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Solar Star Global Limited
星陽環球有限公司
(incorporated in the British Virgin Islands with limited liability)

 **HUA XIA HEALTHCARE HOLDINGS LIMITED**
華夏醫療集團有限公司*
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8143)

JOINT ANNOUNCEMENT

ACQUISITION OF TRANSFER SHARES AND SALE SHARES IN HUA XIA HEALTHCARE HOLDINGS LIMITED BY SOLAR STAR GLOBAL LIMITED;

MANDATORY CONDITIONAL CASH OFFERS BY

 **KINGSTON SECURITIES**

ON BEHALF OF

**SOLAR STAR GLOBAL LIMITED TO ACQUIRE ALL THE ISSUED
SHARES IN HUA XIA HEALTHCARE HOLDINGS LIMITED AND TO
CANCEL ALL OUTSTANDING OPTIONS OF HUA XIA HEALTHCARE
HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED
OR TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN
CONCERT WITH IT); AND**

**RESUMPTION OF TRADING IN THE SHARES OF HUA XIA
HEALTHCARE HOLDINGS LIMITED**

Financial adviser to the Offeror

 **KINGSTON CORPORATE FINANCE**

* For identification purpose only

THE ACQUISITIONS

On 24 April 2018 (after trading hours of the Stock Exchange), the Board was informed by the Offeror that the Offeror has acquired an aggregate of 553,491,516 Shares in the following manners:–

- (a) the Transfer Shares representing approximately 14.85% of the entire issued ordinary share capital of the Company as at the date of this joint announcement at the consideration of HK\$46,034,066.76, representing HK\$0.11 per Transfer Share, pursuant to the Deed of Settlement entered into between Easeglory and Golden Prince on 24 April 2018; and
- (b) the Sale Shares representing approximately 4.79% of the entire issued ordinary share capital of the Company as at the date of this joint announcement at the aggregate consideration of HK\$14.85 million, representing HK\$0.11 per Sale Share, through a broker by way of an off market trade on 25 April 2018. As confirmed by the Offeror with the broker, there were two Vendors under the Share Sale, from whom the Offeror acquired 70,000,000 Shares and 65,000,000 Shares, respectively. To the best of the Offeror Director's knowledge, information and belief having made all reasonable enquiries, each of the Vendors and their ultimate beneficial owners is an independent third party not connected with the Offeror and parties acting in concert with it.

Completion of the Share Transfer took place on 25 April 2018. Completion of the Share Sale took place on 25 April 2018.

MANDATORY CONDITIONAL CASH OFFERS

Immediately prior to the Acquisitions, the Offeror and parties acting in concert with it were interested in 379,000,000 Shares, representing approximately 13.45% of the entire issued ordinary share capital of the Company as at the date of this joint announcement. Save as disclosed in this joint announcement, none of the Offeror, its ultimate beneficial owners or parties acting in concert with any of them has acquired any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six-month period immediately preceding the date of this joint announcement.

Immediately following Completion and as at the date of this joint announcement, the Offeror and the parties acting in concert with it own an aggregate of 932,491,516 Shares, representing approximately 33.09% of the entire issued ordinary share capital of the Company as at the date of this joint announcement. Accordingly, the Offeror and parties acting in concert with it are required to make the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code.

Kingston Securities will, on behalf of the Offeror, make the Offers on terms to be set out in the Composite Offer Document in accordance with the Takeovers Code on the following basis:

The Share Offer

For each Share.....HK\$0.12 in cash

The Option Offer

For cancellation of each outstanding Option.....HK\$0.01 in cash

The Share Offer Price of HK\$0.12 for each Share under the Share Offer is higher than the highest price paid by the Offeror and parties acting in concert with it for the acquisition of the Shares within six months prior to the commencement of the offer period (i.e., the date of this joint announcement). The Share Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, given that the exercise price of the outstanding Options are above the Share Offer Price, the outstanding Options are out-of-money and the offer price for each outstanding Option (i.e., the Option Offer Price) is at a nominal value of HK\$0.01.

The principal terms of the Offers are set out under the section headed “**MANDATORY CONDITIONAL CASH OFFERS**” in this joint announcement.

Assuming that there is no change in the issued ordinary share capital of the Company, none of the outstanding Convertible Preference Shares is converted and none of the outstanding Options is exercised prior to the Offer Closing Date, there would be 2,818,249,944 Shares in issue. On the basis of the Share Offer Price at HK\$0.12 per Share, the entire issued ordinary share capital of the Company would be valued at approximately HK\$338 million.

