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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)

2020 FIRST QUARTER RESULTS ANNOUNCEMENT

CHARACTERISTICS OF THE 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 2020 (the “Period”) together with comparative figures for the three months ended 31 March 2019 (the “Last Corresponding Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2020

		Three months ended	
		31 March	
	<i>Notes</i>	2020	2019
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Turnover	2	52,573	68,739
Cost of sales		<u>(30,435)</u>	<u>(41,877)</u>
Gross profit		22,138	26,862
Other income		1,197	1,114
Selling and distribution costs		(15,207)	(17,220)
Administrative expenses		(11,494)	(11,197)
Finance costs		<u>(761)</u>	<u>(892)</u>
Loss before tax		(4,127)	(1,333)
Income tax expenses	3	<u>–</u>	<u>(26)</u>
Loss for the period	4	(4,127)	(1,359)
Other comprehensive income (expense) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		<u>72</u>	<u>(55)</u>
Total comprehensive expense for the period attributable to owners of the Company		<u>(4,055)</u>	<u>(1,414)</u>
Loss per share			
Basic and diluted (<i>RMB cents</i>)	5	<u>(0.41)</u>	<u>(0.14)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Translation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2020 (audited)	8,606	74,386	15	42,898	2,890	89,342	218,137
Loss for the period	-	-	-	-	-	(4,127)	(4,127)
Other comprehensive income for the period:							
Exchange difference arising on translation of foreign operations	-	-	-	-	72	-	72
Total comprehensive income/ (expenses) for the period	-	-	-	-	72	(4,127)	(4,055)
At 31 March 2020 (unaudited)	<u>8,606</u>	<u>74,386</u>	<u>15</u>	<u>42,898</u>	<u>2,962</u>	<u>85,215</u>	<u>214,082</u>
At 1 January 2019 (audited)	8,606	74,386	15	42,898	2,869	79,748	208,522
Loss for the period	-	-	-	-	-	(1,359)	(1,359)
Other comprehensive expense for the period:							
Exchange difference arising on translation of foreign operations	-	-	-	-	(55)	-	(55)
Total comprehensive expenses for the period	-	-	-	-	(55)	(1,359)	(1,414)
At 31 March 2019 (unaudited)	<u>8,606</u>	<u>74,386</u>	<u>15</u>	<u>42,898</u>	<u>2,814</u>	<u>78,389</u>	<u>207,108</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

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

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 Company is engaged in 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 2020 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 2019. The accounting policies adopted in preparing the unaudited condensed consolidated first quarterly financial statements were consistent with those applied for the financial statements of the Group for the year ended 31 December 2019.

The functional currency of the Company and the Group’s principal subsidiaries is HK\$ or Renminbi (“RMB”). As the Group mainly operates in the PRC, the Directors of the Company 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 period ended 31 March 2020, 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 2020 (unaudited)

	Oral care products RMB'000	Leather care products RMB'000	Household hygiene products RMB'000	Total RMB'000
Segment revenue	<u>24,196</u>	<u>3,494</u>	<u>24,883</u>	<u>52,573</u>

For the three months ended 31 March 2019 (unaudited)

	Oral care products RMB'000	Leather care products RMB'000	Household hygiene products RMB'000	Total RMB'000
Segment revenue	<u>38,215</u>	<u>6,764</u>	<u>23,760</u>	<u>68,739</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 EXPENSES

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

	Three months ended 31 March	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	<u>–</u>	<u>26</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 2020 (2019: 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 2020 (2019: RMB26,000) 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 2020 (2019: 15%).

- (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 2020 (2019: 5%).

4. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Three months ended 31 March	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	3,308	4,054
Amortisation of prepaid lease payments	–	112
Depreciation of right-of-use assets	129	–
Cost of inventories recognised as expenses	30,435	41,877
Interest expenses on lease liabilities	1	–
Gain on disposal of property, plant and equipment	(41)	–
	<u>33,832</u>	<u>46,043</u>

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:

	Three months ended 31 March	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company	<u>(4,127)</u>	<u>(1,359)</u>

Number of shares

	Three months ended 31 March	
	2020	2019
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue	<u>1,000,000</u>	<u>1,000,000</u>

Note: No diluted loss per share is presented for the three months ended 31 March 2020 and for the corresponding periods in 2019 as the Group had no potential ordinary shares outstanding.

6. DIVIDEND

The Directors of the Group do not recommend the payment of any dividend for the three months ended 31 March 2020 (three months ended 31 March 2019: nil).

BUSINESS REVIEW AND PROSPECTS

BUSINESS REVIEW

For the Period, the Group recorded a turnover of approximately RMB52.6 million, representing a decrease of approximately 23.5% compared to the Last Corresponding Period; and a net loss of approximately RMB4.1 million, reflecting a difference of approximately RMB2.8 million or 204% as compared to the net loss of approximately RMB1.4 million in the Last Corresponding Period. The Group's net loss margin was approximately 7.9% during the Period, representing a difference of approximately 5.9%, compared to net loss margin of approximately 2.0% in the Last Corresponding Period. On the other hand, the Group's overall gross profit margin increased from approximately 39.1% for the Last Corresponding Period to approximately 42.1% for the Period.

