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*This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Qianhai Health Holdings Limited.*



**EXPLORER ROSY LIMITED**  
拓陞有限公司

*(Incorporated in the British Virgin Islands with limited liability)*

**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)**

## **JOINT ANNOUNCEMENT**

**(1) AGREEMENT IN RELATION TO  
THE SALE AND PURCHASE OF SHARES IN  
QIANHAI HEALTH HOLDINGS LIMITED**

**(2) POSSIBLE MANDATORY CONDITIONAL CASH OFFER BY  
HAITONG INTERNATIONAL  
SECURITIES COMPANY LIMITED  
FOR AND ON BEHALF OF EXPLORER ROSY LIMITED TO  
ACQUIRE ALL OF THE ISSUED SHARES OF  
QIANHAI HEALTH HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY OR AGREED  
TO BE ACQUIRED BY EXPLORER ROSY LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**AND**

**(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER  
TO THE IBC**

**Financial Adviser to the Offeror**



**Independent Financial Adviser to the IBC**

**Nuada Limited**

## **THE SPA**

The Board has been informed that, on 24 January 2019 (after trading hours), the Vendor and the Offeror entered into the SPA, pursuant to which the Offeror has conditionally agreed to acquire and the Vendor has conditionally agreed to sell an aggregate of 805,688,000 Sale Shares, representing approximately 47.6% of the existing issued share capital of the Company as at the date of this joint announcement. The Consideration for the Sale Shares is HK\$201,422,000, representing HK\$0.25 per Sale Share. The Completion is conditional upon the fulfillment of the Conditions as described in the paragraph headed “Conditions” under the section headed “THE SPA” in this joint announcement.

## **POSSIBLE MANDATORY CONDITIONAL CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company. Immediately after the Completion, the Offeror and parties acting in concert with it will own a total of 805,688,000 Shares, representing approximately 47.6% of the issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, subject to the Completion, the Offeror will be required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, the Company has 1,692,760,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Subject to and upon the Completion, Haitong International Securities will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code and on the terms to be set out in the Composite Document to be issued on the following basis:

For each Offer Share . . . . . HK\$0.25 in cash

The Offer Price of HK\$0.25 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the SPA.

The principal terms of the Offer are set out under the section headed “POSSIBLE MANDATORY CONDITIONAL CASH OFFER” below in this joint announcement.

### **Total value of the Offer**

As at the date of this joint announcement, there are 1,692,760,000 Shares in issue. On the basis of the Offer Price of HK\$0.25 per Share, the entire issued share capital of the Company would be valued at HK\$423,190,000.

Immediately after the Completion and on the basis that there are 887,072,000 Shares subject to the Offer and assuming that there is no change in the issued share capital of the Company, the value of the Offer is HK\$221,768,000.

### **Financial resources available to the Offeror**

The Offeror intends to finance and satisfy the Consideration payable under the Sale Shares and consideration payable under the Offer from the internal cash resources of the Offeror and the Facility. Haitong International Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the Consideration payable for the Sale Shares under the SPA and the consideration payable under the full acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

### **INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The IBC, comprising all the independent non-executive Directors (namely, Mr. Li Wei, Mr. Wu Wai Leung Danny and Mr. Yuen Chee Lap Carl), has been constituted to give a recommendation to the Shareholders other than the Offeror and parties acting in concert with it as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Nuada Limited has been appointed as the Independent Financial Adviser to the IBC on the Offer. The appointment of Nuada Limited has been approved by the IBC.

### **DESPATCH OF COMPOSITE DOCUMENT**

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in a Composite Document in accordance with the Takeovers Code. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement or such later date as the Executive may approve.