Excluding the 932,491,516 Shares and the 98,500,000 Convertible Preference Shares (representing all the outstanding Convertible Preference Shares as at the date of this joint announcement) already owned by the Offeror and the parties acting in concert with it as at the date of this joint announcement, 1,885,758,428 Shares will be subject to the Share Offer and the Share Offer is therefore valued at approximately HK\$226 million based on the Share Offer Price. Assuming that no outstanding Options are exercised before the Offer Closing Date and based on the Option Offer Price of HK\$0.01 per Option, the total consideration required to satisfy the cancellation of all the outstanding Option is HK\$4,500. Accordingly, the Offers are valued at approximately HK\$226 million in aggregate.

The Offeror intends to maintain the listing of the Shares on GEM and will undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that sufficient public float as required under the applicable GEM Listing Rules exists in the Shares.

DESPATCH OF THE COMPOSITE OFFER DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing the terms of the Offers to the Shareholders and the Optionholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Offer Document. The Composite Offer Document would set out, amongst others, details of the Offers, accompanied by the form of acceptance and transfer of the Shares in respect of the Share Offer and the form of acceptance and cancellation of the outstanding Options in respect of the Option Offer, and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser as to whether the terms of the Offers are fair and reasonable and as to acceptance.

If the offer document and the offeree board circular are combined in the Composite Offer Document, the Offeror and the Company would be required to despatch the Composite Offer Document to the Shareholders and the Optionholders within 21 days after the date of this joint announcement or such later date as the Executive may approve. Further announcement will be made when the Composite Offer Document is despatched.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 25 April 2018 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 30 April 2018.

WARNING: THE OFFERS ARE CONDITIONAL. IF THE TOTAL NUMBER OF SHARES IN RESPECT OF WHICH, AT OR BEFORE THE OFFER CLOSING DATE (OR SUCH OTHER TIME AS THE OFFEROR MAY, SUBJECT TO THE TAKEOVERS CODE, DECIDE), VALID ACCEPTANCES UNDER THE SHARE OFFER TOGETHER WITH THE SHARES ACQUIRED OR TO BE ACQUIRED BEFORE OR DURING THE SHARE OFFER, WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING 50% OR LESS OF THE VOTING RIGHTS OF THE COMPANY, THE OFFERS WILL NOT BECOME UNCONDITIONAL AND WILL LAPSE.

THE ACQUISITIONS

On 24 April 2018 (after trading hours of the Stock Exchange), the Board was informed by the Offeror that the Offeror has acquired an aggregate of 553,491,516 Shares in the following manners:–

- (a) the Transfer Shares representing approximately 14.85% of the entire issued ordinary share capital of the Company as at the date of this joint announcement at the consideration of HK\$46,034,066.76, representing HK\$0.11 per Transfer Share, pursuant to the Deed of Settlement entered into between Easeglory and Golden Prince on 24 April 2018 (for details of the Deed of Settlement, please refer to the paragraph headed “The Deed of Settlement” below); and
- (b) the Sale Shares representing approximately 4.79% of the entire issued ordinary share capital of the Company as at the date of this joint announcement at the aggregate consideration of HK\$14.85 million, representing HK\$0.11 per Sale Share, through a broker by way of an off market trade on 25 April 2018. As confirmed by the Offeror with the broker, there were two Vendors under the Share Sale, from whom the Offeror acquired 70,000,000 Shares and 65,000,000 Shares, respectively. To the best of the Offeror Director’s knowledge, information and belief having made all reasonable enquiries, each of the Vendors and their ultimate beneficial owners is an independent third party not connected with the Offeror and parties acting in concert with it.

Completion of the Share Transfer took place on 25 April 2018. Completion of the Share Sale took place on 25 April 2018.

The Deed of Settlement

On 24 April 2018, Easeglory and Golden Prince entered into the Deed of Settlement, pursuant to the Deed of Settlement, in consideration of the full and final settlement of the Easeglory Loan in an aggregate sum of HK\$78,737,939.19 (inclusive of interest accrued thereon) indebted to Golden Prince by Easeglory, Easeglory, amongst others, agreed to:–

- (i) transfer 418,491,516 Shares (i.e., the Transfer Shares) to the Offeror, as the nominee of Golden Prince, at a consideration of HK\$46,034,066.76, representing HK\$0.11 per Transfer Share, as the full and final settlement of part of the outstanding sum, being HK\$46,034,066.76, under the Easeglory Loan. The Transfer Shares were charged to Golden Prince immediately before completion of the Deed of Settlement;

- (ii) transfer 98,500,000 Convertible Preference Shares to the Offeror, as the nominee of Golden Prince, at a consideration of HK\$10,835,000, representing HK\$0.11 per Convertible Preference Share, as the full and final settlement of part of the outstanding sum, being HK\$10,835,000, under the Easeglory Loan. The above Convertible Preference Shares were charged to Golden Prince immediately before completion of the Deed of Settlement; and
- (iii) repay the remaining outstanding sum of HK\$21,868,872.43 under the Easeglory Loan by cash.

