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金威医疗集团有限公司

Good Fellow Healthcare Holdings Limited

(formerly known as 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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE REFURBISHMENT OF EDINBURGH INTERNATIONAL HOSPITAL

THE REFURBISHMENT

On 1 April 2019 (after trading hours), Edinburgh Hospital Management, an indirect wholly-owned subsidiary of Edinburgh International which, in turn, is an indirect non wholly-owned subsidiary of the Company, entered into the Agreement with CSCEC Construction for the Refurbishment at the Consideration of RMB41.600 million (equivalent to approximately HK\$48.672 million).

IMPLICATION UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined under the GEM Listing Rules) for the Refurbishment is more than 5% but less than 25%, the Refurbishment constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of GEM Listing Rules.

References are made to the announcements of the Company dated 26 September 2018 and 12 October 2018, in relation to the establishment of Edinburgh International Hospital.

* For identification purpose only

THE REFURBISHMENT

On 1 April 2019 (after trading hours), Edinburgh Hospital Management, an indirect wholly-owned subsidiary of Edinburgh International which, in turn, is an indirect non wholly-owned subsidiary of the Company, entered into the Agreement with CSCEC Construction for the Refurbishment.

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

Date: 1 April 2019

Parties: (1) CSCEC Construction

(2) Edinburgh Hospital Management
(an indirect wholly-owned subsidiary of Edinburgh International which, in turn, is an indirect non wholly-owned subsidiary of the Company)

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

Subject matter

Pursuant to the Agreement, CSCEC Construction shall be responsible for the refurbishment of Edinburgh International Hospital, which mainly consists of two buildings (being a nine-storey medical technology building and a 13-storey patient ward building), with a total site area of approximately 20,000 square metres and a medical purification area of approximately 3,000 square metres.

Quality standard

The Refurbishment shall comply with relevant national and industry quality standards, including the technical specifications prescribed under the United Standard for Construction Quality Acceptance of Building Engineering# (《建築工程施工質量驗收統一標準》(GB50300-2013)), jointly promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房城鄉建設部) and the General Administration of Quality Supervision, Inspection and Quarantine of the PRC (中華人民共和國國家質量監督檢驗疫總局).

Refurbishment period

The Refurbishment period of Edinburgh International Hospital is estimated to be 150 days.

Consideration

The Consideration, being the refurbishment cost for the Refurbishment, amounts to RMB41.600 million (equivalent to approximately HK\$48.672 million), which shall be paid in cash.

Within seven (7) days upon signing of the Agreement, 20% of the Consideration shall be paid as advance payment, being RMB8,320,000 (equivalent to approximately HK\$9,734,400). Subsequent payment shall be paid by progress on a monthly basis after assessing and certifying the monthly progress payment claim submitted by CSCEC Construction. The retention money, being 3% of the Consideration, shall be retained by Edinburgh Hospital Management and shall be fully released (without interest) after the second anniversary of certified completion date.

The Consideration was determined based on arm's length negotiations between Edinburgh Hospital Management and CSCEC Construction after taking into account, among others, the costs of the raw materials and refurbishment services required after taking into account the market conditions.

The Consideration will be financed by the internal resources of the Group.

INFORMATION ON CSCEC CONSTRUCTION

CSCEC Construction is a company established in the PRC and is principally engaged in the provision of construction and refurbishment services in the PRC.

REASONS FOR AND BENEFITS OF THE REFURBISHMENT

The Company is an investment holding company, and the Group is principally engaged in the provision of general hospital services in the PRC. Edinburgh Hospital Management is principally engaged in the provision of general hospital services in the PRC, and shall operate and manage Edinburgh International Hospital.

As stated in the announcements of the Company dated 26 September 2018 and 12 October 2018, in order to develop and expand cooperation between the Group and the Putian Municipal People's Government in relation to the provision of medical healthcare services in Putian, Fujian, the PRC, the Group shall establish a hospital to be named "Edinburgh International Hospital".

The Group considers that the entering into of the Agreement is vital to progressing the cooperation with the Putian Municipal People's Government for the operation of Edinburgh International Hospital. It is expected that substantive refurbishment work shall be carried out in full force in 2019 and the Group targets to complete the refurbishment by the end of 2019.

CSCEC Construction has conducted business in the construction industry in the PRC for many years and has comprehensive construction and refurbishment experience. The Directors believe that engaging CSCEC Construction to carry out the Refurbishment would allow the Group to successfully leverage on the technical expertise and experience of CSCEC Construction, and that the appointment of CSCEC Construction as the contractor can meet the needs of the refurbishment of Edinburgh International Hospital. During the period of the Refurbishment, the Group will closely monitor the progress and quality of the work of the Refurbishment, in accordance with the work plans as approved by the Group.

The Directors consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Refurbishment is in the interests of the Company and its Shareholders as a whole

IMPLICATION UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined under the GEM Listing Rules) for the Refurbishment is more than 5% but less than 25%, the Refurbishment constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the refurbishment agreement dated 1 April 2019 entered into between CSCEC Construction and Edinburgh Hospital Management for the Refurbishment
“Board”	the board of Directors
“Company”	Good Fellow Healthcare Holdings Limited (formerly known as Hua Xia Healthcare Holdings Limited), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8143)
“Consideration”	the refurbishment cost in the amount of RMB41.600 million (equivalent to approximately HK\$48.672 million) for the Refurbishment
“CSCEC Construction”	CSCEC Strait Construction and Development Co., Ltd (中建海峽建設發展有限公司), the independent construction and refurbishment company engaged by the Group for the Refurbishment

“Director(s)”	director(s) of the Company
“Edinburgh Hospital Management”	Edinburgh Hospital Management (Putian) Company Limited# (愛丁醫院管理(莆田)有限公司), a company established in the PRC with limited liability, and in indirect wholly-owned subsidiary of Edinburgh International
“Edinburgh International”	Edinburgh International Investments Ltd., a company incorporated in Scotland, the United Kingdom with limited liability, and an indirect non wholly-owned subsidiary of the Company
“Edinburgh International Hospital”	the new hospital to be named “Edinburgh International Hospital” and established by Edinburgh International in Putian, Fujian, the PRC
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“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), to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the GEM Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Refurbishment”	the refurbishment of Edinburgh International Hospital pursuant to the Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 2 April 2019

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

For the purposes of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1.00 = HK\$1.17. Such translation should not be constructed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

As at the date of this announcement, the Board comprises Mr. Ng Chi Lung, Dr. Jiang Tao and Mr. Zheng Gang as executive Directors; and Ms. Wong Ka Wai, Jeanne, Dr. Lam Huen Sum and Mr. Liu Chenli 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 purposes 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 be published on the GEM website at 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.gf-healthcare.com.