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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

The board (the “**Board**”) of directors (the “**Directors**”) of Qianhai Health Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2018 (“the **Interim Period**”), together with the comparative figures for the corresponding period ended 30 June 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

		Six months ended 30 June	
		2018	2017
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	3	38,990	112,919
Costs of sales		(32,233)	(105,178)
Gross profit		6,757	7,741
Other income	4	11,837	7,118
Other gains/(losses), net	5	5,457	20,067
Administrative expenses		(16,802)	(16,874)
Finance costs	6	(233)	–
Operation profit		7,016	18,052
Share of net profit of an associate accounted for using the equity method		5,183	–
Profit before taxation	7	12,199	18,052
Income tax (expense)/credit		(85)	37

		Six months ended 30 June	
		2018	2017
	<i>NOTES</i>	HK\$'000	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Profit for the period		12,114	18,089
Other comprehensive expense for the period			
Exchange differences arising on translation of foreign operation		<u>(5,169)</u>	–
Total comprehensive income for the period		<u>6,945</u>	<u>18,089</u>
Profit for the period attributable to:			
– owners of the Company		12,114	18,166
– non-controlling interests		<u>–</u>	<u>(77)</u>
		<u>12,114</u>	<u>18,089</u>
Total comprehensive income attributable to:			
– owners of the Company		6,084	18,166
– non-controlling interests		<u>861</u>	<u>(77)</u>
		<u>6,945</u>	<u>18,089</u>
Earnings per share			
– basic	9	<u>0.07 cents</u>	<u>0.11 cents</u>
– diluted	9	<u>0.07 cents</u>	<u>0.11 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		As at 30 June 2018 <i>HK\$'000</i> (unaudited)	As at 31 December 2017 <i>HK\$'000</i> (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		75,734	61,415
Land use rights		94,842	97,274
Investment properties		98,000	91,000
Investment accounted for using the equity method		47,187	43,300
Prepayment	10	11,700	12,000
		<u>327,463</u>	<u>304,989</u>
Current assets			
Inventories		31,766	63,682
Trade and other receivables	10	31,376	27,069
Loan and interest receivables	11	153,176	149,200
Financial assets at fair value through profit or loss	12	8,488	8,030
Cash and cash equivalents		172,225	183,453
		<u>397,031</u>	<u>431,434</u>
Assets classified as held for sale		–	59,311
Total current assets		<u>397,031</u>	<u>490,745</u>
Total assets		<u><u>724,494</u></u>	<u><u>795,734</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		67,882	68,016
Reserves		584,705	597,487
		<u>652,587</u>	<u>665,503</u>
Non-controlling interests		20,543	7,200
Total equity		<u><u>673,130</u></u>	<u><u>672,703</u></u>

		As at 30 June 2018 <i>HK\$'000</i> (unaudited)	As at 31 December 2017 <i>HK\$'000</i> (audited)
LIABILITEIS			
Non-current liabilities			
Obligations under finance leases		114	159
Deferred tax liabilities		8,124	8,124
		8,238	8,283
Current liabilities			
Trade and other payables	<i>13</i>	42,805	97,631
Obligations under finance leases		91	91
Bank borrowings		–	15,032
Current income tax liabilities		230	1,817
		43,126	114,571
Liabilities directly associated with assets classified as held for sale		–	177
Total current liabilities		43,126	114,748
Total liabilities		51,364	123,031
Total equity and liabilities		724,494	795,734

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 18 August 2011 under the Companies Law, Cap 22 (Law 33 of 1961, as consolidated and revised) of the Cayman Islands. The Company's immediate and ultimate holding company is Super Generation Group Limited, a company incorporated in the British Virgin Islands. The address of the Company's registered office is P.O. Box 2681, Cricket Square, Hutchins Drive, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Room 301-3, 3/F, Wing Tuck Commercial Centre, 177-183 Wing Lok Street, Sheung Wan, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are sourcing and wholesale of ginseng.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

3. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports reviewed by the chief operating decision maker, the Chairman of the Company, for the purpose of allocating resources to the segments and to assess its performance which focus on the different types of product. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 and as follows:

- (i) Cultivated ginseng;
- (ii) Wild ginseng;
- (iii) Ginseng wine; and
- (iv) Others: trading of other foods (including dried cordyceps, dried cubilose and dried seafood).

