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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 board (the “**Board**”) of directors (the “**Directors**”) of Qianhai Health Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group (the “**Management Accounts**”) for the six months ended 30 June 2023 (the “**Period**”) and information currently available to the Board, the Group is expected to record a net loss attributable to Shareholders of approximately HK\$110 million, as compared to a net profit attributable to Shareholders of approximately HK\$20 million for the six months ended 30 June 2022 (the “**Prior Period**”).

Reference is made to the (i) annual results announcement (the “**Annual Results Announcement**”) of the Company for the year ended 31 December 2022 dated 31 March 2023; and (ii) supplemental announcement (the “**Supplemental Announcement**”) of the Company to, among others, the Annual Results Announcement dated 7 June 2023. As disclosed in the Annual Results Announcement and the Supplemental Announcement, the Group recognised a one-off provision for inventory of approximately HK\$238.0 million and a one-off provision for onerous contracts of approximately HK\$93.2 million during the year ended 31 December 2022. Provisions made with respect to inventory and onerous contracts for the year ended 31 December 2022 mainly related to the electronic components products purchased from supplier between May and July 2022 (the “**Supplier Products**”).

The turnaround from profit to loss for the Period was mainly attributable to the combined effect of (i) the turnaround from gross profit for the Prior Period to gross loss for the Period as a result of the significant decrease in revenue for the Period by approximately 72%, as compared with that of the Prior Period, since the market price of electronic components products, in particular semi-conductors, further declined by approximately 25-54% during the Period; (ii) reversal of provision for onerous contract with respect to the Supplier Products of approximately HK\$17 million for the Period as part of the Supplier Products were delivered to the Group (the “**Delivered Products**”) during the Period; and (iii) recognition of provision for inventory amounting to approximately HK\$113 million due to further decline in the market price of the inventories (including the Delivered Products) as mentioned above.

The Company is still in the process of finalising its unaudited consolidated results for the Period. The information contained in this announcement is only a preliminary assessment by the Board based on the Management Accounts and the latest information currently available, which have not been reviewed by the audit committee of the Company and may be subject to adjustments. In particular, the exact amount of provision for inventory to be recognised for the Period is subject to the subsequent selling price and/or market price of the inventory of the Group as at the date of the interim results announcement of the Company. Actual financial results for the Period may be different from what is disclosed in this announcement. Further details of the Group’s financial results and performance will be disclosed in the Company’s interim results announcement which is expected to be published in August 2023 in accordance with the requirements of the Listing Rules.

**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**  
**Huang Zhiqun**  
*Chairman*

Hong Kong, 12 July 2023

*As at the date of this announcement, the non-executive Directors are Mr. Huang Zhiqun, Mr. Lim Tzea, Mr. Chen Kaiben and Mr. Chen Qi; the executive Director is Mr. Chen Li Kuang and the independent non-executive Directors are Mr. Li Wei, Mr. Yuen Chee Lap Carl and Mr. Leung Chun Tung.*