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GOLDEN FAITH GROUP HOLDINGS LIMITED

高豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2863)

(1) ISSUE OF NEW SHARES UNDER GENERAL MANDATE AND (2) DISCLOSEABLE TRANSACTION – ACQUISITION OF THE TARGET RIGHTS AND ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 20 October 2020 (after trading hours of the Stock Exchange), the Company has entered into the Acquisition Subscription Agreement in relation to the issuance of the Consideration Shares and the Cash Subscription Agreement in relation to the Subscription. The Subscription Shares and the Consideration Shares will be allotted and issued pursuant to the General Mandate.

THE ACQUISITION

On 20 October 2020 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor have entered into the Acquisition Agreement in relation to the Acquisition. Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Target Rights and the related technical services to be provided by the Vendor for further development of the Drugs for registration in the NMPA, at the Acquisition Consideration of HK\$9,870,000 and HK\$28,200,000 respectively, which will be settled by the issuance of the Consideration Shares.

THE GENERAL MANDATE

The Subscription Shares and the Consideration Shares will be allotted and issued pursuant to the General Mandate. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares and the Consideration Shares, and the issue of the Subscription Shares and the Consideration Shares is not subject to the approval of the Shareholders.

LISTING RULES IMPLICATIONS

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of each of the Subscription and the Acquisition is subject to the fulfillment of the respective conditions precedent set out in the Subscription Agreements and the Acquisition Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that on 20 October 2020 (after trading hours of the Stock Exchange) the Company has entered into the Subscription Agreements and the Purchaser, a wholly-owned subsidiary of the Company, has entered into the Acquisition Agreement, further details of which and the transactions contemplated under each of them are set out in this announcement below.

PLACING OF NEW SHARES

On 20 October 2020 (after trading hours of the Stock Exchange), the Company has entered into the Acquisition Subscription Agreement in relation to the issuance of the Consideration Shares and the Cash Subscription Agreement in relation to the Subscription.

The Subscription Agreements

Pursuant to the Cash Subscription Agreement, the Company has conditionally agreed to issue 12,600,000 Subscription Shares to the Subscriber at the Subscription Price of HK\$0.47 per Subscription Share. Details of the Cash Subscription Agreement are set out below:

Date: 20 October 2020 (after trading hours of the Stock Exchange)

Parties: the Company; and

the Subscriber, being Wang Yuan Yuan (王元元)

Pursuant to the Acquisition Subscription Agreement, the Company has conditionally agreed to issue 81,000,000 Consideration Shares to the Vendor at the Issue Price of HK\$0.47 per Consideration Share. Details of the Acquisition Subscription Agreement are set out below and in the section headed “The Acquisition” of this announcement below:

Date: 20 October 2020 (after trading hours of the Stock Exchange)

Parties: the Company as the issuer; and

Ekishin (Hong Kong) Limited (the Vendor), as the subscriber

Pursuant to the Acquisition Subscription Agreement, the Consideration Shares will be issued in phases, details of which are set out in the sub-section headed “Consideration Shares” under the section headed “The Acquisition” of this announcement below.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of the Subscriber and the Vendor and its respective ultimate beneficial owner(s) is an Independent Third Party.

Subscription Shares

Pursuant to the Cash Subscription Agreement, the Company will issue and the Subscriber will subscribe for 12,600,000 Subscription Shares at the Subscription Price. Pursuant to the Acquisition Subscription Agreement, the Company will issue 81,000,000 Consideration Shares to the Vendor. The numbers of new Shares to be issued are as follows:

Subscriber	Number of new Shares to be issued to	Approximate percentage of new Shares to be issued over total Shares in issue as at the date of this announcement (Approximate)	Approximate percentage of new Shares to be issued over total Shares in issue as enlarged by the Subscription and the issuance of the Consideration Shares (Approximate)
The Vendor	81,000,000	12.59%	10.99%
Wang Yuan Yuan	12,600,000	1.95%	1.71%
Total	93,600,000	14.54%	12.70%

The Subscription Shares and the Consideration Shares will be allotted and issued pursuant to the General Mandate, further details are set out in the section headed “The General Mandate” of this announcement below.