	Six months ended 30 June			
	Segment revenue		Segment results	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cultivated ginseng	26,590	88,595	2,441	6,161
Wild ginseng	851	22,572	(359)	844
Ginseng wine	10,159	164	3,285	96
Others	1,390	1,588	1,390	640
	<u>38,990</u>	<u>112,919</u>	<u>6,757</u>	<u>7,741</u>
Unallocated				
Other income			11,837	7,118
Other income, gains and losses			5,457	20,067
Administrative expenses			(16,802)	(16,874)
Finance costs			(233)	–
Share of net profit of an associate accounted for using the equity method			<u>5,183</u>	<u>–</u>
Profit (loss) before taxation			<u>12,199</u>	<u>18,052</u>

Revenue reported above represents revenue generated from external customers. There were no intersegment sales during the period.

Segment result during the period represents the gross profit/(loss) of each segment without allocation of other income, other gains/(losses), net, administrative expenses, finance costs and share of net profit of an associate accounted for using the equity method. This is the measure reported to the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

Geographical information

No geographical segment information is presented as the Group's revenue is all derived from Hong Kong based on the location of goods delivered.

The Group's non-current assets other than financial instruments by geographical location, which are determined by the geographical locations in which the asset is located, is as follows:

	As at 30 June 2018 <i>HK\$'000</i>	As at 31 December 2017 <i>HK\$'000</i>
Non-current assets		
The People's Republic of China (the "PRC")	215,398	199,762
Hong Kong	<u>112,065</u>	<u>105,227</u>
	<u>327,463</u>	<u>304,989</u>

4. OTHER INCOME

	Six months ended 30 June 2018 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (unaudited)
Interest income from loan receivables	11,093	5,630
Interest income on bank deposits	78	131
Rental income	666	1,336
Sundry income	<u>-</u>	<u>21</u>
	<u>11,837</u>	<u>7,118</u>

5. OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Exchange gain (loss), net	713	282
Change in fair value of investment properties	7,000	10,000
Gain on disposal of subsidiaries	2,490	–
Gain (loss) on disposal of property, plant and equipment	–	10,165
Change in fair value of financial assets at fair value through profit or loss	(4,605)	(380)
Other	(141)	–
	<hr/>	<hr/>
TOTAL	<u>5,457</u>	<u>20,067</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
Bank loans and overdrafts	233	–
	<hr/>	<hr/>

7. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit (loss) before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	974	1,536
Operating lease payment in respect of rented premises	1,207	2,396
	<hr/>	<hr/>

8. DIVIDENDS

No dividend has been proposed by the Board during the six months ended 30 June 2018 and subsequent to the end of the reporting period.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings (loss)		
Profit attributable to owners of the Company	<u>12,114</u>	<u>18,166</u>
	Six months ended 30 June	
	2018	2017
	('000)	('000)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>17,002,015</u>	<u>17,004,050</u>

The computation of diluted earnings per share for the six months ended 30 June 2018 and 30 June 2017 does not assume the exercise of outstanding share options of the Company as the exercise price of those options is higher than the average market price for shares for the period in which the options were outstanding.

10. PREPAYMENT AND TRADE AND OTHER RECEIVABLES

	As at 30 June 2018 <i>HK\$'000</i> (unaudited)	As at 31 December 2017 <i>HK\$'000</i> (audited)
Trade receivables	<u>21,769</u>	<u>16,432</u>
Amount due from an associate	765	2,316
Prepayment paid for acquisition of land use rights	11,700	12,000
Prepayment paid for inventory purchase	6,000	6,220
Other prepayments	1,229	1,414
Deposits	–	545
Value-added tax recoverable	–	76
Others	<u>1,613</u>	<u>66</u>
	<u>21,307</u>	<u>22,637</u>
Total trade and other receivables	43,076	39,069
Less: Non-current prepayment	<u>(11,700)</u>	<u>(12,000)</u>
Current portion	<u><u>31,376</u></u>	<u><u>27,069</u></u>

The Group generally grants credit periods ranging from 30 days to 60 days to its customers. Before accepting any new customer, the Group will internally assess the potential customer's credit quality and define an appropriate credit limit. The management closely monitors the credit quality and follow-up action taken if overdue debts are noted.

