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金威医疗集团有限公司

Good Fellow Healthcare Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
SINO BUSINESS INVESTMENT DEVELOPMENT LIMITED**

THE DISPOSAL

The Board would like to announce that on 20 September 2024 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, the Vendor has agreed to sell and the Purchaser has agreed to purchase, the Sale Share, representing the entire issued share capital of the Disposal Company, at the Consideration of HK\$60,000.

As at the date of this announcement, the Disposal Company is wholly and beneficially owned by the Vendor. As such, upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial information of the Disposal Group will cease to be consolidated into the consolidated financial statements of the Group.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Disposal exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements but is exempt from the Shareholders' approval requirement under the GEM Listing Rules.

Completion is conditional upon the fulfillment or waiver (as the case may be) of the conditions precedent set out under the Sale and Purchase Agreement. Therefore, the Disposal may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

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THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date: 20 September 2024 (after trading hours of the Stock Exchange)

Parties: the Vendor; and
the Purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Share free from all Encumbrances.

The Sale Share represents the entire issued share capital of the Disposal Company as at the date of the Sale and Purchase Agreement and immediately before Completion.

The Vendor has also agreed to waive the Intra-Group Loans, being amounts owing by the Disposal Company to the Vendor as at the date of the Sale and Purchase Agreement, so that there will be no Intra-Group Loans after the Completion. It is expected that the Intra-Group Loans in an aggregate sum of approximately HK\$17,714,000 would be waived upon Completion and such figure is subject to the final audit of the financials of the Group.

Consideration

The total consideration (the "**Consideration**") for the Disposal is HK\$60,000, which shall be paid by the Purchaser to the Vendor or its nominee(s) by way of one or more cheque(s) or cashier order(s) or by way of electronic transfer to the bank account designated by the Vendor upon Completion.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms, after taking into account, among others, (i) the past performance of the Disposal Company; (ii) the future prospects and earning capacity of the Disposal Company; and (iii) other factors as set out in the section headed "Reasons for and benefits of the Disposal" in this announcement.

Conditions Precedent

Completion shall be subject to and conditional upon:

- (i) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (ii) the representations and warranties given by the Vendor under the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respects at Completion; and
- (iii) the representations and warranties given by the Purchaser under the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respects at Completion.

Save for condition (ii) above which may at any time be waived by the Purchaser in writing, and condition (iii) above which may at any time be waived by the Vendor in writing, none of the above conditions precedent are capable of being waived by the parties to the Sale and Purchase Agreement.

If any of the above conditions is not fulfilled (or waived, as the case may be) on or before 20 December 2024 (or such later date as may be agreed between the Vendor and the Purchaser), the Sale and Purchase Agreement shall cease and determine and none of the parties thereto shall have any liabilities and obligations against the other party thereunder save for any antecedent breaches of the terms thereof.