MANDATORY CONDITIONAL CASH OFFERS

In August 2016, Mr. Ng, who is presumed to be a party acting in concert with the Offeror under the definition of “acting in concert” in the Takeovers Code, acquired an aggregate of 59,000,000 Shares, representing approximately 2.09% of the entire issued ordinary share capital of the Company as at the date of this joint announcement. On 26 March 2018, the Offeror acquired 320,000,000 Shares, representing approximately 11.35% of the entire issued ordinary share capital of the Company as at the date of this joint announcement at the consideration of HK\$23,000,000 in cash, representing approximately HK\$0.0719 per Share, from a third party independent of the Offeror and parties acting in concert with it. Accordingly, immediately prior to the Acquisitions, the Offeror and parties acting in concert with it were interested in 379,000,000 Shares, representing approximately 13.45% of the entire issued ordinary share capital of the Company as at the date of this joint announcement. Save as disclosed in this joint announcement, none of the Offeror, its ultimate beneficial owners or parties acting in concert with any of them has acquired any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six-month period immediately preceding the date of this joint announcement.

Immediately following Completion and as at the date of this joint announcement, the Offeror and the parties acting in concert with it own an aggregate of 932,491,516 Shares, representing approximately 33.09% of the entire issued ordinary share capital of the Company as at the date of this joint announcement. Accordingly, the Offeror and parties acting in concert with it are required to make the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code.

As at the date of this joint announcement, the Company has 2,818,249,944 Shares in issue, 98,500,000 Convertible Preference Shares in issue (all of which being held by the Offeror as at the date of this joint announcement) and 450,000 outstanding Options in respect of 450,000 Shares.

Save as aforesaid, there are no outstanding warrants, options, derivatives or securities which are convertible into Shares and the Company has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company as at the date of this joint announcement.

Principal terms of the Offers

Kingston Securities will, on behalf of the Offeror, make the Offers on terms to be set out in the Composite Offer Document in accordance with the Takeovers Code on the following basis:

The Share Offer

For each Share.HK\$0.12 in cash

The Option Offer

For cancellation of each outstanding Option.HK\$0.01 in cash

The Share Offer Price of HK\$0.12 for each Share under the Share Offer is higher than the highest price paid by the Offeror and parties acting in concert with it for the acquisition of the Shares within six months prior to the commencement of the offer period (i.e., the date of this joint announcement). The Share Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, given that the exercise price of the outstanding Options are above the Share Offer Price, the outstanding Options are out-of-money and the offer price for each outstanding Option (i.e., the Option Offer Price) is at a nominal value of HK\$0.01.

Conditions of the Offers

The Offers are subject to valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Offer Closing Date (or such later time(s) and/or date(s) as the Offeror may decide and the Executive may approve) in respect of such number of Shares which, together with the Shares already owned or to be acquired before or during the Offers, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company. The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfilment of the conditions to the Offers in accordance with the Takeovers Code and the GEM Listing Rules. The latest time on which the Offeror can declare the Offers unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Offer Document (or such later date to which the Executive may consent).

Comparison of value

The Share Offer Price of HK\$0.12 for each Share under the Share Offer represents:

- (i) the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 0.84% over the average of closing price of HK\$0.119 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 20.00% over the net asset value per share of approximately HK\$0.10, calculated based on the unaudited consolidated net asset value attributable to Shareholders of the Company as at 30 September 2017, the date to which the latest unaudited interim financial results of the Group were made up and after taking into account of the net proceeds of approximately HK\$44.5 million from the placement of Shares completed on 20 March 2018, divided by the number of issued Shares as at the date of this joint announcement.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement were HK\$0.184 per Share on 27 October 2017 and HK\$0.112 per Share on 9 February 2018, respectively.

