



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 2022

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\$40.984 million for the nine months ended 31 December 2022 as compared to a total turnover of approximately HK\$39.967 million recorded in the corresponding period in 2021, representing an increase of approximately 2.54%.
- Loss attributable to owners of the Company for the nine months ended 31 December 2022 was approximately HK\$10.077 million (2021: profit attributable to owners of the Company of approximately HK\$2.729 million). The turnaround from profit to loss is primarily attributable to the absence of the one-off gain in disposal of subsidiaries of approximately HK\$31.7 million during the corresponding period.
- Loss attributable to owners of the Company for the three months ended 31 December 2022 was approximately HK\$3.367 million (2021: approximately HK\$4.477 million).
- The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2022 (2021: Nil).

For identification purposes only.

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 2022, together with the unaudited comparative figures for the corresponding periods in 2021 as follows:

Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 31 December 2022

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Turnover	3	12,584	13,603	40,984	39,967
Cost of sales		<u>(3,205)</u>	<u>(1,797)</u>	<u>(8,392)</u>	<u>(6,409)</u>
Gross profit		9,379	11,806	32,592	33,558
Other revenue and income		239	33	700	2,215
Reversal of allowance for expected credit losses on other receivables and deposits		–	–	–	82
Gain on disposal of subsidiaries	7	–	–	–	31,683
Selling and distribution expenses		(1,947)	(2,922)	(5,528)	(13,130)
Administrative expenses		(11,209)	(13,708)	(36,712)	(46,056)
Fair value gain/(loss) on financial assets at fair value through profit or loss		73	–	(4)	–
Profit/(loss) from operations		(3,465)	(4,791)	(8,952)	8,352
Finance costs		(89)	(53)	(329)	(1,365)
Profit/(loss) before taxation		(3,554)	(4,844)	(9,281)	6,987
Taxation	4	40	(49)	(1,228)	(92)
Profit/(loss) for the period		(3,514)	(4,893)	(10,509)	6,895
Other comprehensive income, net of tax:					
Exchange differences arising on translating foreign operations		(464)	381	(1,455)	4,024
Release of exchange differences upon disposal of subsidiaries		–	–	–	(1,794)
Total comprehensive profit/(loss) for the period		<u>(3,978)</u>	<u>(4,512)</u>	<u>(11,964)</u>	<u>9,125</u>

Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 31 December 2022

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Profit/(loss) for the period attributable to:					
Owners of the Company		(3,367)	(4,477)	(10,077)	2,729
Non-controlling interests		(147)	(416)	(432)	4,166
		<u>(3,514)</u>	<u>(4,893)</u>	<u>(10,509)</u>	<u>6,895</u>
Total comprehensive profit/(loss) attributable to:					
Owners of the company		(3,903)	(4,063)	(11,767)	4,661
Non-controlling interests		(75)	(449)	(197)	4,464
		<u>(3,978)</u>	<u>(4,512)</u>	<u>(11,964)</u>	<u>9,125</u>
Dividends	5	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Profit/(loss) per share attributable to the owners of the Company					
– Basic (HK cents)	6	<u>(0.120)</u>	<u>(0.159)</u>	<u>(0.358)</u>	<u>0.097</u>
– Diluted (HK cents)		<u>(0.120)</u>	<u>(0.159)</u>	<u>(0.358)</u>	<u>0.097</u>

Unaudited Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2022

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Statutory reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interest HK\$'000	Total equity HK\$'000
At 1 April 2021 (audited)	29,168	440,289	295,610	(7,457)	(31,315)	(2,086)	1,173	(685,153)	40,229	(7,329)	32,900
Profit for the period	-	-	-	-	-	-	-	2,729	2,729	4,166	6,895
Exchange difference on translating foreign operations	-	-	-	-	-	3,726	-	-	3,726	298	4,024
Release of exchange differences upon disposal of subsidiaries	-	-	-	-	-	(1,794)	-	-	(1,794)	-	(1,794)
Total	-	-	-	-	-	1,932	-	2,729	4,661	4,464	9,125
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2021 (unaudited)	<u>29,168</u>	<u>440,289</u>	<u>295,610</u>	<u>(7,457)</u>	<u>(31,315)</u>	<u>(154)</u>	<u>1,173</u>	<u>(682,424)</u>	<u>44,890</u>	<u>(2,865)</u>	<u>42,025</u>

