



前海健康

QIANHAI HEALTH

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
REPORT
2025

Contents

Corporate Information	2
Management Discussion and Analysis	3
Corporate Governance and Other Information	8
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	16
Condensed Consolidated Statement of Financial Position	17
Condensed Consolidated Statement of Changes in Equity	19
Condensed Consolidated Statement of Cash Flows	20
Notes to the Consolidated Financial Statements	21

Corporate Information

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

Mr. Huang Zhiqun (*Chairman*)
Mr. Chen Kaiben
Mr. Chen Qi

EXECUTIVE DIRECTORS

Mr. Yuen Chee Lap Carl
Mr. Tang Yu Yuan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Wei
Mr. Leung Chun Tung
Ms. Wu Hung Yu

AUDIT COMMITTEE

Ms. Wu Hung Yu (*Chairman*)
Mr. Li Wei
Mr. Leung Chun Tung

REMUNERATION COMMITTEE

Mr. Li Wei (*Chairman*)
Mr. Yuen Chee Lap Carl
Mr. Leung Chun Tung

NOMINATION COMMITTEE

Mr. Li Wei (*Chairman*)
Mr. Yuen Chee Lap Carl
Mr. Leung Chun Tung

AUTHORISED REPRESENTATIVES

Mr. Huang Zhiqun
Ms. Yip Tak Yung Teresa

COMPANY SECRETARY

Ms. Yip Tak Yung Teresa

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 301-3, 3/F, Wing Tuck Commercial Centre
177-183 Wing Lok Street, Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre
16 Harcourt Road,
Hong Kong

INDEPENDENT AUDITOR

McMillan Woods (Hong Kong) CPA Limited

LEGAL ADVISOR

Chiu & Partners

PRINCIPAL BANKS

The Hong Kong and Shanghai Banking Corporation Limited
Taishin International Bank

INVESTORS RELATIONS

ir@qhhl.com.hk

STOCK CODE

0911

WEBSITE

www.qianhaihealth.com.hk

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in sale electronic component products (the “**Electronic Component Business**”) in the six months ended 30 June 2025 (the “**Interim Period**”), and only minimal sales of health-care products and food in the Period.

With respect to the Electronic Component Business, the Group mainly sell the NAND flash wafer (a thin slice of semiconductor material, such as silicon, which is a vital component of flash memory integrated circuits (ICs)); which are the fundamental building material for most semiconductors, and are vital components of all electronic devices.

The global semiconductor market experienced a significant growth in first half of 2025, driven by advancements in technology, increasing demand for electronic devices, and the expansion of emerging markets.

The demand for artificial intelligence (AI) and machine learning continues to surge, further boosting the need for semiconductors. The introduction of specialized chips designed for AI processing was led to innovations in chip design and manufacturing. Additionally, the rollout of 5G technology is driving demand for high-performance semiconductors, as enhanced connectivity requires advanced chips for smartphones and network infrastructure. The automotive sector’s focus on intelligence and electrification remains a strong growth driver for the semiconductor market. It is anticipated that the introduction of AI will lead to innovative applications for personal devices, positively stimulating demand for semiconductors.

The Group has employed a strategic bulk procurement approach based on market insights and actively managed its product mix and inventory levels. This strategy has allowed the Group to optimize purchasing and sales activities, capitalizing on favorable market conditions.

During the Interim Period, the Group’s focus on diversifying its product offerings has enabled it to tap into various sectors, including consumer electronics, automotive, and industrial applications. This diversification mitigates risks associated with market fluctuations and ensures a steady revenue stream. The Group is also continuously evaluating its pricing strategies in response to market dynamics. By leveraging data analytics, it can adjust pricing based on demand fluctuations, ensuring competitiveness while maximizing margins.

The semiconductor industry in the first half of 2025 was poised for significant growth, driven by advancements in technology, rising demand for AI and 5G solutions, and the ongoing transformation of the automotive sector. While challenges such as supply chain disruptions and pricing pressures persist, the overall outlook remains positive. The Group will continue to be well-equipped to capitalize on the opportunities within this dynamic industry.