Completion

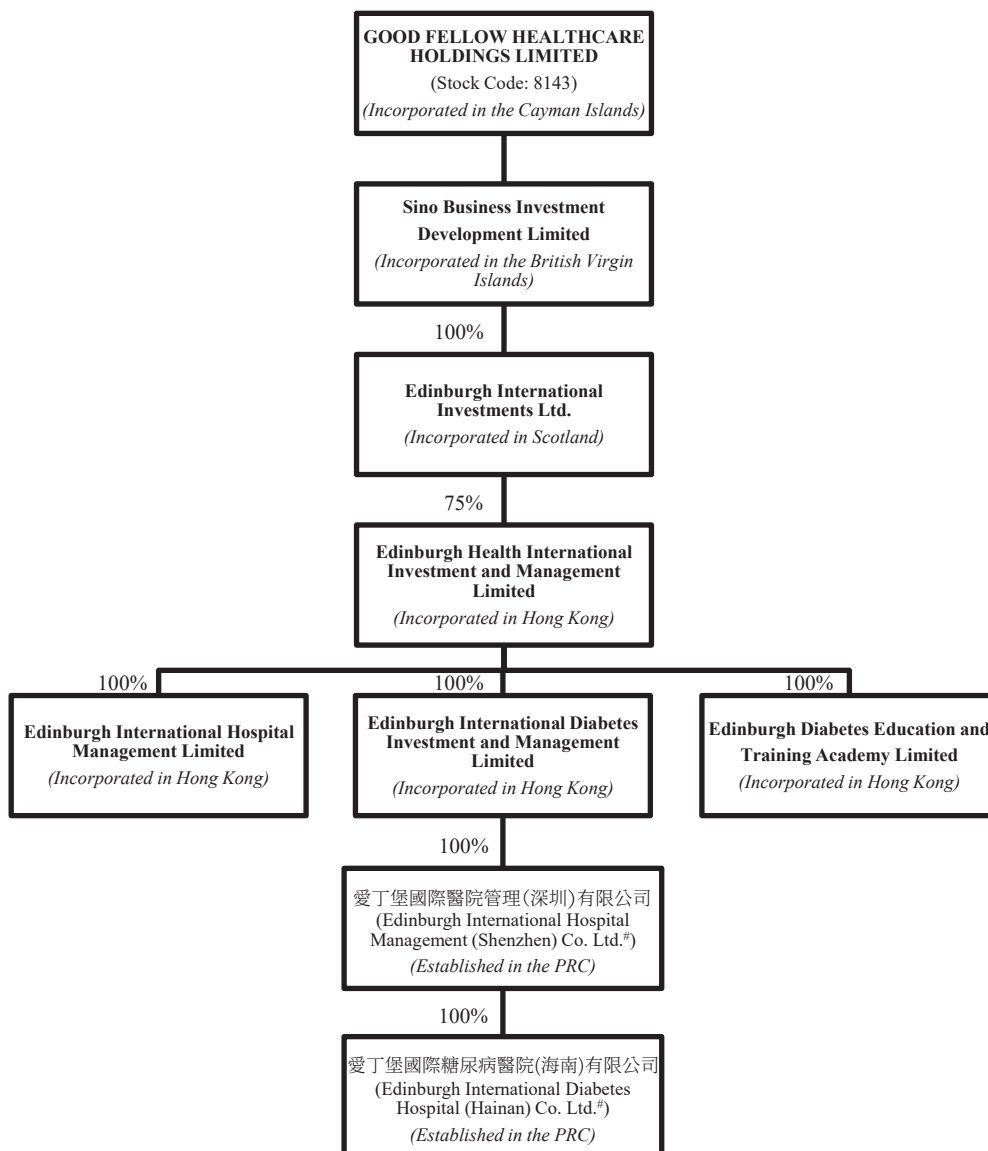
Completion shall take place on the next Business Day after the date on which all the conditions precedent of the Sale and Purchase Agreement have been fulfilled or waived (as the case may be).

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial information of the Disposal Group will cease to be consolidated into the consolidated financial statements of the Group upon Completion.

INFORMATION OF THE DISPOSAL GROUP

The Disposal Company is a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, the Disposal Company is wholly and beneficially owned by the Company. It is an investment holding company.

The following diagram illustrates the simplified shareholding structure of the Disposal Company and its operating subsidiaries as at the date of this announcement.



For identification purpose only

The Disposal Group had been principally engaged in the provision of general hospital services in the PRC, and has been dormant since July 2022.

Financial information of the Disposal Group

Set out below is the financial information of the Disposal Group based on the unaudited consolidated financial statements of the Disposal Group for the four months ended 31 July 2024 and the audited consolidated financial statements of the Disposal Group for the two years ended 31 March 2024.

	For the four months ended 31 July 2024 (unaudited)	For the year ended 31 March 2024 (audited)	2023 (audited)
Revenue	Nil	Nil	4,410
Profit/(loss) before taxation	(19,001)	(1,100,543)	819,150
Profit/(loss) after taxation	(19,001)	(1,100,543)	819,150

The total assets, total liabilities and net liabilities of the Disposal Group as at 31 July 2024 according to its unaudited consolidated financial statements were approximately HK\$1,565,000, HK\$28,959,000 and HK\$27,394,000, respectively.

INFORMATION ON THE PURCHASER

The Purchaser is a merchant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company. As such, the financial information of the Disposal Group will cease to be consolidated into the consolidated financial statements of the Group.

The Group is expected to record an unaudited gain on the Disposal of approximately HK\$10,400,000. Such unaudited gain is estimated after taking into account of, among other things, (i) the Consideration of HK\$60,000; (ii) the carrying amount of the Disposal Group's unaudited net liabilities of approximately HK\$27,394,000 as at 31 July 2024; and (iii) the amount of the Intra-Group Loans to be waived by the Vendor. The exact amount to be recorded in the consolidated statement of profit or loss of the Group is subject to audit, and therefore may be different from the figure provided above. Shareholders and potential investors of the Company should note that the above estimation is for illustrative purpose only. The actual amount of gain on the Disposal to be recorded by the Group will depend on the financial position of the Disposal Group on the Completion Date, and therefore may be different from the amount mentioned above.

