engaged in provision of general hospital services in the PRC. No analysis of the Group’s results by type of works nor assets and liabilities is regularly provided to the CODM for review. In addition, all of the Group’s revenue is generated in the PRC and all of the Group’s assets and liabilities are mainly located in the PRC. Accordingly, no business or geographical segment information is located.

6. Loss from operations

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss from operations has been arrived at after charging:		
Depreciation of property, plant and equipment	1,256	1,215
Depreciation of right-of-use assets	1,553	1,193
Staff costs (including Directors’ remuneration)	6,699	11,214

7. Finance costs

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
– Lease liabilities	152	140

8. Taxation

No provision for Hong Kong Profits Tax has been made in the Interim Financial Statements as the Group had no assessable profits derived from Hong Kong's operations during the period (2023: Nil).

Corporate income tax of approximately 25% has been provided for the profit generated from the general hospital services in the PRC (2023: approximately 25%).

9. Loss per share

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings		
Profit/(loss) for the purpose of basic and diluted earnings/ profit/(loss) per share		
– Profit/(loss) for the period attributable to the owners of the Company	<u>7,602</u>	<u>(7,161)</u>
	2024	2023

Number of shares

weighted average number of ordinary shares for the purpose

of basic loss per share

– Ordinary shares in issue

563,649,988

563,649,988

– Preference shares in issue

19,700,000

19,700,000

The calculation of basic loss per share for the six months ended 30 September 2024 was based on the profit for the period attributable to owners of the Company of approximately HK\$7.602 million (2023: loss attributable to owners of the Company of approximately HK\$7.161 million) and on the weighted average number of ordinary shares of approximately 563,649,988 shares (2023: 563,649,988 shares).

For the three months periods ended 30 September 2024 and 2023, and the six months periods ended 30 September 2024 and 2023, the calculation of diluted loss per share did not assume the exercise of the convertible notes and outstanding share options existed as at 30 September 2024 and 2023, respectively, as the exercise of the convertible notes and share options would decrease the loss per share, and therefore are anti-dilutive.

10. Trade and other receivables

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade receivables, net	24	–
Prepayments	3,212	2,695
Other receivables and deposits	<u>1,260</u>	<u>1,334</u>
	<u>4,496</u>	<u>4,029</u>
<i>Less: Non-current portion - rental deposits (note (a))</i>	<u>(268)</u>	<u>(268)</u>
	<u>4,228</u>	<u>3,761</u>

Notes:

- (a) As at 30 September 2024, the non-current portion of deposits represents the refundable rental deposit of approximately HK\$268,000.

Payment terms with customers from general hospital and healthcare and hospital management services are normally payable from 0 to 30 days. The following is an aged analysis of the gross amount of trade receivables based on invoice date at the end of the reporting period:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0 to 90 days	24	249
91 to 180 days	–	–
181 to 365 days	–	–
Over 365 days	<u>–</u>	<u>–</u>
	<u>24</u>	<u>249</u>

11. Share capital

	Number of shares	Amount HK\$'000
Authorised:		
<i>Ordinary shares of HK\$0.05 each at 30 September 2024 and 2023</i>	22,000,000,000	1,100,000
<i>Non-voting convertible preference shares of HK\$0.05 each at 30 September 2024 and 2023</i>	<u>8,000,000,000</u>	<u>400,000</u>
	<u>30,000,000,000</u>	<u>1,500,000</u>
Issued and fully paid:		
<i>Ordinary shares of HK\$0.05 each at 30 September 2024 and 2023</i>	563,649,988	28,183
<i>Non-voting convertible preference shares of HK\$0.05 each at 30 September 2024 and 2023</i>	<u>19,700,000</u>	<u>985</u>
	<u>583,349,988</u>	<u>29,168</u>

12. Trade and other payables

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade payables	303	1,270
Accruals and other payables	<u>4,852</u>	<u>14,240</u>
	<u>5,155</u>	<u>15,510</u>

The average credit period on purchases of certain goods is in range from 30 to 90 days. The following is an aged analysis of trade payables based on invoice date at the end of the reporting period:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0 to 90 days	–	–
91 to 180 days	–	644
181 to 365 days	–	–
Over 365 days	<u>303</u>	<u>626</u>
	<u>303</u>	<u>1,270</u>

13. Dividends

The Directors do not recommend the payment of a dividend for the six months ended 30 September 2024 (2023: Nil).

