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## **China Golden Classic Group Limited**

**中國金典集團有限公司**

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

**(Stock Code: 8281)**

### **2022 FIRST QUARTER RESULTS ANNOUNCEMENT**

#### **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.**

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*This announcement, for which the directors (the “Directors”) of China Golden Classic Group Limited (the “Company” and together with its subsidiaries, the “Group”) 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.*

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 31 March 2022 (the “Period”) together with comparative figures for the three months ended 31 March 2021 (the “Last Corresponding Period”) as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the three months ended 31 March 2022*

	<i>Notes</i>	<b>Three months ended 31 March</b>	
		<b>2022</b>	2021
		<b><i>RMB’000</i></b>	<i>RMB’000</i>
		<b>(Unaudited)</b>	(Unaudited)
Turnover	2	<b>59,724</b>	68,259
Cost of sales		<b>(38,960)</b>	(41,249)
Gross profit		<b>20,764</b>	27,010
Other income		<b>648</b>	212
Selling and distribution costs		<b>(12,794)</b>	(20,390)
Administrative expenses		<b>(12,845)</b>	(10,292)
Finance costs		<b>(248)</b>	(220)
Loss before tax		<b>(4,475)</b>	(3,680)
Income tax credit	3	<b>403</b>	735
Loss for the period	4	<b>(4,072)</b>	(2,945)
Other comprehensive expense for the period			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange difference arising on translation of foreign operations		<b>(285)</b>	250
Total comprehensive expense for the period attributable to owners of the Company		<b>(4,357)</b>	(2,695)
Loss per share			
Basic and diluted ( <i>RMB cents</i> )	5	<b>(0.41)</b>	(0.29)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	Share capital	Share premium	Capital reserve	PRC statutory reserve	Translation reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 (audited)	8,606	74,386	15	42,899	1,756	120,354	248,016
Loss for the period	-	-	-	-	-	(4,072)	(4,072)
Other comprehensive expense for the period:							
Exchange difference arising on translation of foreign operations	-	-	-	-	(285)	-	(285)
Total comprehensive expense for the period	-	-	-	-	(285)	(4,072)	(4,357)
At 31 March 2022 (unaudited)	<u>8,606</u>	<u>74,386</u>	<u>15</u>	<u>42,899</u>	<u>1,471</u>	<u>116,282</u>	<u>243,659</u>
At 1 January 2021 (audited)	8,606	74,386	15	42,898	2,111	107,500	235,516
Loss for the period	-	-	-	-	-	(2,945)	(2,945)
Other comprehensive income for the period:							
Exchange difference arising on translation of foreign operations	-	-	-	-	250	-	250
Total comprehensive income (expense) for the period	-	-	-	-	250	(2,945)	(2,695)
At 31 March 2021 (unaudited)	<u>8,606</u>	<u>74,386</u>	<u>15</u>	<u>42,898</u>	<u>2,361</u>	<u>104,555</u>	<u>232,821</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the three months ended 31 March 2022*

### 1. BASIS OF PREPARATION AND PRESENTATION OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

China Golden Classic Group Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on the GEM of the Stock Exchange on 8 July 2016.

The principal activity of the Company is investment holding during the period. The subsidiaries of the Company are principally engaged in the manufacture and trading of oral care, leather care and household hygiene products.

The unaudited condensed consolidated financial information (“Financial Information”) of the Company and its subsidiaries (collectively as the “Group”) for the three months ended 31 March 2022 have been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The Financial Information of the Group should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended 31 December 2021. The accounting policies adopted in preparing the unaudited condensed consolidated interim financial statements were consistent with those applied for the financial statements of the Group for the year ended 31 December 2021.

The functional currency of the Company and the Group’s principal subsidiaries is Hong Kong Dollar (“HK\$”) or Renminbi (“RMB”). As the Group mainly operates in the People’s Republic of China (“PRC”), the directors of the Company (“Directors”) consider that it is appropriate to present the Financial Information in RMB.

### 2. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- (1) Oral care products segment reports manufacture and sales of oral care products including functional toothpaste, mouthwash, oral spray and toothbrush.
- (2) Leather care products segment reports manufacture and sales of leather care products including leather shoe care products and leather clothing care products.
- (3) Household hygiene products segment reports manufacture and sales of household hygiene products including surface cleaners, laundry care products, toilet care products and mould proof products.

#### (a) Segment revenues and results

Segment turnover represents revenue derived from the sales of oral care, leather care and household hygiene products.

During the three months ended 31 March 2022, all revenue were recognised at a point in time upon delivery.

The following is an analysis of the Group's revenue by reportable and operating segments.