Subscription Price and Issue Price

Both the Subscription Price per Subscription Share and the Issue Price per Consideration Share are HK\$0.47, which represents:

- (i) a discount of approximately 14.5% to the closing price of HK\$0.55 per Share as quoted on the Stock Exchange as at the date of this announcement;
- (ii) a discount of approximately 13.9% to the average closing price of HK\$0.546 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding and including the date of this announcement; and
- (iii) a discount of approximately 11.8% to the average closing price of HK\$0.533 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding and including the date of this announcement.

The aggregate subscription price for all the Subscription Shares is approximately HK\$5.9 million, and the aggregate issue price for all the Consideration Shares is approximately HK\$38.1 million. The Subscription Price and the Issue Price were determined after arm's length negotiations between the Company and the Subscriber and the Vendor with reference to, among other things, (i) the prevailing market price of the Shares and; (2) the recent market conditions. The Directors (including all independent non-executive Directors) consider that the Subscription Price, the Issue Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent to the Subscription Agreements

Pursuant to the Subscription Agreements, the completion of each of the Subscription and the issuance of the Consideration Shares is conditional upon the fulfillment or waiver (where applicable) of each of the following conditions:

- (i) the successful completion of the Acquisition Agreement pursuant to the terms thereof;
- (ii) the Company having sufficient share capital under the General Mandate to allot and issue the Subscription Shares to the Subscriber and the Consideration Shares to the Vendor;
- (iii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares and the Consideration Shares (and such listing and permission not being subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares and the Consideration Shares, as the case may be);
- (iv) there not having been any moratorium, prolonged suspension or material restriction with respect to trading of the Shares on the Stock Exchange prior to completion of the Subscription Agreements (save and except any suspension as such in relation to publication of any announcement(s) in connection with the Acquisition Agreement and/or the Subscription Agreements and the transactions contemplated thereunder);

- (v) the issuance and allotment by the Company of the Subscription Shares to the Subscriber and the Consideration Shares to the Vendor not constituting or resulting in any public offering of the Subscription Shares and the Consideration Shares or securities in any applicable jurisdictions including without limitation to Hong Kong and the USA which require(s) registration of a prospectus in Hong Kong or registration or exemption under the Securities Act;
- (vi) subscription of the Subscription Shares by the Subscriber and the issuance of the Consideration Shares to the Vendor taking place simultaneously (for the avoidance, any failure on the part of any Subscriber or the Vendor to subscribe for his/her/its part of the Subscription Shares or the Consideration Shares for whatever reasons will end up in and/or shall be treated and/or deemed as non-fulfillment of this condition precedent);
- (vii) all representations and warranties of the Company, the Subscriber and the Vendor remaining true, accurate, correct and not misleading as of the date of the Subscription Agreements up to the date of the completion of the Subscription Agreements; and
- (viii) there not having been any material breach of the terms and provisions of the Subscription Agreements by any parties hereto.

The conditions set out in (i) to (vi) are not waivable by the Company, the Subscriber or the Vendor. If any of the conditions precedent set out above is not fulfilled within ninety (90) days from the date of the Subscription Agreements or such later dates as may be agreed between all the parties hereto in writing, all obligations and liabilities of the parties hereunder will cease and determine and no party will have any claim against any other for costs, damages, compensation or otherwise.

Completion of the Subscription Agreements will take place on within 3 business day following the date on which all the conditions precedent are fulfilled or any other date as agreed by all the parties hereto.

Ranking of the Subscription Shares and the Consideration Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Subscription Shares including all dividends declared or payable or distribution made or proposed on or after the completion of the Subscription.

The Consideration Shares, when allotted and issued, will rank pari passu in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Consideration Shares including all dividends declared or payable or distribution made or proposed on or after the issuance of the Consideration Shares.

Use of proceeds from the Subscription

It is expected that the gross proceeds from the Subscription will be approximately HK\$5.9 million. The net proceeds from the Subscription will amount to approximately HK\$5.3 million. The net price per Subscription Share will be approximately HK\$0.42. The Company intends to use the net proceeds of approximately HK\$5.3 million for setting up of new operation in the PRC in six months upon completion of the Acquisition for further development of the Drugs for registration of in the NMPA.