14. Related party transactions

During the reporting period, other than those transactions and balances detailed elsewhere in the Interim Financial Statements, the Group had the following significant transactions with related parties which, in the opinion of the directors, were carried out in the ordinary courses of the Group's business:

a) *Key management personnel*

Remuneration for key management personnel, including amount paid to the Company's Directors and other members of key management during the period were as follows:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	1,605	2,079
Share-based payment expenses	—	—
	<u>1,605</u>	<u>2,079</u>

15. Disposals of subsidiary

During the six months periods ended 30 September 2024, the Group disposed of its entire equity interest in a subsidiary Sino Business Investment Development Limited to an independent third party. The disposal was completed on 23 September 2024.

	at 23 September 2024 HK\$'000
The consolidated net assets disposed of:	
Property, plant and equipment	2
Cash and bank balances	1,594
Trade and other payables	(11,740)
	<hr/>
Consolidated net assets disposed of:	(10,144)
Release of translation reserve	(499)
Net inter-company balances	245
	<hr/>
	(10,398)
Gain on disposal of a subsidiary	10,458
	<hr/>
	60
	<hr/> <hr/>
Satisfied by:	
Cash Consideration	60
	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 30 September 2024 (the “**period under review**”), the Group recorded a turnover on business operations of approximately HK\$10.435 million (2023: approximately HK\$26.125 million), representing a decrease of approximately 60.05% as compared with the same period last year.

Selling and distribution expenses for the period under review amounted to approximately HK\$1.549 million (2023: approximately HK\$3.519 million), representing a decrease of approximately 55.98% as compared with the same period last year.

Administrative expenses for the period under review amounted to approximately HK\$9.459 million (2023: approximately HK\$21.881 million), representing a decrease by approximately 56.77%. The decrease was mainly attributable to the decrease in staff costs.

The Group recorded a profit attributable to owners of the Company of approximately HK\$7.602 million for the period under review (2023: loss attributable to owners of the Company of approximately HK\$7.161 million). The turnaround from loss to profit attributable to owners of the Company was mainly due to the recognition of a gain of approximately HK\$10.458 million upon completion of disposal of subsidiaries.

Business Review and Outlook

General hospital services

During the period under review, the Group operated one general hospital in Beijing in the PRC, which is principally engaged in the provision of hospital services including but not limited to medical wards, surgical wards, medical checkup and examination. The total turnover contributed by the hospital for the period under review was approximately HK\$10.435 million (2023: approximately HK\$26.125 million), representing a decrease of approximately 60.05% as compared with the same period last year. The circumstances leading to such change has been disclosed in the announcement of the Company dated 1 November 2024.



Future Prospects

In the coming year, as the Company continues to navigate the rapidly evolving healthcare landscape, the Group has been closely monitoring shifts in patient expectations and regulatory priorities. These trends increasingly favour accessible and technology-driven healthcare solutions, creating both opportunities and challenges for traditional healthcare models. In response to such trends, the Group has taken deliberate steps to align its strategic focus with the emerging demand for diversified healthcare services that can adapt to the changing industry dynamics.

The Group is embarking on a transformative phase with a strategic shift towards integrated digital healthcare and health management services. This development, underscored by the Group's recent collaboration with Xiamen Yueerwan (as defined below) and Yueerwan Qingdao (as defined below), not only marks a significant milestone but also reflects the Group's diligent planning and alignment with market and policy trends. The decision to partner with Xiamen Yueerwan and Yueerwan Qingdao follows a thorough assessment of the evolving healthcare landscape, where digital healthcare solutions are increasingly important to meeting modern patient needs.

The PRC's healthcare sector is rapidly embracing digitalisation, spurred by initiatives such as "AI + Healthcare" and a rising demand for accessible and high-quality services. In view of such trends, the Group identified Xiamen Yueerwan and Yueerwan Qingdao as ideal partners for its established AI-based internet hospital and China family health management platform services. This cooperation has recently been approved by the relevant regulatory authority for online pharmaceutical operations, a testament to the strength of such collaboration and a promising step towards building a diversified and stable revenue base. This regulatory success validates the Group's strategic foresight and serves as a clear endorsement of the Internet Hospital's (as define below) operational capabilities and growth potential.