*For the three months ended 31 March 2022 (unaudited)*

	<b>Oral care products RMB'000</b>	<b>Leather care products RMB'000</b>	<b>Household hygiene products RMB'000</b>	<b>Total RMB'000</b>
Segment revenue	<u>27,507</u>	<u>3,954</u>	<u>28,263</u>	<u>59,724</u>

*For the three months ended 31 March 2021 (unaudited)*

	<b>Oral care products RMB'000</b>	<b>Leather care products RMB'000</b>	<b>Household hygiene products RMB'000</b>	<b>Total RMB'000</b>
Segment revenue	<u>29,015</u>	<u>5,679</u>	<u>33,565</u>	<u>68,259</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of selling and distribution expenses, administrative expenses, other income and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

### 3. INCOME TAX CREDIT

Income tax in the condensed consolidated statement of profit or loss and other comprehensive income is as follows:

	<b>Three months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Deferred tax</b>	<u><b>403</b></u>	<u><b>(735)</b></u>

- (a) Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI.
- (b) No provision for Hong Kong Profits Tax had been made for the three months ended 31 March 2022 (2021: nil) as the Group did not have any assessable profits arising in Hong Kong.
- (c) No provision for PRC Enterprise Income Tax had been made for the three months ended 31 March 2022 (2021: nil) as the Group did not have any assessable profits arising in the PRC.
- (d) Under the Law of the People's Republic of China on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries registered in the PRC is 25%.

- (e) One of the Group's subsidiaries registered in the PRC is recognised as a High and New-technology Enterprise which has been granted tax concessions by the local tax bureau and is entitled to PRC Enterprise Income Tax at concessionary rate of 15% for the three months ended 31 March 2022.
- (f) One of the Group's subsidiaries registered in the PRC is recognised as a Small and Low Profit Enterprise which has been granted tax concessions by the local tax bureau and is entitled to PRC Enterprise Income Tax at concessionary rate of 5% for the three months ended 31 March 2022 (2021: 5%).

#### 4. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	<b>Three months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Depreciation of property, plant and equipment	<b>3,375</b>	3,402
Depreciation of right-of-use assets	<b>112</b>	126
Cost of inventories recognised as expenses	<b>38,969</b>	41,249
	<b><u>                    </u></b>	<b><u>                    </u></b>

#### 5. LOSS PER SHARE

The calculation of the basic loss per share for the period attributable to the owners of the Company is based on the following data:

	<b>Three months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss attributable to owners of the Company	<b>(4,072)</b>	(2,945)
	<b><u>                    </u></b>	<b><u>                    </u></b>

#### Number of shares

	<b>Three months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares in issue	<b>1,000,000</b>	1,000,000
	<b><u>                    </u></b>	<b><u>                    </u></b>

*Note:* No diluted loss per share is presented for the three months ended 31 March 2022 and for the corresponding periods in 2021 as the Group had no potential ordinary shares outstanding.

#### 6. DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: nil).

## **BUSINESS REVIEW AND PROSPECTS**

### **BUSINESS REVIEW**

For the Period, the Group recorded (i) a turnover of approximately RMB59.7 million, representing a decrease of approximately 12.5% compared to the Last Corresponding Period; and (ii) a net loss of approximately RMB4.1 million, reflecting a difference of approximately RMB1.1 million or 38.3% as compared to the net loss of approximately RMB2.9 million in the Last Corresponding Period. The Group's net loss margin was approximately 6.8% during the Period, representing a difference of approximately 2.5%, compared to net loss margin of approximately 4.3% in the Last Corresponding Period. On the other hand, the Group's overall gross profit margin decreased from approximately 39.5% for the Last Corresponding Period to approximately 34.8% for the Period.

The net loss was mainly attributable to the shortage of raw materials arising from the logistics-disruptions caused by COVID-19 and the weak demand of distributors in pandemic-affected areas.

### **PROSPECTS AND OUTLOOKS**

The first quarter of 2022 was full of challenges for the Group and management team, which remain dedicated to creating value for the shareholders of the Company. COVID-19 and its highly contagious variants have broken out in many parts of China. The operation of the Group was seriously affected by the shortage of raw materials arising from the logistics-disruptions and the weak demand of distributors in pandemic-affected areas.

In the second quarter of 2022, the situation of the Group has proven to be even more challenging. On one hand, Shanghai, located in close proximity to the Group, has adopted a strategy of "citywide static management" in early April 2022 since the escalation of the pandemic. On the other hand, Jiangyin, the location of our Group, has become a pandemic-affected area and taken stringent measures to prevent the spread of COVID-19 since 3 May 2022. In response to the challenges, the management of the Group has formulated the following strategies:

- (1) professional teams have been set up to comprehensively implement epidemic prevention and control measures as well as disinfect production, material storing and living areas;
- (2) a series of plans have been made for pandemic prevention and control, health screening, closed-loop management, preparedness and support, and emergency response.