## **WARNING**

**The Offer is subject to the Completion of the SPA such that the Offer may or may not proceed. If the total number of Offer Shares in respect of the valid acceptances which the Offeror has received at or before 4:00 pm on the Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Offer, together with the Shares acquired before or during the Share Offer, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offer will not become unconditional. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company. If shareholders of the Company and potential investors are in any doubt about their position, they should consult their professional advisers.**

The Company wishes to announce that the Board has been informed that after the trading hours on 24 January 2019, the Vendor, being a Controlling Shareholder of the Company, and the Offeror entered into the SPA, details of which are set out below.

## **THE SPA**

Date : 24 January 2019

Parties : (i) The Vendor; and  
(ii) The Offeror, as the purchaser.

Each of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them is a third party independent of and not connected with the Company and the Company's connected persons.

## **Subject of the SPA**

Pursuant to the SPA, the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to acquire an aggregate of 805,688,000 Shares, being the Sale Shares, representing 47.6% of the issued share capital of the Company as at the date of this joint announcement, free from all Encumbrances and together with all rights now and thereafter becoming attached thereto (including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Completion).

The Vendor and the Offeror shall not be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

## **Consideration for the Sale Shares**

The Consideration for the Sale Shares of HK\$201,422,000, equivalent to HK\$0.25 per Sale Share, was determined between the Offeror and the Vendor after arm's length negotiations.

If the Conditions are fulfilled on or before 31 March 2019, the Consideration shall be payable by the Offeror to the Vendor at the Completion in cash.

## **Conditions**

The Completion is subject to the following conditions having been fulfilled or waived in accordance with the SPA:

- (1) the Offeror and its advisers carrying out legal and regulatory due diligence review in respect of the Group, and the Offeror being satisfied with the results thereof;
- (2) listing or trading in the Shares on the Stock Exchange not being revoked or withdrawn at any time prior to the Sale and Purchase Completion;
- (3) neither the Stock Exchange nor the SFC having decided that listing of the Shares will be revoked or withdrawn at any time upon Completion in connection with any of the transactions contemplated under the SPA;
- (4) the Vendor having complied fully with its obligations to conduct the business of the Group according to its ordinary course of business;
- (5) no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having been issued or made by any court of competent jurisdiction or any other person which prevents the consummation of the transactions contemplated by the SPA;
- (6) the Vendor Warranties, which are qualified by reference to "material", being true and accurate in all respects and not misleading and all other Vendor Warranties being true and accurate in all material respects and not misleading; and
- (7) no change, event or circumstance having occurred which has or which is likely to have any material adverse effect on the Group.

The Vendor and the Offeror shall use their respective reasonable endeavours to procure the fulfillment of the Conditions, which can be waived by the Offeror in accordance with the SPA. The Offeror shall by a written notification inform the Vendor whether it is satisfied with the fulfilment of Condition (1) above by 31 January 2019 (or any other date and time as agreed in writing between the Vendor and the Offeror).

If the Vendor has not received the above written notification or the Offeror states it is not satisfied with the due diligence referred to in Condition (1) above by the relevant deadline, or any of the Conditions is not fulfilled on or before 31 March 2019 or such later date as the Vendor and the Offeror may agree, the SPA shall cease and terminate and no party shall have any obligations and liabilities thereunder, save in respect of any antecedent breach, and no party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breach of the terms of the SPA.

### **Completion**

Subject to the fulfillment of the Conditions, the Completion will take place on the Completion Date, being the second Business Day after the day on which the last Condition is fulfilled or such later date as the Vendor and the Offeror may agree in writing. An announcement will be made upon the Completion.

### **POSSIBLE MANDATORY CONDITIONAL CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company. Immediately after the Completion, the Offeror and parties acting in concert with it will own a total of 805,688,000 Shares, representing approximately 47.6% of the issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, subject to the Completion, the Offeror will be required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, the Company has 1,692,760,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Subject to and upon the Completion, Haitong International Securities will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code and on the terms to be set out in the Composite Document on the following basis:

For each Offer Share . . . . . HK\$0.25 in cash

The Offer Price of HK\$0.25 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the SPA. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights now and thereafter becoming attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

**Condition of the Offer**

The Offer is conditional upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 pm on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company.