Total value of the Offers

Assuming that there is no change in the issued ordinary share capital of the Company, none of the outstanding Convertible Preference Shares is converted and none of the outstanding Options is exercised prior to the Offer Closing Date, there would be 2,818,249,944 Shares in issue. On the basis of the Share Offer Price at HK\$0.12 per Share, the entire issued ordinary share capital of the Company would be valued at approximately HK\$338 million.

Excluding the 932,491,516 Shares and the 98,500,000 Convertible Preference Shares (representing all the outstanding Convertible Preference Shares as at the date of this joint announcement) already owned by the Offeror and the parties acting in concert with it as at the date of this joint announcement, 1,885,758,428 Shares will be subject to the Share Offer and the Share Offer is therefore valued at approximately HK\$226 million based on the Share Offer Price. Assuming that no outstanding Options are exercised before the Offer Closing Date and based on the Option Offer Price of HK\$0.01 per Option, the total consideration required to satisfy the cancellation of all the outstanding Option is HK\$4,500. Accordingly, the Offers are valued at approximately HK\$226 million in aggregate.

Financial resources available for the Offers

The financial resources of the Offeror to fund the aggregate value of the Offers are satisfied by the internal resources of the Offeror and the Facilities.

Kingston Corporate Finance, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

Effect of accepting the Offers

By validly accepting the Share Offer, Shareholders would sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, that is, the date of posting of the Composite Offer Document.

By validly accepting the Option Offer, Optionholders would agree to the cancellation of their tendered Options and all rights attached thereto with effect from the date of which the Option Offer is made, that is, the date of posting of the Composite Offer Document.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payments

Provided that the Offers have become, or have been declared unconditional in all respects, payment in cash in respect of acceptance of the Offers would be made as soon as possible but in any event within seven business days (as defined under the Takeovers Code) of the date on which the Offers become or are declared unconditional and the date on which the duly completed acceptance of the Offers and the relevant documents of title of the Shares or the Options (as the case may be) in respect of such acceptance are received by or for the Offeror to render each such acceptance of any of the Share Offer and the Option Offer complete and valid.

Stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, would be deducted from the amount payable to Shareholders who accept the Share Offer.

The Offeror would bear its own portion of buyer's Hong Kong ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptances or if higher, the market value of the Shares, and would be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Share Offer.

No stamp duty is payable in connection with the acceptance of the Option Offer.

Overseas Shareholders

As the Share Offer to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, overseas Shareholders whose addresses as shown in the registers of members of the Company are outside Hong Kong and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Share Offer. It is the responsibility of the overseas Shareholders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any overseas Shareholder will be deemed to constitute a representation and warranty from such overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The overseas Shareholders should consult their professional advisers if in doubt.

Taxation advice

Shareholders and Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. The Offeror accepts no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Other arrangements

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Offeror's interest in the 873,491,516 Shares and the 98,500,000 Convertible Preference Shares, and Mr. Ng's interest in 59,000,000 Shares, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or direction over any voting right or rights over the Shares, options, derivatives, warrants and other securities convertible into the Shares;

- (ii) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has received any irrevocable commitment whether to accept or to reject the Offers;
- (iii) save for the acquisition of 98,500,000 Convertible Preference Shares, there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owners or any person acting in concert with any of them;
- (iv) save for the Facilities and the Deed of Settlement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (v) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (vi) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Each of Easeglory and the Offeror confirm that, as at the date of this joint announcement:

- (i) save for the transactions contemplated under the Deed of Settlement, there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owners and parties acting in concert with any of them (including Golden Prince) on the one hand, and Easeglory, its ultimate beneficial owner and parties acting in concert with any of them on the other hand; and
- (ii) each of Easeglory, its ultimate beneficial owner and parties acting in concert with any of them has not received and will not receive any other consideration and benefits in whatever form from the Offeror, its ultimate beneficial owners or parties acting in concert with any of them (including Golden Prince).

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Share Sale, there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owners and parties acting in concert with any of them (including Golden Prince) on the one hand, and the Vendors and their ultimate beneficial owners on the other hand; and

(ii) save as disclosed in this joint announcement, each of the Vendors and their ultimate beneficial owners has not received and will not receive any other consideration and benefits in whatever form from the Offeror, its ultimate beneficial owners or parties acting in concert with any of them (including Golden Prince).