The collaboration with Xiamen Yueerwan and Yueerwan Qingdao also provides stable management income, which strengthens the Group's financial foundation, allowing for resource optimisation and strategic cost management. These steady revenues position the Group to make additional investments in telemedicine, data-driven health solutions, and other areas that enhance patient engagement and satisfaction. The Group is confident that the cooperation not only reflects the Group's capacity to forge impactful collaborations but also underscores the Group's commitment to innovation and excellence in healthcare.

Looking forward, the Group is prepared to explore additional partnerships and capital initiatives across the healthcare and wellness sectors. The Group will continue refining its asset portfolio to ensure alignment with scalable and technology-driven healthcare solutions, fostering sustainable growth and long-term shareholder value. Through the Group's disciplined approach to governance and regulatory compliance, the Group is well-equipped to navigate industry transformations, capturing new opportunities within the healthcare landscape. The Board will continue to review its business strategy with an aim to cut costs in its existing operation, and seek opportunities to expand its healthcare business to online platforms and other geographic locations, broadening its future revenue stream and enhancing the overall performance of the Group.

The Group celebrates this strategic progression as a meaningful achievement and looks forward to building upon these successes as the Group contributes to a modern, accessible healthcare ecosystem that meets the evolving needs of patients and stakeholders alike.

Capital Structures, Liquidity and Financial Resources

The Group had total cash and cash equivalents of approximately HK\$1.630 million as at 30 September 2024 (31 March 2024: approximately HK\$3.644 million).

The Group recorded total current assets of approximately HK\$6.560 million as at 30 September 2024 (31 March 2024: approximately HK\$8.705 million) and total current liabilities of approximately HK\$14.662 million as at 30 September 2024 (31 March 2024: approximately HK\$25.615 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 0.45 as at 30 September 2024 (31 March 2024: approximately 0.34).

Gearing Ratio

As at 30 September 2024, the Group's gearing ratio was not applicable based on outstanding debts (comprising borrowings and lease liabilities) less cash and cash equivalents over total equity (including all capital and reserves of the Group) (31 March 2024: N/A).

Capital Commitment

As at 30 September 2024, the Group had no material capital commitment (31 March 2024: Nil).

Significant Investments Held

As at 30 September 2024, the Group did not hold any significant investment (31 March 2023: Nil).

Contingent Liabilities

As disclosed in the interim report of the Company for the six months ended 30 September 2024, on 13 June 2023, 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 then indirect subsidiary of the Company, received a civil complaint filed with the People’s Court of Qionghai City (瓊海市人民法院) by China Merchants Hainan Development Investment Co. Ltd.* (招商局海南開發投資有限公司)(“**China Merchants**”), as plaintiff, against Edinburgh International Diabetes, as defendant, and Edinburgh International Hospital Management (Shenzhen) Co. Ltd.* (愛丁堡國際醫院管理(深圳)有限公司), a then indirect subsidiary of the Company, as a third party (the “**Civil Complaint**”). Pursuant to the Civil Complaint, China Merchants sought, among other things, the refund of the remaining balance of the investment amount of approximately RMB3.2 million (equivalent to approximately HK\$3.625 million) by Edinburgh International Diabetes.

Upon completion of the Disposal (as define below), which took place on 23 September 2024, Edinburgh International Diabetes, being a member of the Disposal Group (as defined below), had ceased to be a subsidiary of the Company.

Accordingly, as at 30 September 2024, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group. As such, the Group had no contingent liabilities as at 30 September 2024 (31 March 2024: approximately HK\$3.625 million).

Financing and Treasury Policies

The Group continues to adopt prudent financing and treasury policies. All the Group’s financing and treasury activities are centrally managed and controlled. Implementation of the Group’s related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

Dividends

The Directors do not recommend the payment of a dividend for the six months ended 30 September 2024 (2023: Nil).

Foreign Exchange Risk

Almost all transactions of the Group are denominated in Renminbi and Hong Kong dollars and most of the bank deposits are being kept in Renminbi and Hong Kong dollars to minimise exposure to foreign exchange risk. As the fiscal policy of the Central Government of the PRC in relation to Renminbi is stable throughout the period under review, the Directors believe that the potential foreign exchange exposure to the Group is limited. Therefore, the Group had not implemented any formal hedging or other alternative policies to deal with such exposure during the six months ended 30 September 2024.