Management Discussion and Analysis

FINANCIAL REVIEW

REVENUE AND GROSS PROFIT

For the Interim Period, the Group reported a revenue of approximately HK\$340.9 million, as compared to approximately HK\$307.0 million for the six months ended 30 June 2024 (the “**Prior Period**”), representing an increase of approximately 11%. Approximately 99% of the revenue of the Group for the Interim Period was generated from the Electronic Component Business, which contributed approximately HK\$339.1 million (Prior Period: HK\$307.0 million).

Despite the increase in revenue, gross profit for the Interim Period decreased to approximately HK\$14.2 million, from approximately HK\$42.9 million in the Prior Period. This decline in gross profit was mainly attributable to heightened market competition, which pressured the Group to sell electronic component products at lower profit margins.

The competitive landscape has intensified, leading to a pricing environment that has adversely affected profitability. As the Group navigates this challenging market, it will continue focus on strategies to enhance operational efficiency and optimize product offerings to sustain revenue growth while improving gross margins.

OTHER GAINS (LOSSES), NET

In the Prior Period, other losses primarily comprised provisions for onerous contracts amounting to approximately HK\$19.8 million. No such provisions were recognised during the Interim Period. The provision was established to account for unavoidable costs associated with fulfilling contractual obligations for the acquisition of electronic component products that exceeded the anticipated economic benefits of the contracts for the Group. When the costs associated with these contractual obligations surpass the expected benefits, provisions were recognised to reflect potential losses. Such provisions were utilised and subsequently included in the cost of sales as the contracted products were sold during the Interim Period.

RESULTS

Overall, the Group recorded a profit attributable to owners of the Company of approximately HK\$4.8 million during the Interim Period, as compared with that of approximately HK\$15.5 million in the Prior Period.

FUTURE PROSPECTS

The electronic components industry is set for major changes, driven by new technologies like third-generation semiconductors, 5G, AI, and automotive electronics. These advancements are opening up promising growth opportunities. The Group also expects significant growth in the new energy sector, particularly with electric vehicles, smart cars, and solar energy storage systems, which will increase demand for related electronic products.

To take advantage of these opportunities, the Group plans to invest in new manufacturing facilities in the People's Republic of China (the “**PRC**”). This will improve production capabilities and allow the Group to offer more services, such as technical support, product customization, assembly, packaging, and testing. By meeting customers' needs more effectively, the Group hopes to build strong, long-lasting relationships.

Management Discussion and Analysis

Additionally, the Group is looking to partner with technology companies and research institutions to boost innovation. Collaborating with these organizations will enhance the Group's research and development efforts, helping it to create next-generation products that fulfill changing market demands.

Regarding the health care segment, the Group is still actively developing its health-care business by exploring business opportunities and possible collaborations with players in the same industry. The Group is currently in the progress of liaising and negotiating with potential business partner to explore a potential investment in factory for skin-care products and health-care supplements. Also, the Group is sourcing different kinds of body-care related products and aiming to establish the authorised distributor relationship with manufacturers.

Despite uncertainties in the global economy, the Group remains flexible and ready to adapt. It will continue to diversify its products and customer base to protect against market fluctuations. The Group also focuses on improving its supply chain to reduce risks from geopolitical issues and material shortages.

The Group will also seize the opportunities for the business expansion, through making investments and/or acquiring business or projects that have promising outlooks and prospects, in order to generate best possible results for shareholders in the medium to long term.

WORKING CAPITAL AND INVENTORY CONTROL

As at 30 June 2025, the current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, was approximately 196.2 times (31 December 2024: approximately 18.1 times).

As at 30 June 2025, the equity attributable to owners of the Company amounted to approximately HK\$390.1 million (31 December 2024: approximately HK\$385.6 million) and was equivalent to an amount of approximately HK\$2.3 (2024: HK\$2.3) per share of the Company.

INVENTORY CONTROL

As at 30 June 2025, the Group held inventories of approximately HK\$124.6 million (31 December 2024: HK\$188.8 million). Inventories are carried at the lower of cost and net realisable value. The Group has risk management and internal control systems in place to minimise the risk exposure on purchase price of the products that it purchases and to safeguard its assets.

The Group would regularly review and assess its product portfolio and product mix in order to ensure the inventories aligned with the demands of the Group's customers, based on their feedback and the collected market intelligence. The Group would carefully assess the appropriate timing to make bulk purchases and subsequent sales, aiming to secure favourable prices.