**The Offer may or may not become unconditional. Shareholders and investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

**Comparison of value**

The Offer Price of HK\$0.25 per Offer Share represents:

- (i) a premium of approximately 3.3% to the closing price of HK\$0.242 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 2.5% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK\$0.244 per Share;
- (iii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK\$0.25 per Share;

- (iv) a discount of approximately 6.0% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.266 per Share; and
- (v) a discount of approximately 35.2% over the unaudited consolidated net asset value per Share of the Company of approximately HK\$0.386 as at 30 June 2018 (which is calculated by dividing the unaudited consolidated net asset value attributable to owners of the Company as at 30 June 2018 of approximately HK\$652,587,000 by 1,692,760,000 Shares in issue as at the date of this joint announcement).

### **Highest and lowest Share price**

During the six-month period up to and including the Last Trading Day:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.71 per Share on 25 July 2018; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.238 per Share on 21 January 2019.

### **Total value of the Offer**

As at the date of this joint announcement, there are 1,692,760,000 Shares in issue. On the basis of the Offer Price of HK\$0.25 per Share, the entire issued share capital of the Company would be valued at HK\$423,190,000.

Immediately after the Completion and on the basis that there are 887,072,000 Shares subject to the Offer and assuming that there is no change in the issued share capital of the Company, the value of the Offer is HK\$221,768,000.

### **Financial resources available to the Offeror**

The Consideration payable by the Offeror in respect of the Sale Shares under the SPA and the maximum consideration payable under the Offer will amount to HK\$423,190,000. The Offeror intends to finance and satisfy the Consideration payable in respect of the Sale Shares under the SPA and consideration payable under the Offer from the internal cash resources of the Offeror and the Facility. Haitong International Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the Consideration payable for the Sale Shares under the SPA and the consideration payable under the full acceptance of the Offer.



## **Effect of accepting the Offer**

By accepting the Offer, the Shareholders will sell their Shares to the Offeror free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to receive any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

## **Hong Kong stamp duty**

The seller's Hong Kong *ad valorem* stamp duty on acceptance of the Offer at a rate of 0.1% of the consideration payable in respect of the acceptance by the Shareholders or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those relevant Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's Hong Kong *ad valorem* stamp duty on behalf of the relevant Shareholders who accept the Offer and pay the buyer's Hong Kong *ad valorem* stamp duty in connection with the acceptance of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Haitong International Capital and Haitong International Securities and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **Payment**

Provided that the Offer has become, or have been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the date on which (i) the relevant documents of title are received by the Offeror or its agent to render each such acceptance complete and valid; and (ii) when the Offer has become or is declared unconditional, whichever is later.

## **Dealing and interests in the Company's securities**

Save for the SPA, to which the Offeror is a party, none of the Offeror, its ultimate beneficial owners, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date this joint announcement.

## **Overseas Shareholders**

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (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 by such Overseas Shareholders in respect of such jurisdictions).

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

## **Other arrangements**

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

- (i) none of the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them has received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them;
- (iii) save for the SPA and the Facility referred to above, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) 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 rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

- (v) save for the SPA, 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 circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (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) of the Company;
- (vii) there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it on one hand and Vendor and parties acting in concert with it on the other hand; and
- (viii) other than the Consideration payable under the SPA, the Offeror or parties acting in concert with it has not paid or will not pay any other consideration, compensations or benefits in whatever form to the Vendor or parties acting in concert with it in relation to the Sale Shares.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately upon the Completion:

Shareholders	(i) As at the date of this joint announcement		(ii) Immediately upon the Completion but before the Offer is made	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Offeror and parties acting in concert with it	0	0.00	805,688,000	47.60
The Vendor	<u>805,688,000</u>	<u>47.60</u>	<u>0</u>	<u>0.00</u>
Subtotal	805,688,000	47.60	805,688,000	47.60
Public Shareholders	<u>887,072,000</u>	<u>52.40</u>	<u>887,072,000</u>	<u>52.40</u>
<b>Total:</b>	<b><u><u>1,692,760,000</u></u></b>	<b><u><u>100.00</u></u></b>	<b><u><u>1,692,760,000</u></u></b>	<b><u><u>100.00</u></u></b>

## INFORMATION OF THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in sourcing of American ginseng from Canada and selling the American ginseng in Hong Kong.

