



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)



First Quarterly Report
2022/2023

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

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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 revenue of approximately HK\$14.058 million for the three months ended 30 June 2022 as compared with HK\$13.272 million in the corresponding period in 2021, representing an increase of approximately 5.92%.
- Gross profit margin of the Group was approximately 83.7% for the three months ended 30 June 2022, compared with 82.08% in the corresponding period in year 2021, representing an increase of approximately 1.62 percentage points.
- The Group has recorded a loss attributable to owners of the Company for the three months ended 30 June 2022 of approximately HK\$3.954 million as compared with a loss of HK\$8.740 million in the corresponding period in 2021.
- The Directors do not recommend the payment of dividend for the three months ended 30 June 2022 (2021: Nil).

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

FIRST QUARTERLY 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 ended 30 June 2022, together with the unaudited comparative figures for the corresponding period in 2021, as follows:

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 30 June 2022

	Note	Three months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	3	14,058	13,272
Cost of sales		<u>(2,292)</u>	<u>(2,378)</u>
Gross profit		11,766	10,894
Other revenue		311	1,107
Selling and distribution expenses		(1,817)	(5,463)
Administrative expenses		<u>(13,215)</u>	<u>(16,535)</u>
Loss from operations		(2,955)	(9,997)
Finance costs		<u>(126)</u>	<u>(559)</u>
Loss before taxation		(3,081)	(10,556)
Taxation	4	<u>(1,274)</u>	<u>(43)</u>
Loss for the period		(4,355)	(10,599)
Other comprehensive loss for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		<u>(879)</u>	<u>89</u>
Total comprehensive loss for the period		<u>(5,157)</u>	<u>(10,510)</u>

		Three months ended	
		30 June	
	<i>Note</i>	2022	2021
		HKS'000	HKS'000
		(unaudited)	(unaudited)
Loss for the period attributable to:			
Owners of the Company		(3,954)	(8,740)
Non-controlling interests		(324)	(1,859)
		<u>(4,278)</u>	<u>(10,599)</u>
Total comprehensive loss for the period attributable to:			
Owners of the Company		(4,979)	(8,566)
Non-controlling interests		(178)	(1,944)
		<u>(5,157)</u>	<u>(10,510)</u>
Dividends	6	<u>–</u>	<u>–</u>
Loss per share attributable to owners of the Company			
– Basic (HK cents)		<u>(0.140)</u>	<u>(0.310)</u>
– Diluted (HK cents)	5	<u>(0.140)</u>	<u>(0.310)</u>

Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2022

	Attributable to the owners of the Company										Non-controlling interest	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Special reserve	Translation reserve	Statutory reserve	Accumulated losses	Sub-total			
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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	
Loss for the period	-	-	-	-	-	-	-	(8,740)	(8,740)	(1,859)	(10,599)	
Exchange difference on translating foreign operations	-	-	-	-	-	174	-	-	174	(85)	89	
Total	-	-	-	-	-	174	-	(8,740)	(8,566)	(1,944)	(10,510)	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	
At 30 June 2021 (unaudited)	<u>29,168</u>	<u>440,289</u>	<u>295,610</u>	<u>(7,457)</u>	<u>(31,315)</u>	<u>(1,912)</u>	<u>1,173</u>	<u>(693,893)</u>	<u>31,663</u>	<u>(9,273)</u>	<u>22,390</u>	

	Attributable to the owners of the Company										Non-controlling interest	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Special reserve	Translation reserve	Statutory reserve	Accumulated losses	Sub-total			
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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	-	-	-	-	-	-	-	(3,954)	(3,954)	(324)	(4,278)	
Exchange difference on translating foreign operations	-	-	-	-	-	(1,025)	-	-	(1,025)	146	(879)	
Total	-	-	-	-	-	(1,025)	-	(3,954)	(4,979)	(178)	(5,157)	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	
At 30 June 2022 (unaudited)	<u>29,168</u>	<u>440,289</u>	<u>295,610</u>	<u>(7,457)</u>	<u>(31,315)</u>	<u>(1,060)</u>	<u>1,608</u>	<u>(702,231)</u>	<u>24,612</u>	<u>(3,402)</u>	<u>21,210</u>	



NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months ended 30 June 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 Second 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 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 People’s Republic of China (the “**PRC**”).

2. Basis of preparation and principal accounting policies

The condensed consolidated financial results for the three months ended 30 June 2022 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable Hong Kong Financial Reporting Standards, 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 except for certain financial instruments, which are measured at fair value.

The accounting policies adopted in preparing the unaudited condensed consolidated results for the three months ended 30 June 2022 are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2022 (the “**2021/22 Financial Statements**”), which have become effective in this period as detailed in notes to the 2021/22 Financial Statements. The Directors believe that the application of the other new and revised standards, amendments or interpretations has no material impact on the condensed consolidated financial results for the period.

Certain comparative amounts have been restated to confirm with the current period’s presentation and accounting treatment.