The following is an aging analysis of trade receivables based on the invoice date, which approximates the respective revenue recognition dates, at the end of each reporting period:

	As at 30 June 2018 <i>HK\$'000</i> (unaudited)	As at 31 December 2017 <i>HK\$'000</i> (audited)
Within 30 days	21,769	33,299
31 to 90 days	–	13,007
91 to 365 days	–	–
	21,769	46,306

11. LOAN AND INTEREST RECEIVABLES

	As at 30 June 2018 <i>HK\$'000</i> (unaudited)	As at 31 December 2017 <i>HK\$'000</i> (audited)
Loan receivables	145,500	143,000
Interest receivables	7,676	6,200
	153,176	149,200

The Group's loan and interest receivables, arising from the money lending activities, are denominated in Hong Kong dollars.

The loan receivables of HK\$145,500,000 (31 December 2017: HK\$143,000,000) are secured, bearing fixed interest rate at 15%-18% per annum and are repayable within one year from the dates of inception of the loans. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the loan and interest receivables mentioned above.

As at 30 June 2018, none of the loan and interest receivables were past due or impaired.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss are all held for trading and include the following:

	As at 30 June 2018 <i>HK\$'000</i> (unaudited)	As at 31 December 2017 <i>HK\$'000</i> (audited)
Current assets		
Hong Kong listed equity securities	<u>8,488</u>	<u>8,030</u>

The fair value of these securities at 30 June 2018 and 31 December 2017 is based on bid prices quoted in active market. Fair value loss resulting from the change in fair value of financial assets at fair value through profit or loss of HK\$4,605,000 is recognised in other gains/(losses), net in profit or loss for the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$380,000).

13. TRADE AND OTHER PAYABLES

	As at 30 June 2018 <i>HK\$'000</i> (unaudited)	As at 31 December 2017 <i>HK\$'000</i> (audited)
Trade payables	<u>–</u>	<u>36,117</u>
Deposit received from a customer	–	9,862
Other payables		
– Payables for construction work	39,888	41,008
– Payables for property, plant and equipment	–	2,316
– Accrued expenses	2,907	7,888
– Rental deposit	–	320
– Others	<u>10</u>	<u>120</u>
	<u>42,805</u>	<u>61,514</u>
	<u>42,805</u>	<u>97,631</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

American ginseng business

The Group is principally engaged in sourcing American ginseng from Canada and sell American Ginseng to the second level wholesaler in Hong Kong.

During the Interim Period, the trading of American ginseng business remained competitive. The average wholesale price of American ginseng decreased in 2018 when compared to the six months ended 30 June 2017 (the “**Prior Period**”). The Group was able to keep tight control of its operations and focused on enhancing operation efficiency, and generated a gross profit of approximately HK\$6.8 million for the six months ended 30 June 2018, when compared to that of the gross profit of approximately HK\$7.7 million in 2017.

The Group will continue to monitor the market trends and take prompt actions to adjust its business and operation plan under different market conditions.

Lin An Project

During the Interim Period, the project of joint development of a land parcel in Lin An District, Hangzhou in China (the “**Lin An Project**”) is in good progress. The project includes development of high-end hot spring residential resorts and a medical and health care centre and offers beautiful and comfortable living environment, supported by healthcare concept to the customers. The project has been under development in the Interim Period and is expected to be completed in 2019. The Group is optimistic about the prospects of the real estate market in the PRC and it is expected that the Lin An Project will be able to generate ongoing economic benefits.

Investment in an associate

The Group holds 49% equity interest of 浙江滙尊網絡科技有限公司 (“**HJIT**”), which is an information technology problem solving service provider. It is committed to developing internet technology and establishing a technology platform to provide industry partners with technical capabilities such as big data, cloud computing, artificial intelligence and data analysis, as well as service capabilities such as operational, quality control and customer service capabilities to small to medium size companies.

With the popularity of the internet in the PRC, the demand in internet in the PRC has continued to grow rapidly in the recent years, which means there is still huge potential for its development.

