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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)

**PROPOSED SHARE CONSOLIDATION
AND
CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.04 each be consolidated into one (1) Consolidated Share of HK\$0.40 each.

The Share Consolidation is conditional upon, among others, the approval by the Shareholders at the EGM.

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 5,000,000,000 Existing Shares with par value of HK\$0.04 each, of which 1,694,450,000 Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and assuming that there are no changes on the authorised share capital of the Company from the date hereof until the Share Consolidation becomes effective, the authorised share capital of the Company will become HK\$200,000,000 divided into 500,000,000 Consolidated Shares with par value of HK\$0.40 each, of which 169,445,000 Consolidated Shares will be in issue.

PROPOSED CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lots of 5,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares after and conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.04 per Existing Share (equivalent to the theoretical closing price of HK\$0.40 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 5,000 Existing Shares is HK\$200; and (ii) the value per board lot of 10,000 Consolidated Shares would be HK\$4,000 on the assumption that the Share Consolidation becomes effective.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation.

The circular containing, among other things, further details of the Share Consolidation and a notice of the EGM will be despatched to the Shareholders on or before Monday, 29 April 2024.

Shareholders and potential investors should note that the Share Consolidation and the Change in Board Lot Size are conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” below. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.04 each be consolidated into one (1) Consolidated Share of HK\$0.40 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 5,000,000,000 Existing Shares with par value of HK\$0.04 each, of which 1,694,450,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and assuming that there are no changes on the authorised share capital of the Company from the date of this announcement until the Share Consolidation becomes effective, the authorised share capital of the Company will become HK\$200,000,000 divided into 500,000,000 Consolidated Shares with par value of HK\$0.40 each, of which 169,445,000 Consolidated Shares will be in issue. Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

The Outstanding Options

As at the date of this announcement, there were 18,615,000 Outstanding Options granted under the Share Option Scheme. Under the relevant terms and conditions thereof, the Share Consolidation may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon exercise of the Outstanding Options pursuant to the terms thereof. Assuming there is no other adjustment event under the Share Option Scheme other than the proposed Share Consolidation becoming effective, the Outstanding Options will entitle the holders thereof to subscribe for up to 1,861,500 Consolidated Shares in aggregate. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Monday, 20 May 2024.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Shares are listed or dealt in any stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 5,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares after and conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.033 per Existing Share (equivalent to HK\$0.33 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation had already become effective, would be HK\$3,300. The Change in Board Lot Size will not by itself affect any of the rights of the Shareholders.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holdes of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Monday, 20 May 2024 until Wednesday, 26 June 2024 (both days inclusive), submit their existing share certificates for the Existing Shares to the Company's branch share registrar, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (on the basis of ten (10) Existing Shares for one (1) Consolidated Share). Thereafter, existing share certificates of Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each existing share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. After 4:10 p.m. on Wednesday, 26 June 2024, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The colour of the new share certificates for the Consolidated Shares will be announced by the Company in due course.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (and updated on 1 October 2020) has further stated that (i) market price of the Existing Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account that the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

In view of the prevailing trading price of the Shares, the Board proposes to implement the Share Consolidation and the Change in Board Lot Size. It is expected that the proposed Share Consolidation and the Change in Board Lot Size would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation and the Change in Board Lot Size would enable the Company to comply with the trading requirements under the Listing Rules. The Company also considers that the Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company.

Save for the relevant expenses, including but not limited to professional fees and printing charges to be incurred by the Company, the implementation of the Share Consolidation and the Change in Board Lot Size will not alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size, will not have any material adverse effect on the financial position of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size.

The Board will not rule out the possibility of undergoing any fundraising activities, e.g, placing and/or subscription of shares, which the Board may consider when it is reasonably necessary for the Group to raise fund to meet its operational needs or for future development of the Group in the next twelve months. However, the Company does not have any concrete plan as the date of the announcement. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size is as follows:

Event	Hong Kong Time
Expected date of dispatch of the circular with notice and form of proxy of the EGM	Monday, 29 April 2024
Latest date and time for lodging transfer of shares in order to qualify for attending and voting at the EGM	4:30 p.m. on Friday, 10 May 2024
Register of members of the Company closed for determining entitlements to attend and vote at the EGM	Monday, 13 May 2024 to Thursday, 16 May 2024 (both days inclusive)
Latest time for return of proxy form of the EGM.	11:30 a.m. on Tuesday, 14 May 2024
Date and time of the EGM	11:30 a.m. on Thursday, 16 May 2024

Event	Hong Kong Time
Announcement of voting results of the EGM	Thursday, 16 May 2024
Effective date of the Share Consolidation	Monday, 20 May 2024
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares.	Monday, 20 May 2024
Commencement of dealings in the Consolidated Shares.	9:00 a.m. on Monday, 20 May 2024
Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 20 May 2024
Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates for the Consolidated Shares) opens	9:00 a.m. on Monday, 20 May 2024
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens	9:00 a.m. on Monday, 3 June 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Monday, 3 June 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares.	9:00 a.m. on Monday, 3 June 2024
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares.	4:00 p.m. on Monday, 24 June 2024

Event**Hong Kong Time**

Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes 4:10 p.m. on Monday, 24 June 2024

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing Share certificates) ends 4:10 p.m. on Monday, 24 June 2024

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares Wednesday, 26 June 2024

All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified in this announcement for events in the timetable for the Share Consolidation and the Change in Board Lot Size is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by Shareholders at the EGM, and is therefore for indicative purpose only.

In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution(s) proposed to consider and approve the Share Consolidation at the EGM.

A circular containing, among other things, further details of the Share Consolidation, the Change in Board Lot Size and a notice of the EGM will be despatched to the Shareholders on or before Monday, 29 April 2024.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

DEFINITIONS

In this announcement, the following words and expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as may be amended or modified from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Existing Shares for the trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares
“Company”	Qianhai Health Holdings Limited, 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
“Consolidated Share(s)”	ordinary share(s) of HK\$0.40 each in the issued share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among others, the proposed Share Consolidation
“Existing Share(s)”	existing ordinary share(s) in the Company of HK\$0.04 each
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company together with its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Options”	the right(s) granted under the Share Option Scheme to subscribe for the Shares in accordance with the Share Option Scheme
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.04 each into one (1) Consolidated Share of par value of HK\$0.40 each
“Share Option Scheme”	the share option scheme of the Company adopted on 9 June 2014
“Shareholder(s)”	holder(s) of the Existing Shares or the Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 17 April 2024

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.