TRADE RECEIVABLES

As of 30 June 2025, trade receivables, net of loss allowances, have experienced a substantial increase of approximately 120.8%, reaching around approximately HK\$218.0 million, as compared to approximately HK\$98.7 million as of 31 December 2024. This significant rise reflects the Group's growing sales, which have contributed to higher outstanding amounts.

Management Discussion and Analysis

The management team conducts regular reviews of the recoverability of trade receivables, assessing the creditworthiness of customers and monitoring the aging of these receivables. This proactive approach helps identify potential risks and enables the Group to take necessary actions to mitigate losses. By analysing customer payment patterns and financial stability, management ensures that the Group maintains a healthy accounts receivable portfolio.

Overall, while the increase in trade receivables indicates positive business growth, the management remains vigilant in ensuring that collections are effectively managed to support the Group's liquidity and financial health.

LIQUIDITY AND FINANCIAL RESOURCES

The principal sources of funds for the Group are through internally generated cash flows. As at 30 June 2025, cash and cash equivalents of the Group amounted to approximately HK\$27.2 million (31 December 2024: approximately HK\$23.2 million).

As at 30 June 2025 and 31 December 2024, the Group did not have any borrowings.

CHARGE OF ASSETS

As at 30 June 2025, certain land and buildings of the Group, with a total carrying value of approximately HK\$19.6 million, were pledged to a supplier (an independent third party) as securities for purchase of products for the Electronic Component Business.

FOREIGN EXCHANGE EXPOSURE

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Hong Kong dollars and United States dollars. The Group has not experienced any significant foreign exchange exposure to United States dollars as the exchange rate of Hong Kong dollars to United States dollars is pegged.

LITIGATIONS

There is a legal action from a supplier (the "**Plaintiff**") against a disposed subsidiary of the Company and the Company, for a total sum of CAD2.8 million (approximately HK\$14.8 million) being an alleged outstanding payment owed to the Plaintiff. The management considers the counterclaim by the Plaintiff against the Company is lacking substantiation and evidence in support. The Directors do not consider the outcome of any of these claims to have any material adverse impact on the Group's financial position as a whole. As such, no provision has been made in these consolidated financial statements for the Interim Period.

The management is in the process of seeking legal advice and will closely monitor the status of the legal proceedings. The Company will provide shareholders and potential investors with updates on the development of such proceedings as and when appropriate.

Management Discussion and Analysis

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2025.

EVENTS AFTER REPORTING PERIOD

There was no material event which could have material impact to the Group's operating and financial performance after the Interim Period and up to the date of this interim report.

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

During the Interim Period, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

INTERIM DIVIDEND

The Directors do not recommend any dividend in respect of the Interim Period.

Corporate Governance and Other Information

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required pursuant to the Model Code (“Model Code”) for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), to be notified to the Company and the Stock Exchange were as follows:

(I) LONG/SHORT POSITIONS IN THE SHARES OF THE COMPANY (THE “SHARES”)

Name of Director	Capacity/Nature of interest	Number of shares	Position (Note 1)	Percentage of shareholding (Note 3)
Mr. Huang Zhiquan	Beneficial owner	169,000	L	0.10%
	Interest in a controlled corporation, parties acting in concert (Note 2)	89,248,577	L S	52.67%

Notes:

1. The letter “L” denotes long position in the Shares. The letter “S” denotes short position in the Shares.
2. These 89,248,577 Shares were beneficially owned by Explorer Rosy Limited (“Explorer Rosy”) as at 30 June 2025. As at 30 June 2025, Explorer Rosy was owned by Great Prosperous Limited (“Great Prosperous”), Thousands Beauties Limited (“Thousands Beauties”) and Noble Stand Limited (“Noble Stand”) as to 80%, 10% and 10%, respectively. As at 30 June 2025, Great Prosperous, through Sparkling Rock Limited (“Sparkling Rock”), was wholly owned by Mr. Huang Zhiquan, while Thousands Beauties and Noble Stand were wholly and beneficially owned by Ms. Huang Jinglin. Mr. Huang Zhiquan and Ms. Huang Jinglin are deemed to be parties acting in concert pursuant to the SFO. By virtue of the SFO, each of Mr. Huang Zhiquan and Ms. Huang Jinglin is deemed to be interested in all the Shares held by Explorer Rosy.