Set out below is a summary of certain audited consolidated financial information of the Group for the two years respectively ended 31 December 2016 and 31 December 2017 as disclosed in the respective published annual reports of the Company and the unaudited consolidated financial information of the Group for the six months ended 30 June 2018 as disclosed in the published interim report of the Company:

	<b>For the year ended 31 December 2016 (audited) <i>HK\$'000</i></b>	<b>For the year ended 31 December 2017 (audited) <i>HK\$'000</i></b>	<b>For the six months ended 30 June 2018 (unaudited) <i>HK\$'000</i></b>
Revenue	354,385	197,062	38,990
Profit/(loss) before income tax	(564,487)	35,920	12,199
Profit/(loss) for the year/period	(525,862)	35,861	12,114
	<b>As at 31 December 2016 (audited) <i>HK\$'000</i></b>	<b>As at 31 December 2017 (audited) <i>HK\$'000</i></b>	<b>As at 30 June 2018 (unaudited) <i>HK\$'000</i></b>
Net assets attributable to owners of the Company	619,904	665,503	652,587
Net assets	619,901	672,703	673,130

## **PROFIT WARNING**

Shareholders and potential investors of the Company should be fully aware that a profit warning announcement dated 9 January 2019 was issued by the Company, and the Profit Warning constitutes a profit forecast under Rule 10 of the Takeovers Code and would need to be reported on by the Company's financial advisers and auditors or accountants in accordance with Rule 10 of the Takeovers Code.

The 2018 Annual Results Announcement is expected to be published on or before 31 March 2019. If the 2018 Annual Results Announcement is published prior to the Composite Document, the relevant contents will be included in the Composite Document and the requirement to report on the Profit Warning will no longer apply. Otherwise the Profit Warning will be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Composite Document.

### **Warning:**

**Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offer. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

## **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in BVI with limited liability on 12 August 2015, the shares of which are owned as to 80% by Great Prosperous Limited, 10% by Thousands Beauties Limited and 10% by Noble Stand Global Limited. Great Prosperous Limited is wholly owned by Mr. Huang Guanchao ("**Mr. Huang**"), while both Thousands Beauties Limited and Noble Stand Global Limited are wholly owned by Mr. Lim Tzea ("**Mr. Lim**"). Therefore, Mr. Huang and Mr. Lim are the ultimate beneficial owners of the Offeror.

Mr. Huang and Mr. Lim are the only two directors of the Offeror.

Mr. Huang, aged 44, has over 19 years of management experience in international trading and distribution of electronic components. From 1999 to 2003, Mr. Huang operated an electronic components trading company individually. Subsequently in 2003, Mr. Huang, together with other business partners, founded a Hong Kong-based global electronic components trading and distribution group (the “**Trading and Distribution Group**”), the Trading and Distribution Group supplies electronic components to customers including sizeable manufacturing groups and technology companies. Since the establishment of the Trading and Distribution Group, Mr. Huang has been the Trading and Distribution Group’s CEO, managing its business with presence in Hong Kong, PRC and Southeast Asia. In 2005, Mr. Huang, together with other business partners, established another manufacturing and trading group, which businesses include the manufacturing of semiconductor products of a well-known brand that are sold to different markets including Hong Kong, the PRC, Taiwan and other Asian countries. Mr. Huang has been the standing director of Shenzhen Chao Shan Chamber of Commerce from December 2011 until now.