FUTURE PROSPECTS

The Group has always been looking for suitable investment or business opportunities to diversify the business of the Group with an objective to broaden the Group's income sources. Meanwhile, the Group has been actively exploring various healthcare related projects, including hospitals, health check centers and senior housing in the PRC in order to develop a healthcare services network to capture China's fast-growing healthcare demand. The Group will proactively exploring new business areas and seeking suitable opportunities.

The Group will continue to strictly control risks, strengthen internal management, integrate dominant resources and develop a cautious investment strategy in order to create a better return for its shareholders.

FINANCIAL REVIEW

Revenue and gross profit

During the six months ended 30 June 2018, the Group continues to focus on trading of the American ginseng, while the overall revenue amounted to approximately HK\$39.0 million, representing a decrease of approximately 65.4% compared with the same of last year. The decrease was mainly attributable to decrease in revenue derived from trading volume of both cultivated American ginseng and wild American ginseng due to unfavourable market conditions. With the (i) decrease average wholesale price of American ginseng and; (ii) increase in competition among the American ginseng trading business, the Group tightened the trading volume of American ginseng in the Interim Period.

The gross profit decreased to approximately HK\$6.8 million in the Interim Period, which accounted for approximately 12.7% decrement as compared with that of the Prior Period. The decrement was mainly attributable to the decrease in the average selling price of American ginseng.

Other income

The Group's other income mainly represented the interest income derived from the money lending activities of approximately HK\$11.1 million during the Interim Period. (Prior Period: HK\$5.6 million).

Other gain/(losses), net

The Group's other net gains decreased by approximately 72.8% to HK\$5.5 million for the Interim Period, which was mainly attributable from:

- (i) a gain on changes in fair value of the investment properties of approximately HK\$7.0 million in the Interim Period, as compared to approximately HK\$10.00 million in Prior Period;
- (ii) loss on change in fair value of financial assets at fair value through profit or loss of approximately HK\$4.6 million in the Interim Period, as compared to approximately HK\$0.4 million in Prior Period. The financial assets at fair value through profit or loss were the Hong Kong listed equity securities, which were held-for-trading. The fair value of these securities was based on the bid prices quoted in active market; and
- (iii) a gain on disposal of property, plant and equipment of approximately HK\$10.2 million was recorded in Prior Period, while no such gain was recorded in Interim Period.

Inventories

The Group's inventories as at 30 June 2018 was approximately HK\$31.8 million (31 December 2017: HK\$63.7 million). The inventories of the Group were stated at lower of cost or net realisable value. The decrease in the inventories was due to the Group purchased less American ginseng in the Interim Period due to keen competition in the American ginseng trading market.

Trade receivables

The Group's trade receivables as at 30 June 2018 was approximately HK\$21.8 million. The management regularly reviews the recoverability, creditworthiness of its customers and the age of the trade receivables. The management considered that the trade receivables are recoverable.

Loan receivables

The loan receivables derived from the money lending activities of an indirect wholly-owned subsidiary of the Company, which is a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). As at 30 June 2018, the loan receivables of approximately HK\$145.5 million (31 December 2017: approximately HK\$143.0 million) are unsecured, bearing a fixed interest rate at 15%-18% per annum (31 December 2017: 15%) and are repayable within one year from the respective dates of inception of the loans.

Foreign exchange exposure

The Group faces foreign exchange risk as certain cash and cash equivalents are denominated in foreign currencies. The reporting currency is Hong Kong dollars (“**HKD**”) and the purchases of cultivated ginseng are mainly made in Canadian dollars (“**CAD**”). As a result, the Group incurred transactional and translational foreign currency gains or losses from its operations. For the Interim Period, the Group incurred a gain of foreign exchange differences amounted to approximately HK\$0.7 million (Prior Period: approximately HK\$0.3 million). The Board will continuously monitor the foreign exchange exposure and will consider hedging of foreign currency risk should the need arise.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2018, cash and cash equivalents of the Group amounted to approximately HK\$172.2 million (31 December 2017: approximately HK\$183.5 million), and the Group’s net current assets were approximately HK\$353.9 million (31 December 2017: approximately HK\$376.0 million).

The gearing ratio of the Group as at 31 December 2017, calculated as bank borrowing divided by total equity, was approximately 2.2% (30 June 2018: 0%).

