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Boill Healthcare Holdings Limited

保集健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1246)

DISCLOSEABLE AND CONNECTED TRANSACTION THE DISPOSAL OF 51% OF THE ISSUED SHARE CAPITAL OF PEARL SWIRLS LIMITED

THE DISPOSAL

On 29 December 2023 (after trading hours), the Company entered into the Agreement with the Purchaser, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Target Shares, representing 51% of the issued share capital of the Target Company at the consideration of HK\$29,458,972.06.

LISTING RULES IMPLICATIONS

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

As at the date of this announcement, the Purchaser holds 49% of the issued share capital of the Target Company and hence is a connected person of the Company at the subsidiary level. Therefore, the Disposal also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As (i) the Board has approved the Disposal; and (ii) the independent non-executive Directors have confirmed that (A) the terms of the Disposal are fair and reasonable; (B) the Disposal is on normal commercial terms; and (C) the Disposal is in the interests of the Company and the Shareholders as a whole, the Disposal is exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

INTRODUCTION

On 29 December 2023 (after trading hours), the Company entered into the Agreement with the Purchaser, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Target Shares, representing 51% of the issued share capital of the Target Company at the consideration of HK\$29,458,972.06.

THE AGREEMENT

Set out below are the principal terms of the Agreement:

Date

29 December 2023

Parties

- (a) the Company; and
- (b) the Purchaser.

Subject Matter

At Completion, the Vendor shall sell, and the Purchaser shall purchase, the Target Shares, representing 51% of the issued share capital of the Target Company.

Consideration

The Consideration for the Target Shares shall be HK\$29,458,972.06, which was determined after arm's length negotiations between the Company and the Purchaser taking into account, among others, (i) the Target Group recorded no revenue for the year ended 31 March 2023; (ii) the unaudited consolidated net liabilities of the Target Group was approximately HK\$4.8 million as at 30 September 2023; and (iii) the Outstanding Loan Amount (as defined below) owing by the Company to the Purchaser.

As at the date of the Agreement, the outstanding principal amount of the Loan together with accrued and unpaid interest owing by the Company to the Purchaser amounted to approximately HK\$29,458,972.06 in aggregate (the "**Outstanding Loan Amount**"). The Outstanding Loan Amount is unsecured and repayable upon demand.

The Consideration shall be settled by way of a set-off against the Outstanding Loan Amount in full (the "**Set-Off**").

Upon Completion:

- (a) the Set-Off shall take effect immediately; and
- (b) the Outstanding Loan Amount shall be deemed to have been repaid by the Company in full and all obligations and liabilities of the Company in respect of or arising from the Outstanding Loan Amount, the Loan and the Loan Agreement shall be deemed to have been fully released and discharged immediately.

Subject to and upon the Set-Off becoming effective, the payment obligation of the Purchaser in respect of the Consideration shall be deemed to have been discharged in full.

Completion

Completion has taken place immediately upon signing of the Agreement (i.e. 29 December 2023).

Upon Completion, the Target Company and the HK Subsidiary have ceased to be subsidiaries of the Company and the financial information of the Target Group are no longer consolidated into the financial statements of the Group.

INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability. Prior to Completion, the Target Company was held as to 51% by the Company and 49% by the Purchaser.

The HK Subsidiary is a company incorporated in Hong Kong with limited liability and is principally engaged in foundation business in Hong Kong as a foundation sub-contractor. The HK Subsidiary is a direct wholly-owned subsidiary of the Target Company.

Set out below is the unaudited consolidated financial information of the Target Group for the two years ended 31 March 2023:

	For the year ended 31 March 2023	For the year ended 31 March 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	1,484	859
Loss after taxation	1,484	859

The unaudited consolidated net liabilities of the Target Group as at 30 September 2023 was approximately HK\$4.8 million.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by Dr. Wong and the remaining 50% by Mr. Lam.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save that each of the Purchaser, Dr. Wong and Mr. Lam is a connected person of the Company at the subsidiary level for the purposes of Chapter 14A of the Listing Rules, the Purchaser and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

INFORMATION ON THE COMPANY

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. Its subsidiaries are principally engaged in property development, including the sale of properties, sales of construction materials and provision of property management services.

FINANCIAL EFFECTS OF THE DISPOSAL

It is expected that the Group will record a net gain on the Disposal of approximately HK\$29,000,000, which is calculated by reference to (i) the Consideration and (ii) the carrying value of the Target Shares.

The Group's actual gain or loss arising from the Disposal may be different from the above and shall be determined based on the financial position of the Company on the date of Completion and the review by the Company's auditors upon finalisation of the consolidated financial statements of the Group.

No cash proceeds were or will be received by the Company from the Purchaser in respect of the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As a result of the keen competition in the foundation piling market in Hong Kong in recent years, the Group has recorded continuous losses for its foundation piling segment for the two years ended 31 March 2022. As further disclosed in the Company's annual report for the year ended 31 March 2023, the foundation piling segment had not generated any revenue in the past two financial years and was not considered to be of continuing significance and as a reporting segment for the year ended 31 March 2023.

Taking into account the current market sentiment, as well as the continuous loss-making performance and the minimal scale of operations of such segment, the Company is of the view that there will not be any turnaround in the loss-making position for the Company's foundation piling segment in the short and medium term, and that the Disposal would be in the interest of the Company and the Shareholders to enable the Group to devote more financial resources on its other better performing

“Company”	Boill Healthcare Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares in which are listed on the Stock Exchange (stock code: 1246);
“Completion”	completion of the sale and purchase of the Target Shares pursuant to the terms of the Agreement;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“connected person(s) at the subsidiary level”	has the meaning ascribed thereto in the Listing Rules;
“Consideration”	HK\$29,458,972.06, representing the total purchase price payable by the Purchaser to the Company for the Target Shares;
“Director(s)”	director(s) of the Company;
“Disposal”	the sale of the Target Shares by the Company to the Purchaser pursuant to the terms of the Agreement;
“Dr. Wong”	Dr. Wong Sai Chung;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“HK Subsidiary”	Ngai Shun Construction & Drilling Company Limited, a company incorporated in Hong Kong with limited liability;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the unsecured loan that carries interest at the rate of 5% per annum provided by the Purchaser as lender to the Company as borrower pursuant to the terms of the Loan Agreement;
“Loan Agreement”	the loan agreement dated 3 March 2015 entered into between the Purchaser as lender and the Company as borrower in respect of the Loan;
“Mr. Lam”	Mr. Lam Wing Sum;

“PRC”	the People’s Republic of China;
“Purchaser”	Excellent Speed Limited, a company incorporated in the British Virgin Islands with limited liability;
“Target Company”	Pearl Swirls Limited, a company incorporated in the British Virgin Islands with limited liability;
“Target Group”	the Target Company and the HK Subsidiary;
“Target Shares”	51 shares in the Target Company, representing 51% of the issued share capital of the Target Company held by the Company as at the date of the Agreement;
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	share(s) of HK\$0.25 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By order of the Board
Boill Healthcare Holdings Limited
Qiu Dongfang
Executive Director and Chairman

Hong Kong, 29 December 2023

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Qiu Dongfang, Mr. Qiu Bin and Mr. Zhang Sheng Hai; (ii) one non-executive Director, namely Mr. Chui Kwong Kau; and (iii) three independent non-executive Directors, namely Mr. Chan Chi Keung, Billy, Mr. Wang Zhe and Mr. Yi Baxian.