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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)

FURTHER SUPPLEMENTAL ANNOUNCEMENT GRANT OF SHARE OPTIONS

Reference is made to the announcements (the “**Announcements**”) of Qianhai Health Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 3 July 2020 and 8 July 2020 in respect of granting of the Share Options. Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

The Board would like to provide further supplemental information that the Grantee, namely Shu Chang (舒暢), is the controlling shareholder of an existing customer (the “**Customer**”) of the Group. The Group acquainted with the Grantee through the connection between the ultimate beneficial owners of the controlling shareholder of the Company, namely Mr. Huang Guanchao (“**Mr. Huang**”) and Mr. Lim Tzea (“**Mr. Lim**”). Both Mr. Huang and Mr. Lim have been engaged in the international trading and distribution of electronic components for more than 20 years. Through their respective experience in the electronic components trading industry, they acquainted with the Grantee through business connection. To the best of the Directors’ knowledge and belief, the Grantee has engaged in trading of electronic components for more than 15 years.

As disclosed in the annual report of the Company for the year ended 31 December 2019, the Group commenced the sale of electronic component product business (“**Electronic Business**”) in the middle of 2019. The commencement of the Electronic Business has enabled the Group to broaden its income stream and has brought positive results to the Group. In light of the satisfying financial results from the Electronic Business during the year ended 31 December 2019, shortly after the commencement thereof, the Group has been diversifying its businesses to expand the Electronic Business, while maintaining its main business of the sale of healthcare products.

The Customer has been acquiring electronic component products from the Group since August 2019. Having considered (i) the Group's intention to expand the Electronic Business; (ii) the substantial sales volume to the Customer during the second half of 2019 (i.e. representing approximately 5.4% of the Group's overall sales for the year ended 31 December 2019), with it being one of the top 10 customers of the Group for the year ended 31 December 2019; (iii) the increase in the sales volume from the Customer during the six months ended 30 June 2020; and (iv) it is important to maintain the relationship between the Group and the Customer, the Board resolved to grant the Share Options to the Grantee with a long vesting period (i.e. lasting at least four years: (a) 50% of which shall be exercisable at any time on or after 3 July 2020 and not later than 2 July 2025; and (b) the remaining shall be exercisable at any time on or after 3 July 2021 and not later than 2 July 2025). The Directors are of the view that a minimum of four years of vesting period to be in line with the Group's strategy to expand the Electronic Business in the long run. Given the Grantee undertakes that she will procure the Customer and/or any company(ies) controlled by her to conduct business with the Group, including placing purchase order to the Group, during the vesting period of the Share Options, the Company would be able to maintain its relationship with the Grantee and the Customer through the granting of the Share Options. On the other hand, in the event of the Grantee vests the Share Options and becomes a shareholder of the Company during the vesting period of the Share Options, the Grantee would be able to maximise her shareholder's return as the Customer remains and/or company(ies) controlled by the Grantee becomes a customer of the Group. As such, the Directors are of the view that the granting of Share Options would create a win-win situation for both the Group and the Grantee.

Since the Customer is a major customer of the Group, the Directors consider that enhancing and maintaining the relationship therewith would be beneficial to the Group's business operations, in particular the Electronic Business, in the long run. Thus, based on the aforementioned, the Company believes that granting of the Share Options may help enhance the Group's relationship with such major customer and thereby bringing value to the Company and its shareholders.

On behalf of the Board
Qianhai Health Holdings Limited
Huang Guanchao
Chairman

Hong Kong, 7 August 2020

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