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愛帝宮母嬰健康股份有限公司
AIDIGONG MATERNAL & CHILD HEALTH LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 286)

VOLUNTARY ANNOUNCEMENT DISPOSAL OF SUBSIDIARIES AND MINORITY INTEREST IN AN ASSOCIATE

This announcement is made by Aidigong Maternal & Child Health Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company (“**Shareholders**”) and potential investors an update on the latest business development of the Group.

Reference is made to the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”) and the profit warning announcement of the Company dated 5 March 2021, in relation to, among others, the financial performance of the Group for the year ended 31 December 2020.

DISPOSAL OF SUBSIDIARIES AND INTEREST IN AN ASSOCIATE

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Company entered into two share transfer agreements with an independent third party purchaser (the “**Purchaser**”) on 10 June 2021 to dispose (the “**Disposals**”) of (i) the entire issued share capital in Golden Time Ventures Limited (金泰創投有限公司) (together with its subsidiaries, collectively, the “**GTV Group**”) at a consideration of HK\$70 million, and (ii) the 49% interest in Shenzhen Wanqi Marine Bio Tech Company Limited* (深圳市萬騏海洋生物科技有限公司) (“**Shenzhen Wanqi**”) and the entire issued share capital in its original holding company (the “**SW Holdco**”, collectively with Shenzhen Wanqi, the “**Jumbo Group**”) at a consideration of HK\$25 million.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owner is not a connected person of the Company within the meaning of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

After the completion of the Disposals, the Company ceased to hold any interests in the GTV Group and the Jumbo Group. The financial results of the GTV Group and the the SW Holdco will no longer be consolidated into the Company’s consolidated financial statements, and Shenzhen Wanqi will cease to be an associate of the Group. It is expected that the Group will recognise a gain on disposal in its consolidated income statement of approximately HK\$9.5 million and HK\$3.9 million, respectively, arising from the disposal of the GTV Group and the Jumbo Group, which actual amount of gain arising from the Disposals to be recognised by the Group will be subject to final audit by the Company’s auditors.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group is principally engaged in the postpartum care services and health industry business. Postpartum care services primarily include provision of postpartum care services that provide healthcare services for postnatal mothers and babies, and the health industry business primarily includes healthcare industry investments.

In 2020, the COVID-19 brought challenges to the Group's development and its non-core businesses recorded significant losses. The GTV Group is engaged in medical anti-aging business in Hong Kong, and the Jumbo Group is engaged in seahorse breeding for medical purposes. Their respective businesses were significantly affected by the COVID-19 pandemic, even though the management has adopted various measures to control operating costs and capital expenses to lower the breakeven point and maintain liquidity in order to tide over the economic downturn. For the year ended 31 December 2020, revenue from medical anti-aging and healthcare industry investments amounted to approximately HK\$15,209,000, which represented a decrease of approximately HK\$70,915,000 as compared to that of 2019. This has contributed to a significant impairment in the relevant goodwill, intangible assets and interests in associates.

As disclosed in the 2020 Annual Report, the Group intended to increase its focus on the development of postpartum care service business, as such segment greatly contributed to the Group's performance in terms of its sales and profit. The Board considers that the Disposals will enhance the Group's focus on its core business segments and reduce the adverse impact that could be further brought along by the non-core businesses, and the Directors are of the view that the Disposals will improve the liquidity and overall financial position of the Group thereby creating greater value for the Shareholders. The Directors consider that terms of the Disposals are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As none of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the transactions contemplated under the Disposals exceeds 5%, none of the Disposals, whether separately or collectively, constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange.

By Order of the Board
Aidigong Maternal & Child Health Limited
Zhu Yufei and Cheung Wai Kuen
Joint Chairmen

Hong Kong, 10 June 2021

As at the date of this announcement, the Board comprises Ms. Zhu Yufei, Mr. Cheung Wai Kuen, Mr. Lin Jiang and Mr. Li Runping as executive Directors; Mr. Wong Kin Man and Mr. Yang Zhibo as non-executive Directors; and Mr. Mai Yang Guang, Mr. Lam Chi Wing and Mr. Wong Yiu Kit, Ernest as independent non-executive Directors.

* *for identification purposes only*