THE ACQUISITION

On 20 October 2020 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor have entered into the Acquisition Agreement in relation to the Acquisition.

The Acquisition Agreement

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Target Rights and the related technical services to be provided by the Vendor for further development of the Drugs in registration of commencement of Phase I and Phase II clinical trials of the Drugs in the NMPA (the “**Technical Services Support**”) at a consideration of HK\$9,870,000 and HK\$28,200,000 respectively, with a total Acquisition Consideration of HK\$38,070,000 which will be settled by the issuance of the Consideration Shares. Details of the Acquisition Agreement are set out below.

Date: 20 October 2020 (after trading hours of the Stock Exchange)

Parties: the Purchaser (as the purchaser); and
the Vendor (as the seller)

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Vendor and its respective ultimate beneficial owner(s) is an Independent Third Party.

Consideration

Pursuant to the Acquisition Agreement, the Acquisition Consideration of the Target Rights and the Technical Services Support in the NMPA are HK\$9,870,000 and HK\$28,200,000 respectively, with a total Acquisition Consideration of HK\$38,070,000. The Acquisition Consideration will be settled by the issuance of 81,000,000 Consideration Shares at the Issue Price of HK\$0.47 per Consideration Share.

The Acquisition Consideration was determined between the Purchaser and the Vendor based on normal commercial terms on an arm's length basis, with reference to the values of development and distribution rights of other similar drugs and the Vendor's estimation of the future development of the Drug.

The Directors (including all independent non-executive Directors) consider that the Acquisition Consideration and the terms of the Acquisition Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Pursuant to the Acquisition Agreement, the Acquisition Completion is conditional upon the fulfillment and/or waiver (where applicable) of the following conditions precedent:

The conditions that the Vendor needs to fulfill:

- (a) The Vendor must assist the Purchaser, on a best effort basis, in conducting and completing the necessary background check and due diligence in relation to the Drug Owner, the Drug, the Drug Rights, the Vendor and/or the Vendor's exclusive Development, Production and Distribution Rights in Greater China Region obtained from the Drug Owner (including but not limited to the background of Drug Owner and the Vendor, the ownership of the Drug, the relevant Drug Rights (such as intellectual property rights), the specific terms of the Vendor's exclusive Development, Production and Distribution Rights in Greater China Region, period and the detailed arrangements (such as the restrictions for other persons or parties entering into the clauses and compensation and/or indemnity clauses of breach of contract), the business development and/or legal due diligence in relation to the Drug, etc.), the Vendor must provide all relevant information and materials to the Purchaser, the results of the relevant due diligence must be reasonably satisfied and accepted by the Purchaser;
- (b) There has not been any material adverse changes regarding the Drug Owner, the Drug, the Drug Rights and the Vendor's exclusive Development, Production and Distribution Rights in Greater China Region obtained from the Drug Owner (including the Target Rights sold by the Vendor to the Purchaser). The Vendor must provide sufficient evidence and/or written confirmation until the satisfaction and acceptance of the Purchaser;
- (c) On the completion date, referring to the facts and circumstances at the time, the Vendor's warranties remain true, accurate and free of any misleading circumstances in all aspects, and the Vendor has not violated the obligations under the Acquisition Agreement seriously;
- (d) On the completion date, the Vendor has obtained authorization, permission or approval from all third parties or regulatory authority to implement the Acquisition Agreement, and still remain sufficient validity;

The conditions that the Purchaser needs to fulfill:

- (e) On the completion date, referring the facts and circumstances at the time, the Purchaser's warranties remain true, accurate and free of any misleading circumstances in all aspects, and the Purchaser has not violated the obligations under the Acquisition Agreement seriously;
- (f) On the completion date, the Purchaser has obtained authorization, permission or approval from all third parties or regulatory authority to implement the Acquisition Agreement, and still remain sufficient validity, including the Purchaser has enough share capital to issue the Consideration Shares under the General Mandate, and the Purchaser has obtained the approval and reply from the Stock Exchange regarding the issuance of the Consideration Shares, and the aforementioned approval and reply has not been cancelled or withdrawn;