As at 30 June 2025, these 89,248,577 Shares were pledged in favour of Yunnan International Supply Chain Limited.

3. As at 30 June 2025, the number of issued Shares were 169,445,000.

Corporate Governance and Other Information

(II) LONG POSITIONS IN THE SHARES OF ASSOCIATED CORPORATION OF THE COMPANY – EXPLORER ROSY

Name of Director	Capacity	Number of shares	Percentage of shareholding
Mr. Huang Zhiqun	Beneficial owner	8,000 shares of US\$1 each	80%

Save as disclosed above, as at 30 June 2025, no Directors or chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to be have under such provisions) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required in the Listing Rules pursuant to the Model Code to be notified to the Company and the Stock Exchange.

CONTROLLING SHAREHOLDERS

As at 30 June 2025, according to the register of interests maintained by the Company pursuant to section 336 of the SFO and so far as was known to, or could be ascertained after reasonable enquiry by the Directors or chief executive of the Company, the following persons, other than the Directors and the chief executive of the Company, who had an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interests in such securities, together with particulars of any options in respect of such capital were as follows:

Corporate Governance and Other Information

(I) LONG/SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of Shareholder	Capacity/Nature of interest	Number of shares	Position (Note 1)	Percentage of shareholding
Explorer Rosy	Beneficial owner	89,248,577	L S	52.67%
Great Prosperous	Interest in a controlled corporation, parties acting in concert (Note 2)	89,248,577	L S	52.67%
Thousands Beauties	Interest in a controlled corporation, parties acting in concert (Note 3)	89,248,577	L S	52.67%
Noble Stand	Interest in a controlled corporation, parties acting in concert (Note 3)	89,248,577	L S	52.67%
Sparkling Rock	Interest in a controlled corporation, parties acting in concert (Note 2)	89,248,577	L S	52.67%
Ms. Huang Jinglin	Interest in a controlled corporation, parties acting in concert (Note 3)	89,248,577	L S	52.67%
Yunnan Provincial Energy Investment Group Co., Ltd.	Having a security interest in shares (Note 4)	89,248,577	L	52.67%
Yunnan Energy Investment (HK) Co., Limited	Having a security interest in shares (Note 4)	89,248,577	L	52.67%
Yunnan International Supply Chain Limited	Having a security interest in shares (Note 4)	89,248,577	L	52.67%
Yunnan International Holding Group Limited	Having a security interest in shares (Note 4)	89,248,577	L	52.67%
Mr. Alan CW Tang	Joint and several receivers (Note 5)	89,248,577	L	52.67%
Ms. Hou Chung Man	Joint and several receivers (Note 5)	89,248,577	L	52.67%
SHINEWING SAS (Nominee Services) No. 3 Limited	Receivers (Note 5)	89,248,577	L	52.67%

Notes:

1. The letter "L" denotes long position in the Shares. The letter "S" denotes short position in the Shares.
2. Explorer Rosy was owned by Great Prosperous, Thousands Beauties and Noble Stand as to 80%, 10% and 10%, respectively. Great Prosperous was wholly owned by Sparkling Rock. By virtue of the SFO, Great Prosperous and Sparkling Rock are deemed to be interested in all the Shares held by Explorer Rosy.
3. Great Prosperous, through Sparkling Rock, was wholly and beneficially owned by Mr. Huang Zhiqun, while each of Thousands Beauties and Noble Stand was wholly and beneficially owned by Ms. Huang Jinglin. As Mr. Huang Zhiqun and Ms. Huang Jinglin are deemed to be parties acting in concert pursuant to the SFO, by virtue of the SFO, each of Thousand Beauties and Noble Stand is deemed to be interested in all the Shares held by Explorer Rosy.

Corporate Governance and Other Information

4. As at 30 June 2025, 89,248,577 Shares were pledged in favour of Yunnan International Supply Chain Limited. According to the information available to the Company, Yunnan International Supply Chain Limited was wholly owned by Yunnan International Holding Group Limited, which in turn was owned as to approximately 40% by Yunnan Energy Investment (HK) Co., Limited. Yunnan Energy Investment (HK) Co., Limited is wholly owned by Yunnan Provincial Energy Investment Group Co., Ltd..
5. As at 30 June 2025, Ms. Hou Chung Man and Mr. Alan C W Tang were appointed as the joint and several receivers over 89,248,577 Shares, while SHINEWING SAS (Nominee Services) No. 3 Limited was jointly controlled by Ms. Hou Chung Man and Mr. Alan C W Tang in their capacity as receivers.
6. As at 30 June 2025, the number of issued Shares were 169,445,000.