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately before the Acquisitions; (ii) immediately following Completion and before the commencement of the Offers (assuming that none of the outstanding Convertible Preference Shares have been converted and none of the outstanding Options have been exercised); and (iii) immediately following Completion and before the commencement of the Offers (assuming that all the outstanding Convertible Preference Shares have been converted and all the outstanding Options have been exercised):

	Immediately before the Acquisitions		Immediately following Completion and before the commencement of the Offers (assuming that none of the outstanding Convertible Preference Shares have been converted and none of the outstanding Options have been exercised)		Immediately following Completion and before the commencement of the Offers (assuming that all the outstanding Convertible Preference Shares have been converted and all the outstanding Options have been exercised)	
	No. of Shares	Approximate % (Note 1)	No. of Shares	Approximate % (Note 1)	No. of Shares	Approximate % (Note 1)
Shareholders						
Offeror and parties acting in concert with it						
Offeror (Note 2)	320,000,000	11.35	873,491,516	31.00	971,991,516	33.32
Mr. Ng (Note 2)	59,000,000	2.09	59,000,000	2.09	59,000,000	2.02
Sub-total	379,000,000	13.45	932,491,516	33.09	1,030,991,516	35.34
Easeglory (Note 3)	418,491,516	14.85	–	–	–	–
Directors						
Mr. Yung	2,640,000	0.09	2,640,000	0.09	2,640,000	0.09
Dr. Jiang Tao	9,300,000	0.33	9,300,000	0.33	9,300,000	0.32
Mr. Zheng Gang	6,044,000	0.21	6,044,000	0.21	6,044,000	0.21
Dr. Huang Jiaqing	1,400,000	0.05	1,400,000	0.05	1,400,000	0.05
Other non-public Shareholder						
New Hope International (Hong Kong) Limited (Note 4)	343,217,539	12.18	343,217,539	12.18	343,217,539	11.77
Public Shareholders	1,658,156,889	58.84	1,523,156,889	54.05	1,523,606,889	52.23
Total:	2,818,249,944	100.00	2,818,249,944	100.00	2,917,199,944	100.00

Notes:

- (1) Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding them.
- (2) As at the date of this joint announcement, the Offeror is owned as to 50% by Mr. Ng, 25% by Ms. Ng Si Wing and 25% by Ms. Ng Yin. Mr. Ng directly holds 59,000,000 Shares as at the date of this joint announcement.
- (3) Immediately before completion of the Deed of Settlement, Easeglory, which is wholly-owned by Mr. Yung, was interested in 418,491,516 Shares and 98,500,000 Convertible Preference Shares.
- (4) As at the date of this joint announcement, New Hope International (Hong Kong) Limited is owned as to 75% by Southern Hope Enterprise Co., Ltd# (南方希望實業有限公司) which is, in turn, owned as to 51% by New Hope Group Co., Ltd.# (新希望集團有限公司) and 49% by Tibet Hengye Feng Industrial Co., Ltd.# (西藏恒業鋒實業有限公司). 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.

INFORMATION ON THE GROUP

The Company is an investment holding company, and the Group is principally engaged in the provision of general hospital services in the PRC. The following table sets out a summary of certain financial information of the Group:

	For the year ended	
	31 March	
	2017	2016
	(audited)	(audited)
Continuing operations	HK\$'000	HK\$'000
Revenue	269,515	252,844
(Loss)/profit before tax	(29,785)	(28,850)
(Loss)/profit for the year	(33,362)	(31,634)
	As at	As at
	30 September	31 March
	2017	2017
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Total equity attributable to owners of the Company	232,466	243,613

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability on 7 February 2018 and did not carry out any other business activities other than holding of Shares. The Offeror is legally and beneficially owned as to 50% by Mr. Ng, 25% by Ms. Ng Si Wing and 25% by Ms. Ng Yin as at the date of this joint announcement. The direct and sole beneficial owner of Golden Prince, Mr. Ng Leung Ho, is the father of Mr. Ng, Ms. Ng Si Wing and Ms. Ng Yin. Mr. Ng, Ms. Ng Si Wing and Ms. Ng Yin are siblings. Accordingly, each of Mr. Ng Leung Ho, Mr. Ng, Ms. Ng Si Wing, Ms. Ng Yin and Golden Prince is presumed to be a party acting in concert with the Offeror under the definition of “acting in concert” in the Takeovers Code.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Ng.