CHARGE OF ASSETS

Certain borrowings were secured by the Group’s investment properties having a carrying value of approximately HK\$98.0 million (31 December 2017: HK\$91.0 million).

CAPITAL COMMITMENT

The capital commitment of the Group was approximately HK\$36.3 million (31 December 2017: HK\$55.3 million), which was mainly used for the constructions and acquisitions of property, plant and equipment of the Lin An Project.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2018 and 31 December 2017.

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2018.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2018, the Company repurchased ordinary shares of the Company of HK\$0.004 each (the "Shares") as follows:

Date	Number of Shares repurchased	Method of Shares repurchase	Prices per Share		Total paid HK\$
			Highest HK\$	Lowest HK\$	
		On The Stock Exchange of Hong Kong Limited			
30 April 2018	2,210,000	("Exchange")	0.088	0.084	188,790.00
2 May 2018	3,200,000	On the Exchange	0.089	0.088	283,760.00
11 May 2018	5,100,000	On the Exchange	0.085	0.083	428,586.39
14 May 2018	1,050,000	On the Exchange	0.087	0.086	90,842.98
17 May 2018	7,650,000	On the Exchange	0.087	0.082	654,159.12
24 May 2018	2,300,000	On the Exchange	0.080	0.080	184,387.17
28 May 2018	2,520,000	On the Exchange	0.083	0.080	205,772.15
31 May 2018	<u>9,450,000</u>	On the Exchange	0.083	0.079	767,325.99
	TOTAL: 33,480,000				

The Company cancelled the above mentioned 33,480,000 repurchased Shares on 19 June 2018. Accordingly, the issued share capital of the Company was reduced by the nominal value thereof. The premium payable on repurchase was charged against the share premium account of the Company.

During the six months ended 30 June 2018, the Company repurchased the Shares but not yet cancelled as at 30 June 2018 as follows:

Date	Number of Shares repurchased	Method of Shares repurchase	Prices per Share		Total paid HK\$
			Highest HK\$	Lowest HK\$	
27 June 2018	27,440,000	On the Exchange	0.078	0.072	2,070,894.02

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2018.

CORPORATE GOVERNANCE CODE

The Board is committed to achieving high standards of corporate governance to safeguard the interest of the Company's shareholders and to enhance corporate value and accountability. During the six months ended 30 June 2018, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules, except in relation to CG Code provision A.2.1, as more particularly described below

CG Code provision A.2.1 states that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. George Lu. The Board considers that the Company is still in its growing stage and it would be beneficial to the Group for Mr. George Lu to assume both roles as the chairman and chief executive officer of the Company, since the two roles tend to reinforce each other and are mutually enhancing in respect of the Group's continual growth and development. When the Group has developed to a more sizeable organisation, the Board will consider splitting the two roles to be assumed by two individuals. With the strong business experience of the Directors, they do not expect any issues would arise due to the combined role of Mr. George Lu.

The Group also has in place an internal control system to perform the check and balance function. There are also three independent non-executive Directors on the Board offering strong, independent and differing perspectives. The Board is therefore of the view that there are adequate balance-of-power and safeguards in place to enable the Company to make and implement decisions promptly and effectively.

Model code for securities transactions by Directors

The Company has adopted the code of conduct rules (the "**Model Code**") regarding securities transactions by Directors on terms no less exactly than the required standard set out in the Model Code for Securities Transactions by the Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, and that having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the Model Code during the six months ended 30 June 2018.

Audit committee

The audit committee of the Company (the “**Audit Committee**”) has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the unaudited condensed consolidated interim financial statements for the Interim Period with the Directors.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yuen Chee Lap Carl (Chairman of the Audit Committee), Mr. Li Wei and Mr. Wu Wai Leung Danny.

By order of the Board
Qianhai Health Holdings Limited
George Lu
Chairman & Chief Executive Officer

Hong Kong, 7 August 2018

As at the date of this announcement, the executive Directors are Mr. George Lu and Mr. Wong Kwok Ming and the independent non-executive Directors are Mr. Li Wei, Mr. Wu Wai Leung Danny and Mr. Yuen Chee Lap Carl.