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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 RESPECT OF THE TENANCY AGREEMENT

THE TENANCY AGREEMENT

The Board announces that on 4 January 2022, the Tenant (an indirect non wholly-owned subsidiary of the Company) and the Landlord entered into the Tenancy Agreement in respect of the lease of the Property.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the entering into of the Tenancy Agreement will require the Group to recognise the Property as the right-of-use assets on its balance sheet, thus the Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules.

As one or more of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company, and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under the Chapter 19 of the GEM Listing Rules.

THE TENANCY AGREEMENT

The Board announces that on 4 January 2022, the Tenant (an indirect non wholly-owned subsidiary of the Company) and the Landlord entered into the Tenancy Agreement in respect of the lease of the Property, details of which are set out below:

THE TENANCY AGREEMENT

Date : 4 January 2022

Parties : Landlord: Beijing Shengrong Huapeng Science and Trade Co., Ltd.#
Tenant: Beijing Zijing Hospital Co., Ltd.# (an indirect non wholly-owned subsidiary of the Company)

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

Property : 11 Beijing Station East Street, Dongcheng District, Beijing, the PRC#

Lettable area : Approximately 3,489.2 square metres

Term : 3 years, commencing from 1 January 2022 and expiring on 31 December 2024 (both days inclusive)

Usage : Operation of medical wards, hospitality and office

Annual rent : RMB2,400,000 (equivalent to approximately HK\$2,942,400) (exclusive of utilities expenses and charges)

The rent payable by the Tenant under the Tenancy Agreement were determined after arm's length negotiations between the Landlord and the Tenant, with reference to the prevailing market rent for properties of similar use, floor area and location.

The rent payable by the Tenant under the Tenancy Agreement is expected to be financed by the internal resources of the Tenant.

INFORMATION ON THE PARTIES

The Landlord

The Landlord is a company established in the PRC with limited liability. According to public records, the Landlord is owned as to 80% by Wang Jianzhong[#] (王建中) and as to 20% by Wang Xiaorong[#] (王晓蓉), and is engaged in the technology development, transfer, consultancy, training, technical services of technological products; real estate consultancy (excluding intermediary services); home decoration; labour services; sales of machinery and equipment, electrical equipment, building materials, decorative materials, hardware and electrical equipment, chemical products, general merchandise, knitting textiles; and lease of premises (limited to the Property only).

The Tenant

The Tenant is a company established in the PRC with limited liability, and indirectly owned as to 99.94% by the Company. The Tenant is principally engaged in the provision of general hospital services.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE TENANCY AGREEMENT

The Company is an investment holding company incorporated in the Cayman Islands as an exempted company with limited liability. The Group is principally engaged in the provision of general hospital services in the PRC.

The Directors consider that the lease of the Property, which is located in a premier location, is in line with the Group's business development. The Board believes that the lease of the Property will have a positive impact on the future development of the Group.

Having taken into account the above reasons and benefits, the Board is of the view that the lease of the Property, and the terms of the Tenancy Agreement and the transactions contemplated thereunder is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the entering into of the Tenancy Agreement will require the Group to recognise the Property as the right-of-use assets on its balance sheet, thus the Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules.

As one or more of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company, and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under the Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Good Fellow Healthcare Holdings Limited (金威醫療集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (stock code: 8143)
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKFRS 16”	the “Hong Kong Financial Reporting Standard 16 – Leases” issued by the Hong Kong Institute of Certified Public Accountants, sets out the principles for the recognition, measurement, presentation and disclosure of leases
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is(are) not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Landlord”	Beijing Shengrong Huapeng Science and Trade Co., Ltd.# (北京盛榮華鵬科貿有限公司), a company established in the PRC with limited liability

“PRC”	the People’s Republic of China, which for the purposes of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	11 Beijing Station East Street, Dongcheng District, Beijing, the PRC# (中國北京市東城區北京站東街11號)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 4 January 2022 entered into between the Landlord and the Tenant in respect of the lease of the Property
“Tenant”	Beijing Zijing Hospital Co., Ltd.# (北京紫荊醫院有限公司), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“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, 4 January 2022

The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names and words.

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\$1.226. 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 and Mr. Zheng Gang as executive Directors; and Ms. Wong Ka Wai, Jeanne, Dr. Lam Huen Sum and Mr. Lau Tak Kei Arthur 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.