3. Revenue

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

	Three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue		
Provision of general hospital services	<u>14,058</u>	<u>13,272</u>
Other Revenue		
Government grants	64	1,003
Bank interest income	6	38
Sundry income	38	92
Bond interest income	<u>203</u>	<u>—</u>
	<u>311</u>	<u>1,107</u>

4. Taxation

No provision for Hong Kong Profits Tax has been made in the condensed consolidated 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 the provision of general hospital services in the PRC (2021: approximately 25%).

5. Loss per share

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data.

(a) Basic

	2022 HK\$'000	2021 HK\$'000
Loss		
Attributable to holders of ordinary shares of the Company	<u>(3,954)</u>	<u>(8,740)</u>
Weighted average number of ordinary shares in issue	<u>2,818,249,944</u>	<u>2,818,249,944</u>

(b) Diluted loss per share

During the three months ended 30 June 2022, the computation of diluted loss per share did not assume the conversion of the Company's outstanding share option since the effect of such conversion was anti-dilutive.

6. Dividends

The Directors do not recommend the payment of a dividend for the three months ended 30 June 2022 (2021: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

General hospital services

The turnover generated from one general hospital for the three months ended 30 June 2022 amounted to approximately HK\$14.058 million (2021: approximately HK\$13.272 million for two general hospitals), representing an increase of approximately 5.92% compared with the same period last year.

Expenses

Selling and distribution expenses for the three months ended 30 June 2022 amounted to approximately HK\$1.817 million (2021: approximately HK\$5.463 million), representing a decrease of approximately 66.73% compared with the same period last year. The decrease was due to the disposal of the Putian Edinburgh Friendship Hospital as disclosed in the announcement and circular of the Company dated 23 August 2021 and 15 September 2021 respectively.

Administrative expenses for the three months ended 30 June 2022 amounted to approximately HK\$13.215 million (2021: approximately HK\$16.535 million), representing a decrease of approximately 20.07%. The decrease was mainly related to the disposal of the Putian Edinburgh Friendship Hospital as disclosed in the announcement and circular of the Company dated 23 August 2021 and 15 September 2021 respectively.

Loss attributable to owners of the Company

The Group has recorded a loss attributable to owners of the Company for the three months ended 30 June 2022 of approximately HK\$3.954 million as compared with a loss of HK\$8.740 million in the corresponding period in 2021.





Business Review and Outlook

General hospital services

During the three months ended 30 June 2022, the Group operated one general hospital in Beijing in the PRC, (2021: two general hospitals in Putian and Beijing) and was principally engaged in the provision of general hospital services, including but not limited to medical wards, surgical wards, medical checkup and examination. The turnover generated from the provision of general hospital services for the three months ended 30 June 2022 was approximately HK\$14.058 million (2021: approximately HK\$13.272 million), representing an increase of approximately 5.92% compared with the same period last year.

Future Prospects

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 and uncertainties in connection with COVID-19 on an ongoing basis, and will strengthen the cost savings measures in view of the challenging conditions. The management continues to focus on the training of medical staff, the exploration of new business approaches, the quality and safety of medical services and the optimization of our resources for the better outcomes both medically and financially.

Whilst the operation of the Group's existing business remains the center of attention of the Group, including the hospital in Beijing which provides a steady revenue stream, according to the "14th Five Year Plan", the healthcare system has moved from disease treatment approach to the disease prevention approach. In the future, and in line with the shift of healthcare policy focus from disease treatment to prevention by the PRC central government, the Group will strategically allocate its resources in the development on disease treatment and management via the operation of the Group's hospital, and the exploration of new potential business opportunities in relation to disease prevention, including both upstream and downstream general healthcare industries, and will involve in various related areas such as disease preventing therapies, treatments, healthcare supplements and Chinese medicine.

The management also intends to implement further strategies and actions to benefit from the upward trend in the medical and healthcare sectors. While the management strives to improve the performance of 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 positions in the general healthcare market for the upcoming financial year.

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 three months ended 30 June 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.

For more details, please refer to the announcements of the Company dated 10 March 2022.

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

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

As at 30 June 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) (the "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 is owned as to 50% by Mr. Ng Chi Lung, 25% by Ms. Ng Si Wing and 25% by Ms. Ng Yin. Mr. Ng Chi Lung is deemed to be interested in the shares and the convertible preference shares in which Solar Star 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 30 June 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 of the Company

As at 30 June 2022, other than the interests of a Director or chief executive of the Company as disclosed under the heading “Directors’ interests and short positions in the 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:

Long positions in shares and underlying shares of the Company:

Name of shareholder	Number of shares and underlying shares	Position	Capacity	Approximate percentage of the total issued shares
Solar Star Global Limited (“Solar Star”) (Note 1)	1,581,959,460	Long	Beneficial owner	56.13%
Ms. Cheng Wai Yin (Note 2)	1,640,959,460	Long	Interest of spouse	58.22%
New Hope International (Hong Kong) Limited (“New Hope International”) (Note 3)	343,217,539	Long	Beneficial owner	12.18%
Southern Hope Enterprise Co., Ltd. [#] (南方希望實業有限公司) (Note 3)	343,217,539	Long	Corporate interest	12.18%
New Hope Group Co., Ltd. [#] (新希望集團有限公司) (Note 3)	343,217,539	Long	Corporate interest	12.18%
Tibet Hengye Feng Industrial Co., Ltd. [#] (西藏恒業峰實業有限公司) (Note 3)	343,217,539	Long	Corporate interest	12.18%
Mr. Liu Yonghao (Note 3)	343,217,539	Long	Corporate interest	12.18%
Ms. Liu Chang (Note 3)	343,217,539	Long	Corporate interest	12.18%
Ms. Li Wei (Note 4)	343,217,539	Long	Interest of spouse	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 the shares and the convertible preference shares 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 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 is interested in 343,217,539 shares of the Company. The issued share capital of New Hope International 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 as to 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 is interested in under Part XV of 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 30 June 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

