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Qianhai Health Holdings Limited

前海健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 911)

PROFIT WARNING

This announcement is made by Qianhai Health Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the interim report of the Company for the six months ended 30 June 2016 (the “**Interim Report**”).

The board of Directors (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to make an increased loss for the year ended 31 December 2016 (the “**Reporting Period**”). Based on the information currently available to the Board and the preliminary review of the Group’s unaudited consolidated management accounts for the Reporting Period and as compared with the audited consolidated accounts for the year ended 31 December 2015, the loss attributable to the Shareholders for the Reporting Period is expected to have a significant increase, as compared with that for the corresponding period in 2015.

As disclosed in the Interim Report, the Reporting Period has remained challenging for the Group as it continued to be affected by the persistent slowdown in economy in China and the change in control of the Company causing a turbulence in the cultivated American ginseng and wild American ginseng (collectively “**American Ginseng**”) market and led to a decline in the sale of the American Ginseng, in terms of both quantity sold and average selling price.

During the year ended 31 December 2016, there has not been any significant improvement in the American Ginseng market and the Group has made additional provision to the inventory of American Ginseng. In addition, the Group has initiated legal actions and obtained final judgment against eight customers of approximately RMB483.1 million. The Group has made additional provision against the trade and other receivables while it will continue its utmost effort to collect the overdue receivables.

The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the Reporting Period with reference to the information currently available to the Board as at the date of this announcement. The information contained in this announcement is not based on any figure nor information that has been reviewed by the audit committee of the Board or audited by the auditors of the Company. Therefore, the actual results for the Reporting Period may differ from the information contained in this announcement. Detailed financial information and performance of the Group will be disclosed in its final results announcement for the Reporting Period, which is expected to be published in late March 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Qianhai Health Holdings Limited
George Lu
Chairman & Chief Executive Officer

Hong Kong, 13 February 2017

As at the date of this announcement, the executive Directors are Mr. George Lu, Mr. Yeung Wing Kong and Mr. Wong Kwok Ming; the non-executive Director is Mr. Yeung Wai Fai Andrew; and the independent non-executive Directors are Mr. Li Wei, Mr. Wu Wai Leung Danny and Mr. Yuen Chee Lap Carl.