(II) LONG POSITIONS IN THE SHARES OF ASSOCIATED CORPORATIONS OF THE COMPANY – EXPLORER ROSY

Name of Shareholder	Capacity/Nature of interest	Number of shares	Percentage of shareholding
Ms. Huang Jinglin	Beneficial owner	2,000 share of US\$1 each	20%

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or were required, pursuant to Part XV of the SFO or the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at 30 June 2025, the Company was not notified by any persons (other than Directors or chief executive of the Company as discussed above) who had interests or short positions in the Share or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Corporate Governance and Other Information

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Old Scheme**”) for a period of 10 years commencing 9 June 2014, which was expired on 8 June 2024. Upon expiry of the Old Scheme, no further option can be granted thereunder, but its provisions shall remain in force and effect to the extent necessary to give effect to the exercise of any options granted thereunder prior to its expiry which remain outstanding, and the exercise of such options shall be subject to and in accordance with the terms on which they were granted, the provisions of the Old Scheme and the Listing Rules.

The Company’s new share option scheme (the “**New Scheme**”) was adopted for a period of 10 years commencing 27 June 2024 (which will expire on 26 June 2034) pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 27 June 2024. On 27 June 2024, the shareholders of the Company approved the adoption of the New Scheme.

Details of the New Scheme are as follows:

(1) PURPOSE

- (i) Providing incentives or rewards to eligible participants for their contribution to the growth and development of the Group;
- (ii) Attracting and retaining personnel to promote the sustainable development of the Group; and
- (iii) Aligning the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Company.

(2) ELIGIBLE PERSONS

- (i) Any employee (whether full time or part time, including any executive director, but excluding any non-executive director) of the Company or any of its subsidiaries (and including persons who are granted options under the New Scheme as an inducement to enter into employment contracts with these companies);
- (ii) Any non-executive directors (including independent non-executive directors) of the Company or any subsidiary; and
- (iii) Any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company.

(3) MAXIMUM NUMBER OF SHARES

The maximum number of Shares available for issue under the New Scheme is 16,944,500, representing 10% of the issued ordinary share capital of the Company (excluding treasury shares, if any) as at the date of the annual general meeting of the Company held on 27 June 2024 and the date of this annual report. The number of share options available for grant under the mandate of the New Scheme was 16,944,500 as at 1 January 2025 and 30 June 2025.

Options granted to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee).

Corporate Governance and Other Information

(4) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON.

Unless approved by shareholders, the total number of shares issued and to be issued in respect of which options granted and may be granted (excluding any options and awards lapsed in accordance with the terms of the New Scheme or any other relevant share scheme(s)) to any individual in any 12-month period up to and including the date of such grant is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

Where options granted to an independent non-executive Director or a substantial shareholder or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the New Scheme or any other relevant share scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such grant of options or awards must be approved by the Shareholders in general meeting.

(5) ACCEPTANCE OF OFFERS

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee.

(6) TIME OF EXERCISE OF OPTION

The exercise period for the share options granted is determined by the Board, which period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the Scheme.

(7) VESTING PERIOD

The vesting period of the share options is from the date of grant until the commencement of the exercise period. The vesting period of the share options shall not be shorter than 12 months from the date of acceptance of the offer subject to the provisions for shorter vesting period under the New Scheme.

(8) BASIS OF DETERMINING THE OPTION EXERCISE PRICE

The exercise price of the share options is determinable by the Directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Shares on the date of the offer of the share options which must be a business day; (ii) the average Stock Exchange closing price of the Shares for the five business days immediately preceding the date of the offer; and (iii) (where applicable) the nominal value of the Shares.

Corporate Governance and Other Information

(9) THE REMAINING LIFE OF THE SCHEME

The New Scheme will be effective for a period of ten years commencing on 27 June 2024 and expire on 26 June 2034. As at the date of this report, the remaining life of the New Scheme is approximately nine years.