The conditions that related to the regulation requirements:

- (g) The Acquisition will not result in any change of the controlling shareholders of the Purchaser (as defined in the Listing Rules), and/or trigger the mandatory offer obligation under the Takeovers Code; and
- (h) The Acquisition only constitutes a disclosable transaction of the Purchaser under the Listing Rules (to avoid any doubt, the Acquisition will not result in or constitute a major transaction (acquisition), very substantial acquisition, extreme transaction and/or counter acquisition), and it will not constitute any connected transaction under the Listing Rules.

Conditions (a) to (c) can only be waived by the Purchaser and the Purchaser has the right to terminate the Acquisition Agreement if such conditions are not fulfilled by the Long Stop Date. Condition (e) can only be waived by the Vendor and the Vendor has the right to terminate the Acquisition Agreement if such condition is not fulfilled by the Long Stop Date. Conditions (d), (f) to (h) can neither be waived by the Company nor the Vendor, and the Acquisition Agreement will lapse if such conditions are not fulfilled by the Long Stop Date.

The Acquisition Completion shall take place within three business days after the fulfillment or waiver (where applicable) of the conditions precedent to the Acquisition Agreement.

Consideration Shares

Pursuant to the Acquisition Subscription Agreement, 81,000,000 Consideration Shares will be issued by the Company to the Vendor for settlement of the Acquisition Consideration at the Issue Price of HK\$0.47 per Consideration Share. The Consideration Shares will be issued by the Company to the Vendor in 3 phases with details as follows:

- (i) 8,100,000 Consideration Shares, being partial payment of the Target Rights (representing 10% of the total Consideration Shares) will be issued upon completion of the Acquisition Subscription Agreement;

- (ii) 24,300,000 Consideration Shares, being 12,900,000 shares for the balance payment of the Target Rights and partial payment of the Technical Service Support, (representing 30% of the total Consideration Shares) will be issued within 2 business days after the approval is granted by the NMPA for commencement of the Phase I Clinical Trials of the Drugs; and
- (iii) 48,600,000 Consideration Shares, being the final payment of the Technical Services Support, (representing 60% of the total Consideration Shares) will be issued within 2 business days after the approval is granted by the NMPA for the commencement of Phase II Clinical Trials of the Drugs.

It is currently expected by the Company that the approval from the NMPA for commencement of Phase I Clinical Trials of the Drugs will be obtained within 9 months after the completion of the Acquisition Subscription Agreement, and the approval from the NMPA for commencement of Phase II Clinical Trials of the Drugs will be obtained within 18 months after the completion of the Acquisition Subscription Agreement.

Information on the Drug and the Target Rights

The Drug is a product from the development of cancer therapeutics by gene therapy, using Reduced Expression in Immortalized Cell (“REIC”) gene, which was discovered in Japan in 2000. The REIC gene in cancer cells causes selective cancer cell death and cancer immunity activation to various solid tumors. The Drug has been in clinical trial Phase II in the USA in 2020 and has obtained the following patents as at the date of the Acquisition Agreement:

Patent Contents	Application country/ patent number	Reference number
Gene expression upregulation system and vector	Japan/5697042 USA/9493776 Germany-France-UK/2508603 China/201080061897.9 Korea/10-1752941 Australia/2010322723 Singapore/180934 Russia/2577971 Israel/219882	CN102741405B
Malignant mesothelioma therapeutic agent and immunostimulating agent	Japan/5551593 USA/8658612 Germany-France-UK/2327779 China/200980136054.8	CN102159709B