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Statutory reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interest HK\$'000	Total equity HK\$'000
At 1 April 2022 (audited)	29,168	440,289	295,610	(7,457)	(31,315)	(35)	1,608	(698,277)	29,591	(3,224)	26,367
Loss for the period	-	-	-	-	-	-	-	(10,077)	(10,077)	(432)	(10,509)
Exchange difference on translating foreign operations	-	-	-	-	-	(1,690)	-	-	(1,690)	235	(1,455)
Release of exchange differences upon disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	(1,690)	-	(10,077)	(11,767)	(197)	(11,964)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2022 (unaudited)	<u>29,168</u>	<u>440,289</u>	<u>295,610</u>	<u>(7,457)</u>	<u>(31,315)</u>	<u>(1,725)</u>	<u>1,608</u>	<u>(708,354)</u>	<u>17,824</u>	<u>(3,421)</u>	<u>14,403</u>

Notes:

- (a) As at 31 December 2022, the total issued share capital of the Company was approximately HK\$29.168 million (31 March 2022: approximately HK\$29.168 million) divided into 2,818,249,944 ordinary shares and 98,500,000 non-voting convertible preference shares (31 March 2022: 2,818,249,944 ordinary shares and 98,500,000 non-voting convertible preference shares) of HK\$0.01 each (31 March 2022: 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 2022

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 the offices of Tricor Services (Cayman Islands) Limited, Third 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 2022 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 2022 are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2022 (the “**2021/2022 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 2021/2022 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 revenue from 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	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover				
Provision of general hospital services	<u>12,584</u>	<u>13,603</u>	<u>40,984</u>	<u>39,967</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 (2021: Nil).

Corporate income tax of approximately 25% has been provided for the profit generated from provision of general hospital services in the PRC (2021: approximately 25%).

5. Dividends

The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2022 (2021: Nil).

6. Profit/(loss) per share

The calculation of basic loss per share for the three months ended 31 December 2022 was based on the loss attributable to owners of the Company of approximately HK\$3.367 million (2021: approximately HK\$4.477 million) and on the weighted average number of ordinary share of approximately 2,818,249,944 shares (2021: 2,818,249,944 shares).

The calculation of basic profit per share for the nine months ended 31 December 2022 was based on the loss attributable to owners of the Company of approximately HK\$10.077 million (2021: profit attributable to owners of the Company of approximately HK\$2.729 million) and on the weighted average number of ordinary shares of approximately 2,818,249,944 shares (2021: 2,818,249,944 shares).

Diluted profit/(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 2022, the Company had a category of dilutive potential ordinary shares: share options. For the three months and nine months ended 31 December 2022 and 2021, the calculation of diluted earnings per share did not assume the exercise of the convertible note existed at 31 December 2022 and 2021 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.

	Three months ended 31 December 2022 HK\$'000 (Unaudited)	Nine months ended 31 December 2022 HK\$'000 (Unaudited)
Loss attributable to owners of the Company		
– Loss for the purpose of diluted earnings per share	<u>(3,367)</u>	<u>(10,077)</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>
	Three months ended 31 December 2022	Nine months ended 31 December 2022
– Basic (<i>HK cents</i>)	<u>(0.120)</u>	<u>(0.358)</u>
– Diluted (<i>HK cents</i>)	<u>(0.120)</u>	<u>(0.358)</u>

7. Disposal of subsidiaries

On 23 August 2021, Edinburgh International Hospital Management Limited (“**Edinburgh International**”), an indirect non wholly-owned subsidiary of the Company, entered into the disposal agreement with Fujian Pu Yang Hu Lan Investment Co., Ltd.# (福建莆陽壺瀾投資有限責任公司), pursuant to which Edinburgh International and the independent third party agreed to sell and acquire the entire equity interest of Edin Hospital Management (Putian) Co., Ltd.# (愛丁醫院管理(莆田)有限公司)(together with its subsidiary, “**the Target Group**”) at nil consideration (the “**Disposal**”).