Save as disclosed under the heading “Directors’ interests and short positions in the securities 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 three months ended 30 June 2022 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 three months ended 30 June 2022.

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

During the three months ended 30 June 2022, 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 June 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 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 three months ended 30 June 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 three months ended 30 June 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, namely, 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.

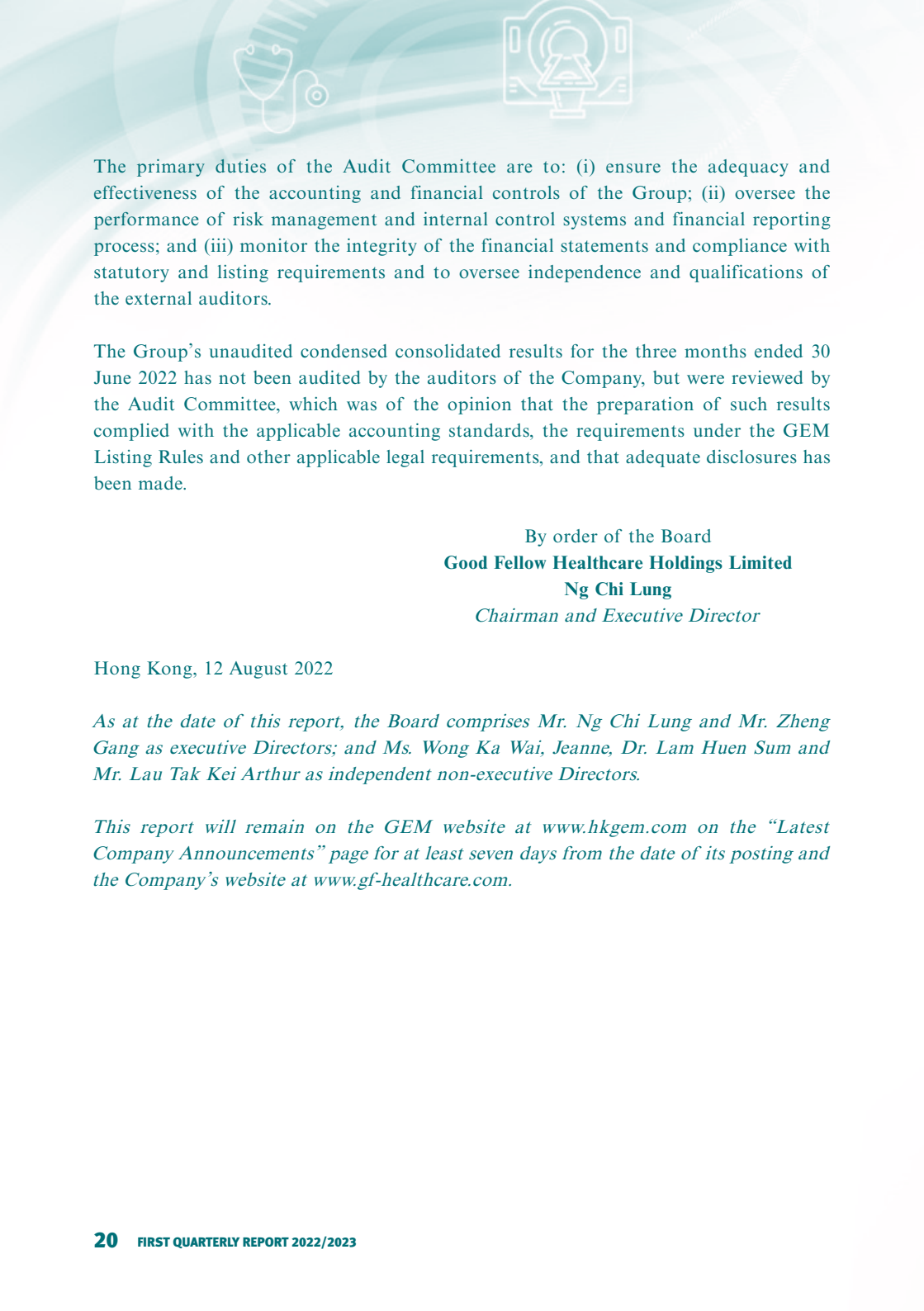
NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

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, namely, 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 has three members comprising all the independent non-executive Directors, namely, 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 to: (i) 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 three months ended 30 June 2022 has not been audited by the auditors of the Company, but were reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

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

Hong Kong, 12 August 2022

As at the date of this report, 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 report will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting and the Company's website at www.gf-healthcare.com.