Prior to the expiry of the Old Scheme, the number of share options available for grant under the mandate of the Old Scheme was 9,896,050 as at both 1 January 2024 and 9 June 2024 (date of expiry). During the Interim Period, (i) no outstanding share options were exercised, cancelled or lapsed; and (ii) the Company did not grant any share options under Old Scheme. During the Interim Period, no share options were granted, exercised, cancelled or lapsed under the New Scheme. Hence, there were no outstanding share options as at 1 January 2025 and 30 June 2025. The following table lists out the details of the movement in the options granted and outstanding under the Old Scheme during the Interim Period:

No share options were granted, exercised, cancelled or lapsed under the New Scheme.

Type of participant	Date of grant	Exercisable period	Vesting Period	Adjusted exercise price	Number of options (thousands)				
					Outstanding as at 1 January 2025	Exercised during Interim Period	Cancelled during Interim Period	Lapsed during Interim Period	Outstanding as at 30 June 2025
A shareholder of one customer	3 July 2020	3 July 2020 to 2 July 2025	0 days	HK\$1.27 ⁽¹⁾	846	–	–	–	846
	3 July 2020	3 July 2021 to 2 July 2025	12 months	HK\$1.27 ⁽¹⁾	846	–	–	–	846
					1,692	–	–	–	1,692

* Adjusted as a result of share consolidation.

⁽¹⁾ The closing price of the Shares immediately before the date on which such share options were granted was HK\$1.23* per share, as stated in the daily quotation of the Stock Exchange.

The fair value of these share options granted by the Company at the date of grant was HK\$0.671*/HK\$0.83.

The accounting standard and policy adopted for the fair value of these share options is disclosed at note 16 to the consolidated financial statements.

The vesting period of the share options is from the date of grant until the commencement of the exercise period.

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

During the Interim Period, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

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. For the Interim Period, the Company has applied the principles and complied with the applicable code provisions of the corporate governance code ("**CG Code**") as set out in Appendix C1 to the Listing Rules. The Group also has in place an internal control system to perform the checks 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.

Corporate Governance and Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS

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 C3 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.

AUDIT COMMITTEE

The Company has established the audit committee of the Board (the “**Audit Committee**”) with a specific written terms of reference in accordance with the requirements under Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee is responsible for, among others, reviewing and supervising the Group’s financial reporting process, assisting the Board to ensure effective risk management and internal control systems and providing advice and comments to the Board.

As at 30 June 2025 and up to the date of this interim report, the Audit Committee comprised all three independent non-executive Directors, namely, Ms. Wu Hung Yu (Chairman of the Audit Committee), Mr. Li Wei and Mr. Leung Chun Tung.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control procedures and financial reporting matters including the review of the Group’s financial results for the Period. The Audit Committee is of the view that the unaudited interim consolidated financial statements for the Interim Period have been prepared in accordance with the applicable standards, the Listing Rules and the statutory provisions and sufficient disclosures have been made.

The unaudited interim condensed consolidated financial statements for the Interim Period has been reviewed by the Audit Committee.

By order of the Board
Qianhai Health Holdings Limited
Mr. Huang Zhiquan
Chairman

Hong Kong, 20 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	4	340,853	306,970
Costs of sales		(326,698)	(264,074)
Gross profit		14,155	42,896
Other income	5	18	102
Other gains/(losses), net	6	35	(19,868)
Selling and distribution costs		(40)	(168)
Administrative expenses		(9,371)	(7,406)
Finance costs	7	(23)	(8)
Operating profit before income tax	8	4,774	15,548
Income tax expense	9	–	–
Profit for the period attributable to owners of the Company		4,774	15,548
Other comprehensive (loss)/income			
Exchange differences arising on translation of foreign operation		(279)	147
Total comprehensive income for the period and total comprehensive income attributable to owners of the Company		4,495	15,695
Earnings per share			
– basic	11	2.82 cents	9.18 cents
– diluted	11	2.82 cents	9.18 cents

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
ASSETS			
Non-current asset			
Property, plant and equipment	12	20,312	21,154
Total non-current asset		20,312	21,154
Current assets			
Inventories		124,561	188,751
Trade and other receivables	13	220,331	174,146
Cash at bank		27,181	23,258
Total current assets		372,073	386,155
Total assets		392,385	407,309
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	67,778	67,778
Reserves		322,287	317,792
Total equity		390,065	385,570