Completion of the Disposal took place on 1 September 2021. Upon the completion, the Target Group ceased to be subsidiaries of the Company and the Company had ceased to have any interests in the Target Group and the financial results of the Target Group would no longer be consolidated into the consolidated financial statements of the Group.

Summary of the effects of the Target Group are as follows:

	At 1 September 2021 HK\$'000
Consideration received in cash and cash equivalents	Nil
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	89,612
Right-of-use assets	5,063
Inventories	639
Other receivables	4,506
Cash and cash equivalents	168
Trade and other payables	(48,139)
Deferred revenue	(76,008)
Lease liabilities	(9,318)
	<hr/>
Net liabilities disposed	(33,477)
	<hr/> <hr/>
Gain on disposal of subsidiaries:	
Consideration to be received	–
Add: Net liabilities disposed of	33,477
Release of translation reserve	(1,794)
	<hr/>
Gain on disposal	31,683
	<hr/> <hr/>
Net cash outflow arising on disposal of the Target Group:	
Cash and cash equivalent balances disposed of	(168)
	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the nine months ended 31 December 2022 (the “**period under review**”), the Group recorded a turnover on business operations of approximately HK\$40.984 million (2021: approximately HK\$39.967 million), representing an increase of approximately 2.54% compared to the same period last year. The increase was due to the epidemic situation having stabilized and general hospital services being able to resume gradually. The Company had also closely monitored and reviewed the epidemic situation from time to time to reduce its impact on the provision of services while meeting the demand for its services.

Selling and distribution expenses for the period under review amounted to approximately HK\$5.528 million (2021: approximately HK\$13.130 million), representing a decrease of approximately 57.90% compared to the same period last year. The decrease was due to the disposal of the Putian Edinburgh Friendship Hospital (the “**Disposal**”) as disclosed in the announcement and circular of the Company dated 23 August 2021 and 15 September 2021 respectively.

Administrative expenses for the period under review amounted to approximately HK\$36.712 million (2021: approximately HK\$46.056 million), representing a decrease by approximately 20.29%. The decrease was mainly related to the Disposal.

The Group recorded a loss attributable to owners of the Company of approximately HK\$10.077 million for the period under review (2021: profit attributable to owners of the Company of approximately HK\$2.729 million). The turnaround from profit to loss is primarily attributable to the absence of the one-off gain in disposal of subsidiaries of approximately HK\$31.7 million during the corresponding period. The loss attributable to owners of the Company for the three months ended 31 December 2022 was approximately HK\$3.367 million (2021: attributable to owners approximately HK\$4.477 million).

Business Review and Outlook

General hospital services

During the nine months ended 31 December 2022, the Group operated one general hospital in Beijing (2021: Putian and Beijing), which 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 the general hospital for the nine months ended 31 December 2022 was approximately HK\$40.984 million (2021: approximately HK\$39.967 million), representing an increase of approximately 2.54% compared to the same period last year.

Future Prospects

In light of the relaxation and lifting of COVID-19 restrictions and measures in the PRC since November 2022, business activities in the PRC have been gradually resuming. The Group will continue to assess the impact of COVID-19 on the Group's operations and financial performance, closely monitor the Group's exposure to the risks in connection with COVID-19 on an ongoing basis.

As the COVID-19 epidemic gradually stabilizes, looking forward, various driving factors such as aging population, continuous increase in per capita income and expanding scope of the medical insurance coverage will continue to sustain the rapid development of healthcare market in the PRC. The management also intends to implement further strategies and actions to benefit from the upward trend in the medical and healthcare sectors, including devoting resources on the training of medical staff, the exploration of new business approaches, ensuring quality and safety of medical services and the optimization of our resources for the better outcomes both medically and financially. While the management strives to improve the performance of the Group's existing business, more resources will be allocated to support further exploration of new opportunities, including potential cooperation with different business partners or market participants in the healthcare industries, with the aim to strengthen our capabilities and to better position the Group in the general healthcare market for the upcoming financial year.

Dividends

The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2022 (2021: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures during the nine months ended 31 December 2022.