Mr. Lim, aged 51, has over 21 years of management experience in international trading and distribution of electronic components. From 1997 to 2002, Mr. Lim was the General Manager of an electronic components trading company based in Singapore, mainly responsible for the company’s trading business in various Southeast Asian countries. Mr. Lim was the General Manager of another Singapore based electronic components trading company from 2002 to 2009, mainly responsible for managing and supervising the company’s operation of the trading business in Hong Kong and the PRC. Since 2009, Mr. Lim is one of the key management personnel and one of shareholders of an international trading company based in Singapore, being responsible for the management of the company’s trading business in Singapore, Hong Kong, the PRC and Vietnam.

The Offeror did not carry on any business since its incorporation until the entering of the SPA and the transactions in connection therewith.

## **INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY**

Following the close of the Offer, the Offeror intends that the Group will continue the principal business of the Group and will maintain the listing status of the Company on the Main Board of the Stock Exchange.

However, the Offeror will conduct a review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group.

Subject to the results of the review, the Offeror may explore other business opportunities for the Company and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. However, as at the date of this joint announcement, no such investment or business opportunities has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. Further, the Offeror has no intention to discontinue the employment of the employees (save for the change in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

## **PROPOSED CHANGE OF BOARD COMPOSITION**

The Board is currently made up of five Directors, comprising two executive Directors, being Mr. George Lu and Mr. Wong Kwok Ming, and three independent non-executive Directors, being Mr. Li Wei, Mr. Wu Wai Leung Danny and Mr. Yuen Chee Lap Carl.

As at the date of this joint announcement, the Offeror has not decided on the future composition of the Board. The Offeror intends that Mr. George Lu and Mr. Wong Kwok Ming will resign after the Completion and with effect from the earliest time permitted under the Takeovers Code. The day-to-day operations of the Company will continue to be managed by the professional management staff. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

## **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer.

In the event that the public float of the Company falls below 25% following the close of the Offer, each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offer.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

## **INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER**

The IBC, comprising all the independent non-executive Directors (namely, Mr. Li Wei, Mr. Wu Wai Leung Danny and Mr. Yuen Chee Lap Carl), has been constituted to give a recommendation to the Shareholders other than the Offeror and parties acting in concert with it as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Nuada Limited has been appointed as the Independent Financial Adviser to the IBC on the Offer. The appointment of Nuada Limited has been approved by the IBC.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in a Composite Document in accordance with the Takeovers Code. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement or such later date as the Executive may approve.

The Composite Document will contain, among other things, details of the Offer (accompanied by the acceptance and transfer forms) and incorporate the letter of recommendation from the IBC and the letter of advice from the Independent Financial Adviser and other relevant information on the Offeror and the Group as required under the Takeovers Code.



## DISCLOSURE IN DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including persons holding 5% or more of a class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to 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 of an offeror or the offeree company and other persons under Rule 22 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. 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.”*

## WARNING

**The Offer is subject to the Completion of the SPA such that the Offer may or may not proceed. If the total number of Offer Shares in respect of the valid acceptances which the Offeror has received at or before 4:00 pm on the Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Offer, together with the Shares acquired before or during the Share Offer, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offer will not become unconditional. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company. If shareholders of the Company and potential investors are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

In this joint announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“2018 Annual Results Announcement”	the announcement of the annual results of the Company for the year ended 31 December 2018 to be published by the Company on or before 31 March 2019
“acting in concert”	the meaning ascribed to it under the Takeovers Code
“associate(s)”	the meaning ascribed to it under the Listing Rules or the Takeovers Code (as the case may be)
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Closing Date”	the date to be stated in the Composite Document as the closing date of the Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Qianhai Health Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 911)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SPA
“Completion Date”	the date on which the Completion takes place, being the second Business Day after the day on which the last of the Conditions is fulfilled in accordance with the terms and conditions of the SPA (or such later date as the parties thereto may agree in writing)