COVID-19, which has spread rapidly and enveloped most of the world, is a global public health crisis, the likes of which we have not seen in a century. Affected by the epidemic, the performance of the Group deteriorated in the first quarter due to the following reasons. First of all, before the local logistics enterprises resumed to work in early March, the Group's products could not be transported to most of the dealer's warehouses as usual. Secondly, a large number of stores where the Group's products were sold were closed during the majority of the Period, which largely reduced the patronage of our end-customers. Nevertheless, during the Period, the Directors directed the Group's resources to creating more value to its shareholders and the society. The Group has newly developed sodium hypochlorite and other kinds of liquid disinfectant products targeted to combating viruses, which became popular with the consumers in the south of the Jiangsu Province. The Group is also one of the first batch of enterprises to return to work in Jiangyin city and was highly commended by Xuxiake Town government for its contributions in preventing the spread of the epidemic.

PROSPECTS AND OUTLOOKS

Since the economic outlook of the world in the near future is still uncertain, the second quarter of 2020 will continue to be filled with challenges. On one hand, China is stepping out of the haze of the epidemic, and the economy of China is expected to recover in the second quarter after shrinking in the first quarter amid the COVID-19 pandemic. On the other hand, China's major trading partners are still seriously impacted by the virus. In view of China's huge dependence on foreign trade, the full-blown upturn of China's economy can be seen when the economies of the European Union and the United States recover.

The Group will continue to take a firm step forward in the oral care industry and household sterilization hygiene products which are known as rigid demand products. The Directors also have every confidence in consolidating the Group's market position since its patented FE Enzyme products have demonstrated excellent potential in combating microbials and viruses. The Group will devote more resources to launching more biological liquid disinfectants and the Directors will strengthen marketing and promotion in the e-commerce sector to improve the Group's e-commerce sales.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATION

The turnover for the Period was approximately RMB52.6 million, representing a decrease of approximately 23.5%, as compared to approximately RMB68.7 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 RMB1.4 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 RMB0.14 cents for the Last Corresponding Period.

Turnover

The Group recorded a total turnover of approximately RMB52.6 million for the Period, which represented a decrease of approximately RMB16.1 million or 23.5% as compared to approximately RMB68.7 million for the Last Corresponding Period. Turnover of the Group's oral care products declined by approximately RMB14.0 million or 36.7% to approximately RMB24.2 million for the Period, as compared to approximately RMB38.2 million for the Last Corresponding Period. Turnover of the Group's leather care products decreased by approximately RMB3.3 million or 48.3% to approximately RMB3.5 million for the Period, as compared with approximately RMB6.8 million for the Last Corresponding Period. The decrease of turnover of oral care products and leather care products mainly resulted from the postponed resumption time of local logistics enterprises, which were responsible for delivering the Group's products to the distributors/stores. On the other hand, the turnover of the Group's household hygiene products increased by approximately RMB1.1 million or 4.7%, from approximately RMB23.8 million for the Last Corresponding Period to approximately RMB24.9 million for the Period. The increment was mainly attributable to the substantial growth of the sales volume of chlorine-containing and other ingredients-containing liquid disinfectants products used to combat bacteria and viruses.

Cost of sales

Cost of sales decreased from approximately RMB41.9 million for the Last Corresponding Period to approximately RMB30.4 million for the Period, demonstrating a decrement of approximately RMB11.4 million or 27.3%. The decrement mainly reflected the decreased sales volume of products.

Gross profit and gross profit margin

Gross profit decreased from approximately RMB26.9 million for the Last Corresponding Period to approximately RMB22.1 million for the Period, representing a decrease of approximately RMB4.7 million or 17.6%. The gross profit margin increased to 42.1%, representing a 3.0% increase as compared to 39.1% for the Last Corresponding Period. The increase was mainly attributed to the substantial sales growth of sodium hypochlorite and other kinds of liquid disinfectants products, the profit margin of which was higher than other products.

Selling and distribution costs

Selling and distribution expenses incurred for the Period were approximately RMB15.2 million, reflecting a decrease of approximately RMB2.0 million or approximately 11.7%, as compared to approximately RMB17.2 million for the Last Corresponding Period, which mainly reflected the decrease in transportation expenses, the costs of sales personnel in light of the diminished demand in employing temporary sales and business trips during the majority of the Period.

Administrative expenses

Administrative expenses incurred for the Period were approximately RMB11.5 million, representing an increase of approximately RMB0.3 million or approximately 2.7%, as compared to approximately RMB11.2 million for the Last Corresponding Period. The increase mainly resulted from the epidemic prevention cost.

Finance costs

Interest expenses incurred for the Period were approximately RMB0.8 million, which decreased by approximately RMB0.1 million or approximately 14.7% as compared to approximately RMB0.9 million for the Last Corresponding Period. The decrease mainly arose from the decrease in the average lending rate during the Period as compared to the Last Corresponding Period.

Loss for the period

As a result of the foregoing, we incurred a net loss of RMB4.1 million for the Period, representing a difference of approximately RMB2.8 million or 204% as compared to the net loss of approximately RMB1.4 million for the Last Corresponding Period. Net loss margin for the Period was approximately 7.9%, representing a difference of approximately 5.9% as compared to the net loss margin of 2.0% 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

During the Period, the Group entered into a series of subscription agreements with an affiliated group of investment companies (the “Issuers”) in the PRC in relation to various wealth management products offered by the Issuers in the amount of approximately RMB53 million, of which approximately RMB13 million have been redeemed as of the date of this announcement.

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 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or 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 Rule 5.46 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.
- 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 2020, 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:

- 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 2020, 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 had 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 had 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 had 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 quarter 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 and on the website of the Company at www.goldenclassicbio.com.

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

Hong Kong, 15 May 2020

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. Pan Qingwei and Mr. Tang Wai Yau.

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 for at least 7 days from the date of its publication and on the website of the Company at www.goldenclassicbio.com.