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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTIES

THE ACQUISITIONS

The Board announces that on 17 June 2019 (after trading hours), the Purchasers, being indirect wholly-owned subsidiaries of the Company, the Vendor and the Property Agent entered into the Provisional Agreements pursuant to which the Purchasers agreed to purchase and the Vendor agreed to sell the Properties at the Consideration of HK\$27,800,000, of which (i) HK\$12,600,000, being the purchase price of Property (1); and (ii) HK\$15,200,000, being the purchase price of Property (2). The Properties shall be acquired from the Vendor on an “as is” basis.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Provisional Agreements are aggregated as they were entered by the Group with the same individual, being the Vendor.

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisitions are above 5% but less than 25%, the Acquisitions in aggregate constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements but are exempt from Shareholders’ approval under Chapter 14 of the Listing Rules.

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THE PROVISIONAL AGREEMENTS

The principal terms of the Provisional Agreements are summarised below.

Date: 17 June 2019

Parties:

Provisional Agreement (1)

- (1) Purchaser (1), as purchaser;
- (2) The Vendor, as vendor; and
- (3) The Property Agent

Provisional Agreement (2)

- (1) Purchaser (2), as purchaser;
- (2) The Vendor, as vendor; and
- (3) The Property Agent

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Vendor, the Property Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Properties to be acquired

	Provisional Agreement (1)	Provisional Agreement (2)
Location of the Properties	Unit A on 22nd Floor, Southeast Industrial Building, No. 611-619 Castle Peak Road, Tsuen Wan, the New Territories, Hong Kong	Unit B on 22nd Floor, Southeast Industrial Building, No. 611-619 Castle Peak Road, Tsuen Wan, the New Territories, Hong Kong
Total gross area	approximately 3,807 square feet	approximately 4,591 square feet

The Properties are industrial properties. Pursuant to the Provisional Agreements, the Vendor shall deliver the Properties upon Completion.

Consideration

The Consideration of the acquisition of Property (1) and Property (2) shall be HK\$12,600,000 and HK\$15,200,000, respectively, being a total of HK\$27,800,000. The Consideration shall be payable in full in cash in the following manner:

Provisional Agreement (1)	Provisional Agreement (2)
(i) HK\$630,000 shall be payable upon signing of the Provisional Agreement (1) as initial deposit;	(i) HK\$760,000 shall be payable upon signing of the Provisional Agreement (2) as initial deposit;
(ii) HK\$630,000 shall be payable on or before 28 June 2019 as further deposit;	(ii) HK\$760,000 shall be payable on or before 28 June 2019 as further deposit;
(iii) the remaining balance of HK\$11,340,000 shall be payable on the date of Completion.	(iii) the remaining balance of HK\$13,680,000 shall be payable on the date of Completion.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchasers on normal commercial terms with reference to the recent transaction price of comparable properties at similar locations. Based on the aforesaid, the Directors are of the view that the Consideration is fair and reasonable.

It is expected that the Consideration will be financed by a combination of (i) bank financing to the extent where available; and (ii) internal resources of the Group.

Conditions precedent

There is no condition precedent to Completion.

Stamp duty

All stamp duty shall be borne by the Purchasers.

Formal agreement

The formal sale and purchase agreement for each of the Provisional Agreements is expected to be signed by the Vendor and the respective purchaser on or before 28 June 2019.

Completion

Completion shall take place on or before 16 September 2019.

INFORMATION ON THE VENDOR

To the best of the Directors' knowledge, information and belief, having made all reasonable inquiries, the Vendor is an individual and an Independent Third Party. The Company does not have any transactions with the Vendor completed within 12 months prior to the Acquisitions.

INFORMATION ON THE GROUP AND REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in sales of health products. The Group intends to use the Properties as warehouses to cope with the business development and expansion of the Group and the Directors consider that the purchase of the Properties is beneficial to the Group by providing additional warehouse space for the Group.

Although the Provisional Agreements are not entered in the ordinary and usual course of business of the Group, the Directors are of the view that the entering into the Provisional Agreements is on normal commercial terms, and terms of the Provisional Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

“Acquisitions”	the acquisition of the Properties by the Purchasers from the Vendor pursuant to the Provisional Agreements
“Board”	the board of Directors
“Company”	Qianhai Health Holdings Limited (前海健康控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0911)

“Completion”	completion of the Acquisition in accordance with the Provisional Agreements
“Consideration”	HK\$27,800,000, being the total purchase price of the Properties, of which (i) HK\$12,600,000, being the purchase price of Property (1); and (ii) HK\$15,200,000, being the purchase price of Property (2)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	the Property (1) and the Property (2)
“Property (1)”	the property located at Unit A on 22nd Floor., Southeast Industrial Building, No. 611-619 Castle Peak Road, Tsuen Wan, the New Territories, Hong Kong
“Property (2)”	the property located at Unit B on 22nd Floor., Southeast Industrial Building, No. 611-619 Castle Peak Road, Tsuen Wan, the New Territories, Hong Kong
“Property Agent”	Centaline Property Agency Limited
“Provisional Agreement (1)”	the provisional agreement dated 17 June 2019 entered into between the Purchaser (1) and the Vendor regarding the acquisition of the Property (1)
“Provisional Agreement (2)”	the provisional agreement dated 17 June 2019 entered into between the Purchaser (2) and the Vendor regarding the acquisition of the Property (2)

“Provisional Agreements”	Provisional Agreement (1) and Provisional Agreement (2)
“Purchaser (1)”	Elegant Ocean Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Purchaser (2)”	Billion Wealth Overseas Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Purchasers”	Purchaser (1) and Purchaser (2)
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	the owner of the Properties, an individual, being an Independent Third Party
“%”	per cent

On behalf of the Board
Qianhai Health Holdings Limited
Huang Guanchao
Chairman & Chief Executive Officer

Hong Kong, 17 June 2019

As at the date of this announcement, the executive Directors are Mr. Huang Guanchao and Mr. Lim Tzea and the independent non-executive Directors are Mr. Li Wei, Mr. Wu Wai Leung Danny and Mr. Yuen Chee Lap Carl.