LITIGATION INVOLVING A SUBSIDIARY

On 9 March 2022, 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**”), an indirect subsidiary of the Company, received a civil complaint (the “**Civil Complaint**”) filed with the People's Court of Qianhai Shenzhen City* (深圳前海合作區人民法院) 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 Hospital Management as defendant, 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 subsidiary of Edinburgh Hospital Management, as a third party.

Pursuant to the Civil Complaint, China Merchants sought, among other things, to terminate a cooperation agreement (the “**Cooperation Agreement**”) dated 31 July 2020 entered into between China Merchants and Edinburgh Hospital Management in relation to, among other things, the provision of funds by China Merchants for the establishment and operation of the international diabetes center in Hainan (the “**IDC**”) and the provision of management services by Edinburgh Hospital Management or its subsidiary to the IDC, the refund of approximately RMB12.13 million by Edinburgh Hospital Management, being the aggregate of funds already advanced by China Merchants pursuant to the Cooperation Agreement, payment of liquidated damages under the Cooperation Agreement and costs in relation to the Civil Complaint of approximately RMB1.4 million.

On 6 September 2022, Edinburgh Hospital Management received the civil judgement* (民事判決書) (the “**Civil Judgment**”) of the People’s Court of Qianhai Cooperation District, Shenzhen, Guangdong Province* (廣東省深圳前海合作區人民法院) (the “**Court**”) in respect of the Civil Complaint.

Pursuant to the Civil Judgment, the Court has ordered, among others, that:

- (i) the Cooperation Agreement be terminated;
- (ii) Edinburgh Hospital Management to return to China Merchants the sum of approximately RMB4.9 million, being the unutilized funds previously advanced by China Merchants to Edinburgh Hospital Management pursuant to the Cooperation Agreement; and
- (iii) Edinburgh Hospital Management to pay to China Merchants liquidated damages under the Cooperation Agreement and costs in relation to the Civil Complaint in the amount of approximately RMB1.4 million.

For more details, please refer to the announcements of the Company dated 10 March 2022 and 7 September 2022

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

With effect from 1 October 2022, 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:

Third Floor, Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

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 2022, 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	Personal interest	59,000,000	Long	2.09%
	Corporate interest (<i>Note</i>)	1,581,959,460	Long	56.13%
Mr. Zheng Gang	Personal interest	6,044,000	Long	0.21%

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 the 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:*

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 31 December 2022, 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 2022, 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:

Name of shareholder	Capacity	Number of shares and underlying shares	Position	Approximate percentage of the total issued shares
Solar Star Global Limited (<i>Note 1</i>)	Beneficial owner	1,581,959,460	Long	56.13%
Ms. Cheng Wai Yin (<i>Note 2</i>)	Interest of spouse	1,640,959,460	Long	58.22%
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%
New Hope Group Co., Ltd.# (新希望集團有限公司) (<i>Note 3</i>)	Corporate interest	343,217,539	Long	12.18%
Tibet Hengye Feng Industrial Co., Ltd.# (西藏恒業鋒實業有限公司) (<i>Note 3</i>)	Corporate interest	343,217,539	Long	12.18%
Mr. Liu Yonghao (<i>Note 3</i>)	Corporate interest	343,217,539	Long	12.18%
Ms. Liu Chang (<i>Note 3</i>)	Corporate interest	343,217,539	Long	12.18%
Ms. Li Wei (<i>Note 4</i>)	Interest of spouse	343,217,539	Long	12.18%

Notes:

- (1) 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 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.[#] which is in turn owned as to 51% by New Hope Group Co., Ltd.[#] and 49% by Tibet Hengye Feng Industrial Co., Ltd.[#]. Both New Hope Group Co., Ltd.[#] and Tibet Hengye Feng Industrial Co., Ltd.[#] 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 2022, 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

The Company had 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 nine months ended 31 December 2022.

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

During the nine months ended 31 December 2022, 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 2022 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 2022.

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 2022.

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 four members comprising the chairman, Mr. Ng Chi Lung, 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 have been made.

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

Hong Kong, 8 February 2023

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

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of publication and on the Company’s website at <http://www.gf-healthcare.com>.