After preparing the measures above, the Group obtained permission from local authorities to resume work and production in a closed management mode, providing daily nucleic acid testing for all working staff members.

Though the performance of the Group in the first quarter has fallen below the Board's expectations, the Board is still optimistic about the future of the Company for the following reasons:

- (1) a sizable portion of the world is emerging from the aftermath of the pandemic, and China's domestic economy will resume its strong growth in view of the robust epidemic prevention measures implemented by the Chinese government;
- (2) the enhanced awareness of household hygiene and oral health of customers is expected to enhance the turnover of our products.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS OF OPERATION**

The turnover for the Period was approximately RMB59.7 million, representing a decrease of approximately 12.5%, as compared to approximately RMB68.3 million for the Last Corresponding Period. During the Period, the Group incurred a net loss of approximately RMB4.1 million, as compared to the net loss of approximately RMB2.9 million for the Last Corresponding Period. The basic loss per share was RMB0.41 cents for the Period while the basic loss per share was RMB0.29 cents for the Last Corresponding Period.

#### **Turnover**

The Group recorded a total turnover of approximately RMB59.7 million for the Period, which represented a decrease of approximately RMB8.5 million or 12.5% as compared to approximately RMB68.3 million for the Last Corresponding Period. The lower turnover was mainly due to the decreased turnover of household hygiene products and leather care products. The turnover of household hygiene products decreased by approximately RMB5.3 million or 15.8% from approximately RMB33.6 million for the Last Corresponding Period to RMB28.3 million for the Period. On the other hand, the turnover of leather care products recorded a decrease of approximately RMB1.7 million or 30.4% from approximately RMB5.6 million for the Last Corresponding Period to approximately RMB4.0 million for the Period. Such decrease was mainly due to (i) the shortage of raw materials arising from the logistics-disruptions caused by COVID-19; and (ii) the weak demand of distributors in pandemic-affected areas. The turnover of the Group's oral care products decreased by approximately RMB1.5 million or 5.2% to approximately RMB27.5 million for the Period, as compared with approximately RMB29.0 million for the Last Corresponding Period. As the gross profit margin of oral care products is higher than the other two segments products, the Group prioritised the production and transport logistics of oral care products.



### **Cost of sales**

Cost of sales decreased from approximately RMB41.2 million for the Last Corresponding Period to approximately RMB39.0 million for the Period, demonstrating a decrease of approximately RMB2.3 million or 5.5%. The decrease mainly reflected the decreased product sales volume.

### **Gross profit and gross profit margin**

Gross profit decreased from approximately RMB27.0 million for the Last Corresponding Period to approximately RMB20.8 million for the Period, representing a decrease of approximately RMB6.2 million or 23.1%. The gross profit margin decreased to 34.8%, representing a 4.8% decrease as compared to 39.6% for the Last Corresponding Period. The decrease was mainly attributed to the rise in the price of raw materials and packaging materials and the decreased product sales volume.

### **Selling and distribution costs**

Selling and distribution expenses incurred for the Period were approximately RMB12.8 million, resulting in a decrease of approximately RMB7.6 million or approximately 37.3%, as compared to approximately RMB20.4 million for the Last Corresponding Period, which mainly reflected the reduced engagement of temporary personnel.

### **Administrative expenses**

Administrative expenses incurred for the Period were approximately RMB12.8 million, representing an increase of approximately RMB2.6 million or approximately 24.8%, as compared to approximately RMB10.3 million for the Last Corresponding Period. The increase was mainly driven by the increase in depreciation for property, plant and equipment, repair and maintenance.

### **Finance costs**

Interest expenses incurred for the Period were approximately RMB248 thousand, which increased by approximately RMB28 thousand as compared to the last corresponding period, representing an increase of approximately 12.7%. It was driven by the decreased interest income.

### **Loss for the period**

As a result of the foregoing, the Group incurred a net loss of approximately RMB4.1 million for the Period, representing a difference of approximately RMB1.1 million or 38.3% as compared to the net loss of approximately RMB2.9 million for the Last Corresponding Period. Net loss margin for the Period was approximately 6.8%, representing a difference of approximately 2.5% as compared to the net loss margin of 4.3% for the Last Corresponding Period.

## DIVIDEND

The Board has determined not to declare a dividend for the Period.