Charges on the Group's Assets

As at 30 September 2024, no assets of the Group (31 March 2024: HK\$Nil) were pledged as collateral to secure general banking facilities granted to the Group.

Employee Information

As at 30 September 2024, the Group had 118 (31 March 2024: 137) full time employees. During the period under review, the staff costs, including Directors' remuneration, totalled approximately HK\$6.699 million (2023: approximately HK\$11.214 million). Bonuses are also available to the Group's employees at the discretion of the Board depending upon the financial performance of the Group. The Group's employment and remuneration policies remained the same as detailed in its annual report for the year ended 31 March 2024.

THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF SINO BUSINESS INVESTMENT DEVELOPMENT LIMITED

On 20 September 2024, the Company as the vendor and the Ms. Lin Xuejiao as the purchaser (the "**Purchaser**") entered into a sale and purchaser agreement, pursuant to which, the Company has agreed to sell and the Purchaser has agreed to purchase, the entire issued share capital of the Sino Business Investment Development Limited (the "**Disposal Company**", and together with its subsidiaries, the "**Disposal Group**"), a direct wholly-owned subsidiary of the Company, at the consideration of HK\$60,000 (the "**Disposal**").

The Disposal Company was wholly and beneficially owned by the Company immediately prior to the completion of the Disposal. As such, upon completion of the Disposal which took place on 23 September 2024, the Disposal Company ceased to be a subsidiary of the Company and the financial information of the Disposal Group ceased to be consolidated into the consolidated financial statements of the Group.

For details of the Disposal, please refer to the announcements of the Company dated 20 September 2024 and 23 September 2024.

COOPERATION AND OPERATIONAL MANAGEMENT AGREEMENT

On 25 October 2024, Good Fellow Development Limited ("**Good Fellow**"), an indirect wholly-owned subsidiary of the Company, entered into a cooperation and operational management agreement (the "**Agreement**") with Xiamen Yueerwan Medical Management Co., Ltd.* (廈門悅爾灣醫療管理有限公司) ("**Xiamen Yueerwan**") and Yueerwan (Qingdao) Internet Hospital Co., Ltd.* (悅爾灣(青島)互聯網醫院有限公司) ("**Yueerwan Qingdao**"), a direct wholly-owned subsidiary of Xiamen Yueerwan. Pursuant to the Agreement, Good Fellow has agreed to provide hospital management services to Yueerwan Qingdao and Qingdao Yueerwan Internet Hospital* (青島悅爾灣互聯網醫院) (the "**Internet Hospital**"), the internet hospital operated by Yueerwan Qingdao, and Yueerwan Qingdao has agreed to pay to Good Fellow (i) the fixed monthly management fees of HK\$1.75 million; or (ii) management fees equivalent to the sum of (a) 1% of the operating revenue of the Internet Hospital as shown in its audited financial report of the relevant financial year (the "**Audited Report**"); and (b) 10% of the profits before taxation of the Internet Hospital as shown in the Audited Report, whichever is higher.

The Agreement shall be valid for a term of five years commencing from 25 October 2024 (the “**Term**”), and none of the parties thereto is entitled to unilaterally terminate the Agreement during the first year of the Term without cause, and any party thereto may terminate the Agreement by giving the other parties not less than three months’ prior written notice during the second to the fifth year of the Term. The Agreement is extendable by the parties and a supplemental agreement shall be entered into if extended.

For details of the Agreement, please refer to the announcement of the Company dated 25 October 2024.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR; AND CHANGE IN COMPOSITION OF BOARD COMMITTEES

Mr. Lin Yaomin has been appointed as an independent non-executive Director and a member of each of the audit committee, the remuneration committee and the nomination and corporate governance committee of the Company with effect from 17 April 2024.

For details of the appointment of Mr. Lin Yaomin, please refer to the announcement of the Company dated 17 April 2024.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, 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

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

As at 30 September 2024, 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 (Chapter 571 of the Laws of Hong Kong) ("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:

Name of Director	Nature of interest	Number of shares and underlying shares	Position	Approximate percentage of the total issued shares
Mr. Ng Chi Lung	Beneficial Owner	11,800,000	Long	2.09%
	Interest in controlled corporation (<i>Note</i>)	316,391,892	Long	56.13%

Note: 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 all the shares and the convertible preference shares of the Company (if any) in which Solar Star Global Limited is interested under Part XV of the SFO.