Patent Contents	Application country/ patent number	Reference number
A pharmaceutical composition for inducing dendritic cell-like differentiation from monocytes and for treating or preventing cancer which enhances anticancer immunity activity	USA/8614093 Germany-France-UK/2275114 China/200980116783.7 Korea/10-1661365 Australia/2009229756 Singapore/165046 India/287896	CN102026647B
Cancer cell death inducing agent having anticancer agent enhancing action in anticancer drug-resistant cancer	Japan/5279235 USA/8946173 Germany-France-UK/2213309 China/200880122369.2	CN101918035B
Partial fragment of REIC gene and cancer therapeutic agent containing said fragment	Japan/5356823, 5662534 USA/8618273, 9475865 Germany-France-UK/2090654, 2508606 China/200780043463.4 India/291087	CN103948939A

Future development of the Drugs

Upon completion of the Acquisition, the Purchaser and the Vendor Associated Company, holding 33% of the Development, Production and Distribution Rights of the Drugs in the Greater China Region, will form a joint venture company to continue (a) research and development (including but not limited to modification, cocktails and/or synthesis of the Drugs); and (b) making relevant application to the NMPA.

Further announcement(s) will be made by the Company in accordance with the Listing Rules.

INFORMATION OF THE PARTIES TO THE CASH SUBSCRIPTION AGREEMENT AND THE ACQUISITION AGREEMENT

The Vendor is a company incorporated in Hong Kong, with its principal activities in medical consulting services, which is a wholly-owned subsidiary of EPS EKISHIN Co., Ltd, a company incorporated in Japan, with its principal activities in distribution of non-clinical basic research materials and to provide support clinical research services. Their ultimate holding company, EPS, Holdings Inc. is a company listed in Tokyo Stock Exchange, First Section (security code: 4282), which is a full service provider of optimized pharmaceutical solutions to clients in the healthcare industry.

The Subscriber, Wang Yuan Yuan is a merchant. She is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND THE ACQUISITION

The Group is principally engaged in providing electric and maintenance engineering services in major construction projects both in the private and public sector in Hong Kong.

Looking into the year of 2020, associated with global trade frictions, geopolitical uncertainties, the past year's civil unrest in Hong Kong together with the global lockdown with the epidemic of COVID 19, the business of the Group is difficult and construction projects may be slowed down in coming days. The Group will look for diversification of business so as to minimize business risk. Bearing in mind of the associated risk, the Group will consider other business opportunities which may be beneficial to the Group's long term development.

Due to the worldwide awareness of the importance of health care, the Group considers that it is a right timing to enter into the biomedical field. There is a new reform measures of the Chinese New Pharmacopoeia, Chinese authority in the year of 2020, which has stated that the Chinese authority would recognize the clinical trial data of new drugs collected from major foreign developed countries including countries in Europe, the USA and Japan. The developed drug, MTG-201, has been in clinical trial Phase II in the USA in September 2020. The application for registration of new drug clinical approval process is expected to be simplified and the corresponding application period for Chinese new drug clinical license may be shortened.

This new drug project is a good opportunity for the Group to enter into the biomedical field. The Group's consultant team recommends that the new drug has attached with a few patents and has been approved to enter into the Stage II clinical tests in both the USA and in Japan. It is an important innovation target for cancer gene therapy. Further, nearly 20 points of basic research and development have been obtained in international academics. The source and history of the project are credible and mature.

The project has been approved in the USA and in Japan and has entered into a mature stage advancing to the third phase of the Stage II clinical tests of new drugs,. The Directors consider that by investing an internationally recognized projects, it will reduce the possible technical risks and it will be the best strategy to carry a new project.

The Directors has considered that a few biomedical projects with similar drugs in the market and opine that the valuation of the new drug is reasonable, and we have also obtained advices from registered valuer who confirms our valuation approach being reasonable. The Group will jointly develop the new drugs with Vendor with a long-term strategy in future.

The Directors recommend to issue new shares to acquire the project to reduce any tension to the cashflow of the Group and consider that it will be beneficial to the Company by inviting an experienced and prestige company to act as long term shareholders of the Company.

In addition, the ultimate holding company of the Vendor is a listed company in Japan and is a Japanese-owned Chinese biopharmaceutical company in the field of biomedicine for over 20 years. It has a good foundation in industry resources and talent reserves, and has a good support for the success of the project.

As an epoch-making emerging technology, gene therapy has a very high technical barrier. As a new biological treatment method, gene therapy has the opportunity to generate a number of medicines in the next five to ten years after more than 30 years of research. It becomes a hot field in the international pharmaceutical companies.

