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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 IN RELATION TO THE DISPOSAL

THE DISPOSAL

On 6 December 2024 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company and the Purchaser, being an Independent Third Party, entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, being the entire issued share capital of the Target Company, at the Consideration of HK\$10,000.

THE LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement under Chapter 14 of the Listing Rules.

THE DISPOSAL

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The Sale and Purchase Agreement

- Date : 6 December 2024 (after trading hours)
- Parties : (1) QHH Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, as vendor; and
- (2) Wu Yi-Lun (吳懿倫), as purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

- Asset to be disposed of : The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, being the entire issued share capital of the Target Company.

- Consideration : The Consideration of HK\$10,000 shall be payable by the Purchaser on the date of Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the cessation of business of the Target Company; (ii) the unaudited net liabilities value of the Target Company as at 30 November 2024 of approximately HK\$51.9 million; and (ii) the factors set out in the paragraph "Reasons for and benefits of the Disposal" below.

The Directors believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- Completion : Completion shall take place on the date of the Sale and Purchase Agreement

INFORMATION ABOUT THE ASSET TO BE DISPOSED OF

The Target Company is a company incorporated in the British Virgin Islands with limited liability, and is principally engaged in investment holding. As at the date of this announcement, the Target Company wholly owned Cheerwin, a company incorporated in Hong Kong with limited liability. Cheerwin was previously engaged in trading of electronic components products until 31 December 2023, after which it has ceased operations since 1 January 2024.

Based on the consolidated financial statements of the Target Company, the net loss (both before and after taxation and extraordinary items) of the Target Company for the two years ended 31 December 2023 and the six months ended 30 June 2024 are as follows:

	For the six months ended 30 June (unaudited) 2024 (HK\$'000)	For the year ended 31 December (audited)	
		2023 (HK\$'000)	2022 (HK\$'000)
Loss before taxation	19,883	44,436	263,964
Loss after taxation	19,883	44,436	263,964

As at 30 November 2024, the unaudited net liabilities value of the Target Company was approximately HK\$51.9 million.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Vendor will no longer hold any interests in the Target Company, and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group upon Completion.

Based on the Consideration less (i) the net liabilities value of the Target Company as at 30 November 2024; and (ii) the estimated transaction expenses, the Company expects to recognise a gain of approximately HK\$51.8 million.

The actual gain or loss to be recorded by the Company as a result of the Disposal is subject to a final audit to be performed by the Company's auditors.

As the Target Company would only receive a minimal Consideration with respect to the Disposal, it is expected that the Company would not receive any material sale proceeds.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in sale of health-care products and electronic components.

Taking into account, among others, (i) Cheerwin, a subsidiary of the Target Company, has ceased operations since 1 January 2024; (ii) the financial position, in particular, the consolidated unaudited net liabilities value of the Target Company of approximately HK\$51.9 million as at 30 November 2024 ; and (iii) the expected gain on the Disposal of approximately HK\$51.8 million, the Directors believe that the Disposal is intended to achieve resources optimisation and streamline the Group's structure, which the Directors believe shall benefit the Company and the Shareholders as a whole.

Having considered the above, the Board considers that the terms of the Disposal are on normal commercial terms, fair and reasonable and are in the best interests of the Company and the Shareholders as a whole, but is not in the ordinary or usual course of business of the Group due to the nature of such transaction.

INFORMATION ON THE VENDOR, THE COMPANY, THE GROUP AND THE PURCHASER

The Vendor is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Company is an investment company. The Group is principally engaged in sales of health-care products and electronic components and international trading.

The Purchaser is an Independent Third Party, and a merchant who engages in the trading of electronic components business.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Cheerwin”	Cheerwin Success Trading Limited (志成偉業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company as at the date of this announcement
“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 Disposal
“Consideration”	the consideration in the amount of HK\$10,000, being the consideration for the Disposal
“Directors”	the directors of the Company
“Disposal”	the disposal of the entire issued share capital of the Target Company, subject to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of 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 the connected persons (has the meaning ascribed to it under the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Purchaser”	Wu Yi-Lun (吳懿倫), and an Independent Third Party
“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 December 2024 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Shares”	100 shares of the Target Company, being the entire issued share capital of the Target Company which is wholly-owned by the Vendor as at the date of this announcement
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	HUGE HOPE HOLDINGS LIMITED (泓望控股有限公司), a company incorporated in the British Virgin Islands and is wholly-owned by the Vendor as at the date of this announcement
“Vendor”	QHH Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board
Qianhai Health Holdings Limited
Huang Zhiqun
Chairman

Hong Kong, 6 December 2024

As at the date of this announcement, the non-executive Directors are Mr. Huang Zhiqun, Mr. Chen Kaiben and Mr. Chen Qi; the executive Directors are Mr. Tang Yu Yuan and Mr. Yuen Chee Lap Carl; and the independent non-executive Directors are Mr. Li Wei, Mr. Leung Chun Tung and Ms. Wu Tung Yu.