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

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

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

Name of Director	Exercise period	Exercise price	Number of share options granted	Position
Nil	-	-	-	-

Save as disclosed above, as at 30 September 2024, 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 of the Company

As at 30 September 2024, other than the interests of Directors or chief executives of the Company as disclosed in the paragraph headed "Directors' interests and short positions in the securities of the Company and its associated corporations" above, the interests and short positions of substantial shareholders and other 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:

Name of shareholder	Nature of interest/ Capacity	Number of shares and underlying shares	Position	Approximate percentage of the total issued shares
Solar Star Global Limited ("Solar Star") (Note 1)	Beneficial owner	316,391,892	Long	56.13%
Ms. Cheng Wai Yin (Note 2)	Interest of spouse	328,191,892	Long	58.22%
New Hope International (Hong Kong) Limited ("New Hope International") (Note 3)	Beneficial owner	68,643,507	Long	12.18%
Southern Hope Enterprise Co., Ltd.# (南方希望實業有限公司) ("Southern Hope") (Note 3)	Interest in controlled corporation	68,643,507	Long	12.18%
Ningbo Zhuosheng Investment Co., Ltd.# (寧波卓晟投資有限公司) ("Ningbo Zhuosheng") (Note 3)	Interest in controlled corporation	68,643,507	Long	12.18%
New Hope Group Co., Ltd.# (新希望集團有限公司) ("New Hope Group") (Note 3)	Interest in controlled corporation	68,643,507	Long	12.18%
New Hope Holdings Group Co., Ltd.# (新希望控股集團有限公司) ("New Hope Holdings") (Note 3)	Interest in controlled corporation	68,643,507	Long	12.18%
New Hope Asia Pacific Investment Holdings Co., Ltd.# (新希望亞太投資控股有限公司) ("New Hope Asia Pacific") (Note 3)	Interest in controlled corporation	68,643,507	Long	12.18%
Lhasa Economic Development Zone New Hope Investment Co., Ltd.# (拉薩經濟開發區新希望投資有限公司) ("Lhasa Economic") (Note 3)	Interest in controlled corporation	68,643,507	Long	12.18%
Mr. Liu Yonghao (Note 3)	Interest in controlled corporation	68,643,507	Long	12.18%

Notes:

- (1) The issued share capital of Solar Star 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 all the shares and the convertible preference shares (if any) in which Solar Star 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 all the shares and the convertible preference shares (if any) in which Mr. Ng Chi Lung is interested in under Part XV of the SFO.
- (3) New Hope International is interested in 68,643,507 shares of the Company. New Hope International is owned as to 75% by Southern Hope which is in turn owned as to 51% by New Hope Group and as to 49% by Ningbo Zhuosheng. New Hope Group is owned as to 75% by New Hope Holdings, 14.60% by Mr. Liu Yonghao and 9.09% by Ms. Liu Chang, New Hope Holdings is in turn owned as to 100% by New Hope Asia Pacific and New Hope Asia Pacific is owned as to 99% by Lhasa Economic and as to 1% by Mr. Liu Yonghao. Lhasa Economic is then owned as to 100% by Mr. Liu Yonghao. Mr. Liu Yonghao and Ms. Liu Chang are deemed to be interested in the shares in which New Hope International is interested in under Part XV of the SFO.

Save as disclosed above, as at 30 September 2024, 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 SCHEMES

The Company had previously adopted a share option scheme on 10 August 2011, the terms of which are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The share option scheme expired on 10 August 2021. No share option was outstanding nor granted, exercised, cancelled or lapsed under the share option scheme during the six months ended 30 September 2024.

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

During the six months ended 30 September 2024, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 30 September 2024, 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 the 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 six months ended 30 September 2024.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions in the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules during the period under review.