The Directors are very optimistic about the clinical prospects of gene therapy in the world and in China as well.

In the coming days, the Company plans to set up a joint venture company with the Vendor Associated Company for registration of commencement of Phase I and Phase II clinical trials of the Drugs in the NMPA to further move forward to the biomedical field until, the drugs can be properly launched in the market of PRC as our goal.

THE GENERAL MANDATE

The Subscription Shares and the Consideration Shares will be allotted and issued pursuant to the General Mandate which has been granted to the Directors to allot and issue up to 108,724,200 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares and the Consideration Shares, and the issue of the Subscription Shares and the Consideration Shares is not subject to the approval of the Shareholders.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Consideration Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 643,621,000 Shares in issue. The issued share capital of the Company will be enlarged by the issuance of the Subscription Shares and the Consideration Shares upon completion of the Subscription and the Acquisition respectively. The following table illustrate the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Subscription (for the avoidance of doubt and for illustration purposes only, without taken into account the issuance of the Consideration Shares); (iii) immediately upon completion of the Acquisition (for the avoidance of doubt and for illustration purposes only, without taken into account the issuance of the Subscription Shares); and (iv)

immediately upon completion of both the Subscription and the Acquisition, assuming there is no other change in the issued share capital of the Company other than the issuance of the Subscription Shares and/or the Consideration Shares.

	As at the date of this announcement		Immediately upon completion of the Subscription (for the avoidance of doubt and for illustration purposes only, without taken into account the issuance of the Consideration Shares)		Immediately upon completion of the Acquisition (for the avoidance of doubt and for illustration purposes only, without taken into account the issuance of the Subscription Shares)		Immediately upon completion of both the Subscription and the Acquisition	
	No. of Shares held	Approximate percentage of total issued Shares	No. of Shares held	Approximate percentage of total issued Shares	No. of Shares held	Approximate percentage of total issued Shares	No. of Shares held	Approximate percentage of total issued Shares
Mr. Ko Chun Hay Kelvin (<i>Note 1</i>)	407,505,000	63.31%	407,505,000	62.10%	407,505,000	56.24%	407,505,000	55.28%
Mr. Yung On Wah (<i>Note 2</i>)	36,805,000	5.72%	36,805,000	5.61%	36,805,000	5.08%	36,805,000	4.99%
Mr. Li Kar Fai, Peter (<i>Note 3</i>)	3,621,000	0.56%	3,621,000	0.55%	3,621,000	0.50%	3,621,000	0.49%
Public Shareholders								
The Subscriber	-	0%	12,600,000	1.92%	-	0%	12,600,000	1.71%
The Vendor	-	0%	-	0%	81,000,000	11.18%	81,000,000	10.99%
Other public Shareholders	195,690,000	30.40%	195,690,000	29.82%	195,690,000	27.01%	195,690,000	26.54%
Total	643,621,000	100%	656,221,000	100%	724,621,000	100%	737,221,000	100%

Notes:

- 302,747,000 Shares are held by Greatly Success Investment Trading Limited which is wholly-owned by Mr. Ko Chun Hay Kelvin. Mr. Ko Chun Hay Kelvin is an executive Director.
- Mr. Yung On Wah is a non-executive Director.
- Mr. Li Kar Fai, Peter is an executive Director.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has issued 100,000,000 Shares on 7 August 2020 to Mr. Ko Chun Hay Kelvin, an executive director of the Company, at an issue price of HK\$0.290 per Share as consideration shares for an acquisition of a property investment company pursuant to the sale and purchase agreement dated 8 June 2020. Please refer to the announcement of the Company dated 8 June 2020 and the circular of the Company dated 16 July 2020 for details of the acquisition.

Saved as disclosed above, the Company has not carried out any equity fund raising activity in the twelve months immediately prior to the date of this announcement.