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
LIABILITIES			
Non-current liability			
Lease liabilities		424	424
Current liabilities			
Contract liabilities		752	–
Other payables and accruals		835	2,305
Provision	14	–	18,400
Lease liabilities		309	610
Total current liabilities		1,896	21,315
Total liabilities		2,320	21,739
Net current assets		370,177	364,840
Total equity and liabilities		392,385	407,309
Total assets less current liabilities		390,489	385,994
Net assets		390,065	385,570

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserves HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Retained earnings HK\$'000	
Balance as at 1 January 2025 (audited)	67,778	246	8,249	129	1,283	307,885	385,570
Income and total comprehensive income for the period	–	–	–	–	–	4,774	4,774
Exchange differences arising from translation of foreign operations, net of nil tax	–	–	–	(279)	–	–	(279)
Balance as at 30 June 2025 (unaudited)	67,778	246	8,249	(150)	1,283	312,659	390,065
Balance as at 1 January 2024 (audited)	67,778	246	8,249	(16)	1,407	306,450	384,114
Income and total comprehensive income for the period	–	–	–	–	–	15,548	15,548
Exchange differences arising from translation of foreign operations, net of nil tax	–	–	–	147	–	–	147
Balance as at 30 June 2024 (unaudited)	67,778	246	8,249	131	1,407	321,998	399,809

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Net cash generated from/(used in) operating activities	4,258	(16,758)
Cash flows from investing activities		
Purchases of property, plant and equipment	(11)	(8)
Net cash (used in) investing activities	(11)	(8)
Cash flows from financing activities		
Principle element of lease payment	(301)	(364)
Interest element of lease payment	(23)	(8)
Net cash (used in) financing activities	(324)	(372)
Net increase/(decrease) in cash and cash equivalents	3,923	(17,138)
Cash and cash equivalents at beginning of the period	23,258	19,525
Cash and cash equivalents at end of the period	27,181	2,387

Notes to the Consolidated Financial Statements

1. GENERAL AND BASIS OF PREPARATION

Qianhai Health Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are principally engaged in sale of electronic component products and health-care products and food.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 18 August 2011 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands. The Company’s immediate and ultimate holding company is Explorer Rosy Limited (“**Explorer Rosy**”), a company incorporated in the British Virgin Islands. The ultimate beneficial owners of Explorer Rosy are Mr. Huang Zhiqun and Ms. Huang Jinglin. 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’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated interim financial statements (“**Financial Statements**”) are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The 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 the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange.

These Financial Statements do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

Notes to the Consolidated Financial Statements

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial information for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the Financial Statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the above amendments HKFRSs in the current period has had no material impact on the Group's results and financial position.

4. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports reviewed by the chief operating decision makers, which are the executive Directors, for the purpose of allocating resources to the segments and to assess their performance which focus on the sale of different types of products from different business lines.

Specifically, the Group's reportable and operating segments have been identified as follows:

- (i) Electronic component products: sale of information technology component products (including NAND flash wafer (a thin slice of semiconductor material, such as silicon, which is a vital component of flash memory integrated circuits (ICs)); embed multi-chip package (eMCP) memory (an electronic component containing several memory chips; and other electronic components); and
- (ii) Health-care products and food: sale of health-care products (including Chinese herbal wine and other health-care products).

Notes to the Consolidated Financial Statements

4. SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's revenue and results by segment:

	Electronic components HK\$'000	Health-care products and food HK\$'000	Total HK\$'000
Six months ended 30 June 2025 (unaudited)			
Segment revenue	339,115	1,738	340,853
Cost of sales	(325,056)	(1,642)	(326,698)
Segment result	14,059	96	14,155
Six months ended 30 June 2024 (unaudited)			
Segment revenue	306,970	–	306,970
Cost of sales	(264,074)	–	(264,074)
Segment result	42,896	–	42,896
	Six months ended 30 June		
	2025	2024	
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Segment results	14,155	42,896	
Unallocated			
Other income	18	102	
Other gains/(losses), net	35	(19,868)	
Selling and distribution expenses	(40)	(168)	
Administrative expenses	(9,371)	(7,406)	
Finance costs	(23)	(8)	
Profit before income tax	4,774	15,548	