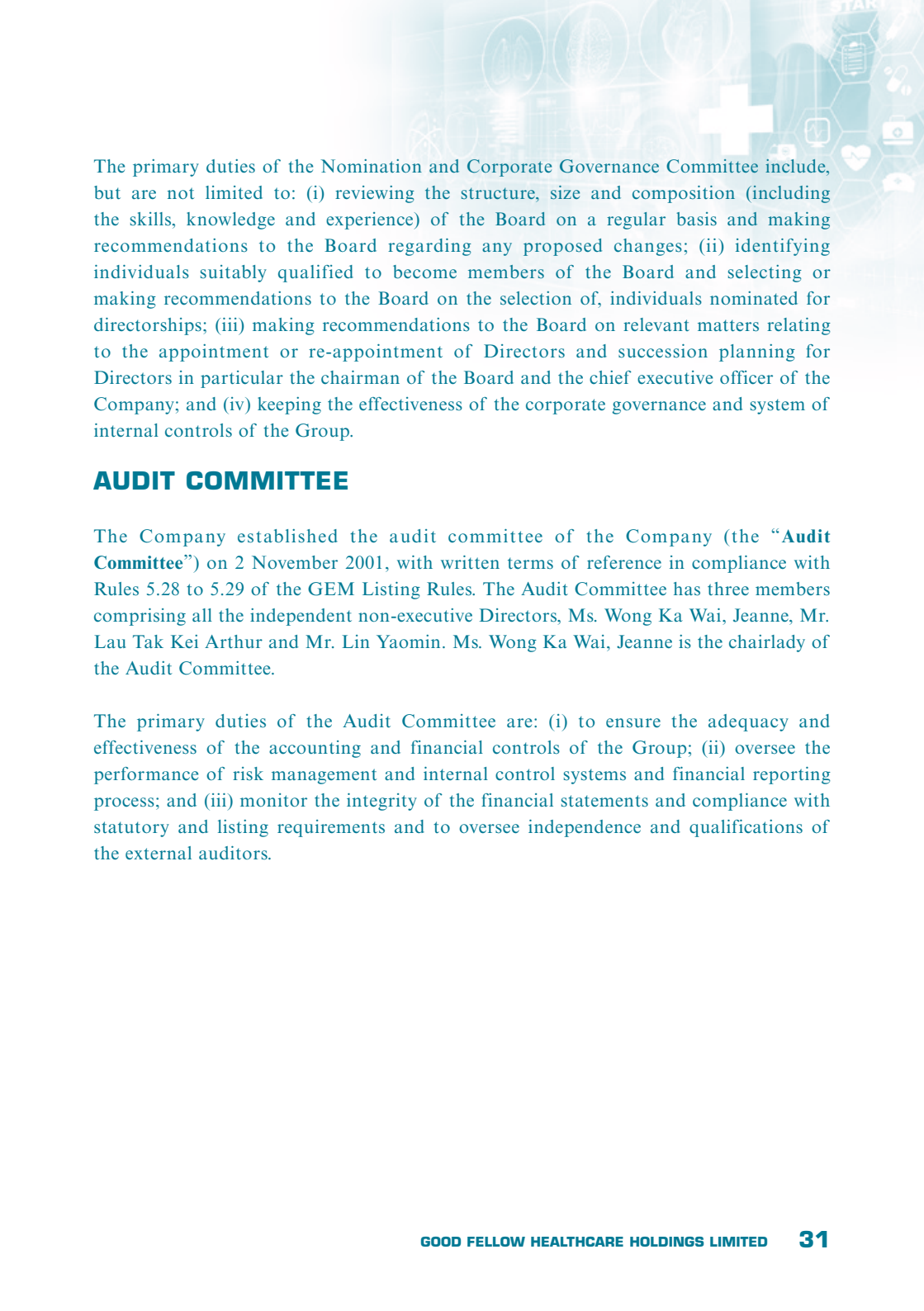
REMUNERATION COMMITTEE

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. Wu Qiyou, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Lau Tak Kei Arthur and Mr. Lin Yaomin. 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 four members comprising the chairman, Mr. Ng Chi Lung, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Lau Tak Kei Arthur and Mr. Lin Yaomin. 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 has three members comprising all the independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Lau Tak Kei Arthur and Mr. Lin Yaomin. 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 auditor of the Company, but has been 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, 8 November 2024

The English transliteration of the Chinese name(s) in this report, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

As at the date of this report, the Board comprises Mr. Ng Chi Lung and Mr. Wu Qiyong as executive Directors; and Ms. Wong Ka Wai, Jeanne, Mr. Lau Tak Kei Arthur and Mr. Lin Yaomin as independent non-executive Directors.

This report will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" Page for at least seven days from the date of its publication and on the website of the Company at www.gf-healthcare.com.