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under this announcement, there were no other significant investments held, nor material acquisitions or disposals of subsidiaries and affiliated companies during the Period and there are no plans for material investments or capital assets as at 31 March 2022.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 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 its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, are as follows:

#### Long position in the ordinary shares of the Company

Name of Director	Capacity/ nature of interest	Number of shares or underlying shares	Approximate percentage of interest in the Company
Ms. Li Qiuyan ("Ms. Li")	Interest of a controlled corporation ( <i>Note 1</i> )	575,625,000	57.56%
Mr. Tong Xing ("Mr. Tong")	Interest of a controlled corporation ( <i>Note 2</i> )	106,875,000	10.69%

*Notes:*

- Ms. Li beneficially owns the entire issued share capital of ChongBo Mary Investment Limited ("ChongBo Mary"). Therefore, Ms. Li is deemed, or taken to be, interested in the shares of the Company held by ChongBo Mary for the purposes of the SFO. Ms. Li is a director of ChongBo Mary.

2. Mr. Tong beneficially owns the entire issued share capital of Tong Xing Holding Group Limited (“Tong Xing Holding”). Therefore, Mr. Tong is deemed, or taken to be, interested in the shares of the Company held by Tong Xing Holding for the purposes of the SFO. Mr. Tong is a director of Tong Xing Holding.

### Long position in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity/nature of interest	Number of share or underlying share	Approximate percentage of interest
Ms. Li	ChongBo Mary	Beneficial owner	1	100%

Save as disclosed above, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2022, so far as the Directors are aware, the following persons (not being Directors or chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under section 336 of the SFO and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

### Long position in the ordinary shares of the Company

Name	Capacity/nature of interest	Number of shares or underlying shares	Approximate percentage of interest in the Company
ChongBo Mary	Beneficial owner	575,625,000	57.56%
Tong Xing Holding	Beneficial owner	106,875,000	10.69%
Ms. Zhang Li	Interest of spouse ( <i>Note 1</i> )	106,875,000	10.69%

*Note:*

1. Ms. Zhang Li is the spouse of Mr. Tong. Accordingly, Ms. Zhang Li is deemed, or taken to be, interested in the shares of the Company held by Mr. Tong for the purposes of the SFO.

Save as disclosed above, as at 31 March 2022, the Directors are not aware of any other persons who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

## **SHARE OPTION SCHEME**

The Company's share option scheme (the "Scheme") was adopted pursuant to the written resolutions of the shareholders of the Company passed on 17 June 2016. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Company. The Scheme will remain in force for a period of 10 years from the date of adoption of such scheme and will expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders of the Company in general meeting. No share options have been granted pursuant to the Scheme since its adoption.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

Save as disclosed above, at no time during the Period was any rights granted to any Director or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company, or was any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period and up to the date of this announcement.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has 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. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard of dealings and the code of conduct adopted by the Company for the Period and up to the date of this announcement.

## **NON-COMPETITION UNDERTAKINGS**

Each of the controlling shareholders of the Company, namely Ms. Li and ChongBo Mary (together, the “Controlling Shareholders”), has entered into a deed of non-competition on 17 June 2016 (the “Deed of Non-competition”). Details of the Deed of Non-competition are set out in the section headed “Relationship with Controlling Shareholders” of the Prospectus and the non-competition undertaking has become effective from the date of listing of the shares of the Company on GEM (the “Listing Date”). As far as the Directors are aware, as at the date of this announcement, the Controlling Shareholders have not breached any terms under the Deed of Non-competition.

## **COMPETING INTERESTS**

As far as the Directors are aware, as at the date of this announcement, none of the Directors or the Controlling Shareholders have any interests in a business which competes or may compete with the business of the Group or have any other conflict of interest with the Group.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment, reappointment and removal of the Company’s external auditor, review the financial information of the Company, and oversee the Company’s financial reporting system, risk management and internal control systems. The Audit Committee comprised of three independent non-executive Directors, namely Mr. Tang Wai Yau (chairman of the Audit Committee), Mr. Ye Jingzhong and Mr. Pan Qingwei.

The Audit Committee reviewed the unaudited consolidated results of the Group for the Period and this announcement with the management and is of the opinion that 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.

## **CORPORATE GOVERNANCE CODE**

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices. To the best knowledge of the Directors, the Company complied with the code provisions in the CG Code for the Period.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float since the Listing Date as required under the GEM Listing Rules.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND QUARTERLY REPORT**

The quarterly results announcement and quarterly report of the Company for the Period are available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.goldenclassicbio.com](http://www.goldenclassicbio.com).

For and on behalf of  
**China Golden Classic Group Limited**  
**Li Qiuyan**  
*Chairman*

Hong Kong, 12 May 2022

*As at the date of this announcement, the executive Directors are Ms. Li Qiuyan, Mr. Tong Xing, Ms. Du Yongwei and the independent non-executive Directors are Mr. Ye Jingzhong, Mr. Tang Wai Yau and Mr. Pan Qingwei.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at [www.goldenclassicbio.com](http://www.goldenclassicbio.com).*