The net proceeds from the Disposal, after deducting the expenses directly attributable thereto, will be nil.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the provision of general hospital services in the PRC.

As disclosed in the annual report (the “**Annual Report**”) of the Company for the year ended 31 March 2024, 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 (Shenzhen)**”) 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 (Hainan)**”), each being an indirect non-wholly owned subsidiary of the Company and a member of the Disposal Group, were subject to litigations (the “**Litigations**”) commenced by China Merchants Hainan Development Investment Co. Ltd.# (招商局海南開發投資有限公司)(“**China Merchants**”).

On 6 September 2022, Edinburgh Hospital Management (Shenzhen) received a civil judgment# (民事判決書) of the People's Court of Qianhai Cooperation District, Shenzhen, Guangdong Province# (廣東省深圳前海合作區人民法院) which ordered, among others, that (i) the cooperation agreement (the “**Cooperation Agreement**”) dated 31 July 2020 entered into between China Merchants and Edinburgh Hospital Management (Shenzhen) 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, be terminated; (ii) Edinburgh Hospital Management (Shenzhen) to return to China Merchants the sum of approximately RMB4.9 million; and (iii) Edinburgh Hospital Management (Shenzhen) to pay China Merchants liquidated damages under the Cooperation Agreement and costs in relation to the said litigation in the amount of approximately RMB1.4 million.

Further, on 11 September 2023, Edinburgh International Diabetes (Hainan) received a a civil judgment# (民事判決書) of the People’s Court of Qionghai City# (瓊海市人民法院) which order, among others, that (i) Edinburgh International Diabetes (Hainan) and Edinburgh Hospital Management (Shenzhen) to jointly return RMB3.2 million to China Merchants; and (ii) Edinburgh International Diabetes (Hainan) to pay to China Merchants costs in relation to the said litigation in the amount of approximately RMB37,000.

In the light of the Litigations, the operations of the Disposal Group have been suspended since May 2022 and no revenue was generated during the year ended 31 March 2024.

Taking into account, among others, (i) the financial position, in particular, the unaudited net liabilities of the Disposal Group of approximately HK\$27,394,000 as at 31 July 2024; (ii) the on-going Litigations involving members of the Disposal Group; and (iii) the expected gain on the Disposal of approximately HK\$10,400,000, the Directors are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, which have been agreed after arm’s length negotiations, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Disposal exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements but is exempt from the Shareholders’ approval requirement under the GEM Listing Rules.

Completion is conditional upon the fulfillment or waiver (as the case may be) of the conditions precedent set out under the Sale and Purchase Agreement. Therefore, the Disposal may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

“Board”	the board of Directors
“Business Day”	Business day
“Company”	Good Fellow Healthcare Holdings Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on GEM of the Stock Exchange (stock code: 8143)

“Completion”	completion of the sale and purchase of the Sale Share in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	a date falling on the next Business Day after the date on which all the conditions precedent of the Sale and Purchase Agreement have been fulfilled or waived (as the case may be)
“Consideration”	has the meaning ascribed thereto in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Share by the Vendor to the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement
“Disposal Company”	Sino Business Investment Development Limited, being a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement and immediately prior to the Completion
“Disposal Group”	Disposal Company and its subsidiaries
“Encumbrances”	any mortgage, charge, pledge, lien, hypothecation or other encumbrance, priority or security interest or deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries, from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons (as defined under the GEM Listing Rules) of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Intra-Group Loans”	amounts owing by the Disposal Company to the Vendor in an aggregate sum of approximately HK\$17,714,000 as at the date of the Sale and Purchase Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Lin Xuejiao, being a Hong Kong citizen and merchant and the purchaser to the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 September 2024 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Share”	1 ordinary share of US\$1 each in the share capital of the Disposal Company, representing the entire issued capital thereof immediately prior to the Completion
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

“US\$” United States dollar(s), the lawful currency of the United States of America

“%” per cent.

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

Hong Kong, 20 September 2024

As at the date of this announcement, the Board comprises Mr. Ng Chi Lung and Mr. Wu Qiyou as executive Directors; and Ms. Wong Ka Wai, Jeanne, Dr. Lam Huen Sum, Mr. Lau Tak Kei Arthur and Mr. Lin Yao Min as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page of the website of the Stock Exchange for at least seven days from the date of its publication and on the website of the Company at www.gf-healthcare.com.