Mr. Ng has eight years of experience in founding new business and commercial management. Mr. Ng studied at Macquarie University (Major in Accounting) in Australia after obtained his diploma from the Sydney Institute of Business and Technology in year of 2009. Since February 2012, Mr. Ng founded and managed businesses including the scope of manufacturing and services sector. Mr. Ng is an executive director and vice chairman of Theme International Holdings Limited (stock code: 990) (“**TIHL**”), the shares of which are listed on the Main Board of the Stock Exchange. He was also an executive director of Yueshou Environmental Holdings Limited (stock code: 1191), the shares of which are listed on the Main Board of the Stock Exchange, from October 2014 to March 2016. Mr. Ng holds directorship in certain subsidiaries of TIHL, including Asia Develop Limited and King Topwell International Limited.

Ms. Ng Si Wing has five years of experiences in the finance field. Ms. Ng Si Wing graduated from Macquarie University in Australia and obtained a bachelor’s degree in commerce majoring in accounting in 2003 after she obtained the diploma of commerce from the Sydney Institute of Business and Technology in Australia in 2000. She is currently the vice president at Fulbright Financial Group Holdings Limited. As at the date of this joint announcement, Ms. Ng Si Wing has not held any directorship in company listed on the Stock Exchange.

Ms. Ng Yin has six years of experience in the accounting field and has been involved in the property development investment business since 2015. Ms. Ng Yin graduated from Macquarie University in Australia and obtained a bachelor’s degree in professional accounting in 2007. She is currently a director of Golden Empire Limited, a company primarily engaged in the investment of property development projects in the PRC. As at the date of this joint announcement, Ms. Ng Yin has not held any directorship in company listed on the Stock Exchange.

THE OFFEROR’S INTENTIONS IN RELATION TO THE GROUP

Following the close of the Offers, the Offeror intends to continue the existing principal businesses of the Group. The Offeror would conduct a review on the financial position and the operations of the Group and would formulate long-term business plans and strategy of the Group, explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification would be appropriate to enhance the long-term growth potential of the Group. The Offeror has no intention to (i) discontinue the employment of any employees of the Group (other than the possible changes to the members of the Board as detailed in the section headed “Possible Change of the Board Composition” below); or (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business as at the date of this joint announcement.

POSSIBLE CHANGE OF THE BOARD COMPOSITION

The Board is currently made up of 12 Directors, comprising five executive Directors, three non-executive Directors and four independent non-executive Directors.

As at the date of this joint announcement, the Offeror intends to nominate new Directors to the Board and such appointments will not take effect earlier than the date of posting of the Composite Offer Document in relation to the Offers or such other date as permitted under the Takeovers Code. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated. It is also possible that certain existing Director(s) may leave the Board. As at the date of this joint announcement, the Offeror had not reached any final decision as to who will form the composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules and a separate announcement will be made in this regard as and when appropriate.

MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on GEM following the close of the Offers.

In the event that the public float of the Company falls below 25% following the close of the Offers, each of the Company and the Offeror will undertake to the Stock Exchange that they would take appropriate steps to restore the minimum public float as required under the GEM Listing Rules as soon as possible following the close of the Offers to ensure that sufficient public float exists for the Shares.

The Stock Exchange had stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or**
 - (b) that there are insufficient Shares in public hands to maintain an orderly market,**
- it would consider exercising its discretion to suspend dealings in the Shares.**

In this connection, it should be noted that following the close of the Offers, there might be insufficient public float of the Shares and therefore, trading in the Shares might be suspended until sufficient public float exists in the Shares.

DESPATCH OF THE COMPOSITE OFFER DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing the terms of the Offers to the Shareholders and the Optionholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Offer Document. The Composite Offer Document would set out, amongst others, details of the Offers, accompanied by the form of acceptance and transfer of the Shares in respect of the Share Offer and the form of acceptance and cancellation of the outstanding Options in respect of the Option Offer, and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser as to whether the terms of the Offers are fair and reasonable and as to acceptance.

If the offer document and the offeree board circular are combined in the Composite Offer Document, the Offeror and the Company would be required to despatch the Composite Offer Document to the Shareholders and the Optionholders within 21 days after the date of this joint announcement or such later date as the Executive may approve. Further announcement will be made when the Composite Offer Document is despatched.

INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee comprising the non-executive Directors who have no direct or indirect interest in the Offer namely, Dr. Wong Yu Man, James, Mr. Tang Xun, Ms. Wong Ka Wai, Jeanne, Prof. Hu Shanlian, Prof. Lu Chuanzhen and Prof. Zhang Bin, to advise the Independent Shareholders in relation to the terms and conditions of the Offers, in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers. Mr. Chan Chi Ming, Tony, a non-executive Director, is not taking part in the Independent Board Committee in order to avoid any perceived conflict of interest due to him being a consultant providing strategic advice to Bloom Dragon Finance Limited (興龍財務有限公司), a company incorporated in Hong Kong with limited liability, which is owned as to 50% by Mr. Ng and 50% by Good Fellow Group Limited as at the date of this joint announcement. As at the date of this joint announcement, Good Fellow Group Limited is owned as to 99.99% by Hillbrow Securities Limited and 0.01% by Mr. Ng Leung Ho, who is the father of Mr. Ng. Hillbrow Securities Limited is wholly-owned by Mr. Ng Leung Ho.

The Independent Financial Adviser will be appointed by the Company as the independent financial adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee and the Independent Shareholders in respect of the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers. Further announcement will be made upon the appointment of the Independent Financial Adviser.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror respectively (including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror, or any person who as a result of any transaction owns or controls 5% or more of any class of relevant securities of the Company or the Offeror) are hereby reminded to disclose their dealings in the relevant securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred above has the meaning ascribed to it under the Takeovers Code.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 25 April 2018 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 30 April 2018.

WARNING: THE OFFERS ARE CONDITIONAL. IF THE TOTAL NUMBER OF SHARES IN RESPECT OF WHICH, AT OR BEFORE THE OFFER CLOSING DATE (OR SUCH OTHER TIME AS THE OFFEROR MAY, SUBJECT TO THE TAKEOVERS CODE, DECIDE), VALID ACCEPTANCES UNDER THE SHARE OFFER TOGETHER WITH THE SHARES ACQUIRED OR TO BE ACQUIRED BEFORE OR DURING THE SHARE OFFER, WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING 50% OR LESS OF THE VOTING RIGHTS OF THE COMPANY, THE OFFERS WILL NOT BECOME UNCONDITIONAL AND WILL LAPSE.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“Acquisitions”	the acquisition of an aggregate of 553,491,516 Shares under the Share Transfer and the Share Sale
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Hua Xia Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM (stock code: 8143)
“Completion”	the completion of the Acquisitions
“Composite Offer Document”	the document proposed to be jointly issued by and on behalf of the Offeror and the Company to all Shareholders and Optionholders in accordance with the Takeovers Code containing, amongst others, the terms and conditions of the Offers, the form of acceptance and transfer of the Shares in respect of the Share Offer and the form of acceptance and cancellation of the Options in respect of the Option Offer, the letter of advice of the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, and the letter of advice of the Independent Board Committee to the Shareholders and Optionholders as to whether the terms of the Offers are fair and reasonable and as to acceptance
“Convertible Preference Shares”	the non-redeemable convertible preference shares of the Company approved to be issued in the extraordinary general meeting of the Company held on 3 March 2010, the holders of which (in their capacity as such) will not be permitted to attend or vote at meetings of the Company, unless a resolution is proposed to vary the rights of holders of the Convertible Preference Shares or a resolution is proposed for the winding up of the Company

“Deed of Settlement”	the deed of settlement dated 24 April 2018 entered into between Golden Prince and Easeglory in relation to, amongst others, the Share Transfer
“Director(s)”	the director(s) of the Company
“Easeglory”	Easeglory Holdings Limited, a company incorporated in the BVI with limited liability which is owned as to 100% by Mr. Yung as at the date of this joint announcement
“Easeglory Loan”	the outstanding loan amount of HK\$78,737,939.19 (inclusive of interest accrued) indebted to Golden Prince by Easeglory as at the date of the Deed of Settlement
“Encumbrances”	any mortgage, charge, pledge, lien, hypothecation, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-lease back arrangement or similar encumbrance(s) over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director, as defined in the Takeovers Code
“Facilities”	a loan facility granted by Kingston Securities to the Offeror for financing the Offers
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Golden Prince”	Golden Prince Group Limited, a company incorporated in the BVI with limited liability which is owned as to 100% by Mr. Ng Leung Ho as at the date of this joint announcement
“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 PRC