IMPLICATIONS OF THE LISTING RULES

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of each of the Subscription and the Acquisition is subject to the fulfillment of the respective conditions precedent set out in the Subscription Agreements and the Acquisition Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Acquisition”	the acquisition of the Target Rights by the Company as contemplated under the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement dated 20 October 2020 entered into between the Company and the Vendor in relation to the sale and purchase of the Target Rights
“Acquisition Completion”	completion of the Acquisition pursuant to the Acquisition Agreement
“Acquisition Consideration”	consideration for acquisition of the Target Rights under the Acquisition Agreement

“Acquisition Subscription Agreement”	the subscription agreement dated 20 October 2020 entered into between the Company and the Vendor in relation to the issuance of the Consideration Shares
“Board”	the board of Directors
“Cash Subscription Agreement”	the subscription agreement dated 20 October 2020 entered into between the Company and the Subscribers in relation to the Subscription
“Company”	Golden Faith Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed and traded on the Main Board of the Stock Exchange
“Consideration Share(s)”	new Shares to be issued to the Vendor for partial settlement of the consideration for the Acquisition under the Acquisition Agreement
“Development, Production and Distribution Rights”	development and research, improvement, mixing, synthesis, manufacturing, production, agency, sales, distribution, retail and/or the use of the Drug and its relevant matters, the matters or any type or form of derivatives or products related to all the relevant interests and rights of the Drug (no matter in any mode, form or channel, including but not limited to through physical form, or through the internet, World Wide Web, Blockchain or any other online, online and/or virtual platforms)
“Director(s)”	the director(s) of the Company
“Drug”	the drug Ad-SGE-REIC/dkk-3 (code: MTG-201)
“Drug Owner”	the founder, developer and legal and beneficial owner (and/or his/her/its related parties) of the Drug, including but not limited to, Okayama University (國立大學法人岡山大學) and Momotaro-Gene Inc. (桃太郎源株式會社)
“Drug Rights”	the following rights in relation to the Drug as set out in the Acquisition Agreement: (a) legal and beneficial ownership rights; (b) intellectual rights; (c) the Development, Production and Distribution Rights; and (d) any other rights
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company on 5 March 2020 to allot and issue new Shares

“Greater China Region”	for the purpose of this announcement and the Acquisition Agreement only, including the PRC, Hong Kong and Macau Special Administrative Region but excluding Taiwan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third part(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its directors, chief executive, and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Issue Price”	issue price of the Consideration Shares under the Acquisition Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2020, or any other date as agreed in writing between the Company and the Vendor
“NMPA”	the National Medical Products Administration of the PRC (中國國家藥品監督管理局)
“PRC”	the People’s Republic of China (for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“Purchaser”	KF Medical Technology Company Limited (高豐醫療科技有限公司), a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of the Company
“Shareholders”	holders of the issued Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	subscriber of the Subscription Shares under the Cash Subscription Agreement
“Subscription”	subscription of the Subscription Shares under the Cash Subscription Agreement
“Subscription Agreements”	the Cash Subscription Agreement and the Acquisition Subscription Agreement
“Subscription Share(s)”	new Shares to be issued by the Company to the Subscribers under the Cash Subscription Agreement
“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong
“Target Rights”	67% of the Development, Production and Distribution Rights of the Drugs in the Greater China Region
“UK”	The United Kingdom of Great Britain and Northern Ireland
“USA”	The United States of America
“Vendor”	益新(香港)有限公司 (Ekishin (Hong Kong) Limited), a company incorporated in Hong Kong with limited liability
“Vendor Associated Company”	上海華新生物高技術有限公司 (Shanghai Hua Xin Biotechnology Co., Ltd), a company incorporated in the PRC with limited liability and a fellow subsidiary company of the Vendor

By Order of the Board
Golden Faith Group Holdings Limited
Li Kar Fai, Peter
Executive Director

Hong Kong, 20 October 2020

As at the date of this announcement, the executive Directors are Mr. Ko Chun Kay Kelvin and Mr. Li Kar Fai, Peter; the non-executive Directors are Mr. Yung On Wah and Ms. Wong Cheuk Wai Helena and the independent non-executive Directors are Mr. Chan Cho Chak, Mr. Chan Wing Fai, and Mr. Yeung Wai Lung.