“Composite Document”	the document proposed to be jointly issued by or on behalf of the Offeror and the Company to the Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code in respect of the Offer containing, among other things, the details of the Offer (accompanied by the acceptance and transfer forms) and the respective letters of advice from the Independent Financial Adviser and the IBC
“Conditions”	the conditions to the Completion, as set out in the paragraph headed “Conditions” under the section headed “THE SPA” in this joint announcement
“connected person(s)”	the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of HK\$201,422,000 payable by the Offeror to the Vendor pursuant to the SPA
“Controlling Shareholder”	the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company and the term “Director” shall be construed accordingly
“Encumbrance”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, 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
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Facility”	a facility granted by Haitong International Securities in favor of the Offeror of which is secured by a charge over that Shares that will be acquired by the Offeror under the SPA and the Offer respectively
“Group”	the Company and its subsidiaries

“Haitong International Capital”	Haitong International Capital Limited, the financial adviser of the Offeror and parties acting in concert with it in respect of the Offer, and is a licensed corporation under the SFO, licensed to carry out Type 6 (advising on corporate finance) regulated activities
“Haitong International Securities”	Haitong International Securities Company Limited, a fellow subsidiary of Haitong International Capital, and is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Government”	the government of Hong Kong
“IBC”	an independent committee of the Board established pursuant to the Takeovers Code to give recommendations to the Shareholders other than the Offeror and parties acting in concert with it as to whether the Offer are fair and reasonable and as to acceptance of the Offer
“Independent Financial Adviser”	Nuada Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the IBC and the Shareholders other than the Offeror and parties acting in concert with it on the Offer
“Last Trading Day”	23 January 2019, being the last trading day for the Shares prior to the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“Offer”	the mandatory conditional cash offer to be made by Haitong International Securities for and on behalf of the Offeror to acquire all the issued Shares other than those already owned by the Offeror and parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code
“Offeror”	Explorer Rosy Limited, a company incorporated in BVI with limited liability
“Offer Period”	the meaning ascribed to it under the Takeovers Code
“Offer Price”	the price per Offer Share at which the Offer will be made in cash, being HK\$0.25 per Offer Share
“Offer Shares”	all the Shares in issue, other than those Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it
“Overseas Shareholders”	Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purposes of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Profit Warning”	the profit warning set out in the announcement of the Company dated 9 January 2019
“Sale Shares”	805,688,000 Shares agreed to be sold by the Vendor and agreed to be purchased by the Offeror pursuant to the terms and conditions of the SPA, representing approximately 47.6% of the total issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares and the term “Shareholder” shall be construed accordingly

“Shares”	ordinary shares of HK\$0.04 each in the share capital of the Company, and where applicable, the term shall also include shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares and the term “Share” shall be construed accordingly
“SPA”	the sale and purchase agreement dated 24 January 2019, entered into between the Vendor and the Offeror for the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Vendor”	Super Generation Group Ltd., a company incorporated in BVI with liability limited by shares and is owned as to 100% by Mr. George Lu, an executive Director of the Company
“Vendor Warranties”	the representations and warranties provided by the Vendor under the SPA, mainly in respect of (among others) the share capital, corporate status, legal compliance, financial conditions, business, operations, assets and liabilities in relation to the Company and/or other companies within the Group
“%”	per cent

By Order of the board of directors of  
**Explorer Rosy Limited**  
**Huang Guanchao**  
*Director*

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

Hong Kong, 24 January 2019

*As at the date of this joint announcement, the executive Directors are Mr. George Lu and Mr. Wong Kwok Ming and the independent non-executive Directors are Mr. Li Wei, Mr. Wu Wai Leung Danny and Mr. Yuen Chee Lap Carl.*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the directors of the Offeror) 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, Mr. Huang Guanchao and Mr. Lim Tzea are the directors of Explorer Rosy Limited.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Group or the Vendor) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the Company or the Directors) 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.*