“Independent Board Committee”	an independent board committee of the Board comprising the non-executive Directors who have no direct or indirect interest in the Offers, established for the purpose of advising the Shareholders and the Optionholders as to whether the terms of the Offers are fair and reasonable and as to acceptance
“Independent Financial Adviser”	the independent financial adviser to be appointed for the purpose of advising the Independent Board Committee in relation to the terms of the Offers and in particular (i) as to whether the Offers are, or are not, fair and reasonable; and (ii) as to acceptance of the Offers
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, the financial adviser of the Offeror in respect of the Offers, and is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), licensed to carry on Type 6 (advising on corporate finance) regulated activity
“Kingston Securities”	Kingston Securities Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), licensed to carry on Type 1 (dealing in securities) regulated activity
“Last Trading Day”	24 April 2018, being the last trading day prior to the suspension of trading in the Shares on 25 April 2018 pending the publication of this joint announcement
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM
“Mr. Ng”	Mr. Ng Chi Lung, the sole director of the Offeror, who is interested in 50% of the shareholding of the Offeror
“Mr. Yung”	Mr. Yung Ka Chun, an executive Director and the sole ultimate beneficial owner of Easeglory

“Offer Closing Date”	the date to be stated in the Composite Offer Document as the first offer closing date of the Offers, which is 21 calendar days after the posting of the Composite Offer Document, or any subsequent offer closing date of the Offers as may be extended in accordance with the Takeovers Code
“Offers”	collectively, the Share Offer and the Option Offer
“Offeror”	Solar Star Global Limited (星陽環球有限公司), a company incorporated in the BVI with limited liability which is owned as to 50% by Mr. Ng, 25% by Ms. Ng Si Wing and 25% by Ms. Ng Yin
“Option(s)”	the share option(s) granted by the Company pursuant to the share option scheme of the Company conditionally adopted on 20 April 2002, which entitle(s) holder(s) thereof to subscribe for the Shares in accordance with the terms and conditions thereof
“Option Offer”	the mandatory conditional cash offer to be made by Kingston Securities for and on behalf of the Offeror for the cancellation of all the outstanding Options held by the Optionholders in accordance with the Takeovers Code
“Optionholder(s)”	the holder(s) of the Option(s)
“Option Offer Price”	the consideration per Share of HK\$0.01 payable in cash by the Offeror to the Optionholders under the Option Offer
“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Sale Share(s)”	135,000,000 Shares (representing approximately 4.79% of the entire issued ordinary share capital of the Company as at the date of this joint announcement), owned by the relevant Vendors before the Share Sale
“SFC”	the Securities and Futures Commission of Hong Kong

“Share Sale”	the acquisition of the Sale Shares, representing approximately 4.79% of the entire issued ordinary share capital of the Company as at the date of this joint announcement, at the consideration of HK\$14.85 million, representing HK\$0.11 per Sale Share, through a broker through an off market trade on 25 April 2018
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Share(s)
“Share Offer”	the mandatory conditional cash offer to be made by Kingston Securities for and on behalf of the Offeror for all the issued Shares not already owned or to be acquired by the Offeror or parties acting in concert with it in accordance with the Takeovers Code
“Share Offer Price”	the consideration per Share of HK\$0.12 payable in cash by the Offeror to the Shareholders under the Share Offer
“Share Transfer”	the transfer of the Transfer Shares at a consideration of HK\$46,034,066.76 in cash, representing HK\$0.11 per Transfer Share, from Easeglory to the Offeror, as the nominee of Golden Prince, pursuant to the Deed of Settlement, as a full and final settlement of part of the outstanding sum, being HK\$46,034,066.76, under the Easeglory Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified from time to time
“Transfer Share(s)”	418,491,516 Shares (representing approximately 14.85% of the entire issued ordinary share capital of the Company as at the date of this joint announcement), owned by Easeglory before the Share Transfer
“Vendors”	the vendors of the Sale Shares

By order of the board of director
Solar Star Global Limited
Ng Chi Lung
Director

By order of the Board
Hua Xia Healthcare Holdings Limited
Jiang Tao
Chief Executive Officer

Hong Kong, 27 April 2018

As at the date of this joint announcement, the Board comprises Dr. Jiang Tao, Mr. Yung Ka Chun, Mr. Zheng Gang, Dr. Huang Jiaqing and Mr. Lin Jinzong as executive Directors; Dr. Wong Yu Man, James, Mr. Tang Xun and Mr. Chan Chi Ming, Tony as non-executive Directors; and Ms. Wong Ka Wai, Jeanne, Prof. Hu Shanlian, Prof. Lu Chuanzhen and Prof. Zhang Bin as independent non-executive Directors.

This joint 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 joint announcement (other than that relating to the Offeror, its associates and parties acting in concert with it) 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 joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror, its associates and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror, its associates and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Ng Chi Lung.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group, the Vendors, their respective associates and parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Group, the Vendors, their respective associates and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement will be published on GEM website at <http://www.hkgem.com> on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at www.huaxia-healthcare.com.

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