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

Notes to the Consolidated Financial Statements

4. SEGMENT INFORMATION (CONTINUED)

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

5. OTHER INCOME

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Interest income from bank deposits	18	9
Interest income from loan receivables	–	93
	18	102

6. OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Provision for onerous contracts	–	(19,872)
Exchange gain, net	35	4
	35	(19,868)

7. FINANCE COSTS

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Interest expense on:		
– lease liabilities	23	8

Notes to the Consolidated Financial Statements

8. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	852	1,216
Expenses relating to short-term leases and other leases	460	460

9. INCOME TAX EXPENSE

(I) HONG KONG PROFITS TAX

Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profit. No provision for Hong Kong Profits Tax has been made for the Company and the subsidiaries incorporated in Hong Kong as they have no assessable profits or sufficient tax losses brought forward to set off estimated assessable profits in both current and prior periods.

(II) PRC ENTERPRISE INCOME TAX

The subsidiaries established in the People's Republic of China ("PRC") are subject to PRC Enterprise Income Tax ("EIT") rate of 25% (2024: 25%) during the Interim Period.

No provision for PRC EIT has been made as the subsidiaries established in the PRC have estimated tax losses for both current and prior periods.

(III) INCOME TAX FROM OTHER TAX JURISDICTIONS

Pursuant to the income tax rules and regulations, the Group is not subject to income tax in the jurisdictions of the Cayman Islands and the BVI.

10. DIVIDENDS

No dividend has been proposed by the Directors during the six months ended 30 June 2025 and subsequent to the end of the reporting period.

Notes to the Consolidated Financial Statements

11. 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	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Earnings		
Profit attributable to owners of the Company	4,774	15,548

	Six months ended 30 June	
	2025 (‘000)	2024 (‘000)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	169,445	169,445

Diluted earnings per share is the same amount as the basic earnings per share for the six months ended 30 June 2025 and 2024 because the exercise of the outstanding share options would be anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of HK\$10,580 (six months ended 30 June 2024: HK\$8,000). The Group has no material disposal of property, plant and equipment on both periods.

Notes to the Consolidated Financial Statements

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Trade receivables, net of loss allowance (<i>Note A</i>)	217,993	98,746
Prepayments for inventory purchases (<i>Note B</i>)		
– electronic component products	–	43,161
– health-care products and food	–	27,413
Other prepayments	2,090	4,576
Deposits	248	250
	2,338	75,400
Total trade and other receivables	220,331	174,146

Notes:

(A) Trade receivables

The Group generally grants credit periods ranging from 60 to 180 days (2024: 60 to 180 days) to its customers. Before accepting any new customer, the Group internally assesses the potential customer's credit quality and define an appropriate credit limit. Management closely monitors the credit quality and follow-up action is taken if overdue debts are noted.

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

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
0 – 30 days	112,743	78,732
31 – 60 days	105,250	20,014
	217,993	98,746

Notes to the Consolidated Financial Statements

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

(B) Prepayment for inventory purchase

The balance of prepayment mainly represents several non-refundable deposits placed with the suppliers of the Group both electronic component products, and health-care products and food. For each individual purchase order placed with the suppliers, the Group was required to pay an upfront prepayment of the purchase price of the products.

The prepayments are carried at cost and is expected to be utilised within one year. The management compares the unit price of the above non-cancellable purchase orders so committed against the subsequent market price and trend of the ordered electronic components and to determine if provision for onerous contracts is necessary to be made or not.

14. PROVISION

Provision was made for onerous contracts for purchasing electronic component products. The Group entered several purchase contracts with suppliers for purchasing electronic component products which the Group is contractually obligated to purchase an agreed quantity of electronic component products at a pre-determined unit price. Given the market price of these ordered electronic component products decreased after the placement of the relevant purchase orders, the estimated unavoidable cost of meeting the obligations under such contracts will exceed the economic benefits expected to be received by the Group upon executing these purchase contracts. The economic benefits expected to be received represents the management's best estimate by reference to the market price and trend of the ordered electronic component products. Movements of the provision under onerous contracts are as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
At 1 January	18,400	92,199
(Utilised)/provision	(18,400)	60,400
Derecognised upon disposal of subsidiaries	–	(134,199)
	–	18,400

Notes to the Consolidated Financial Statements

15. SHARE CAPITAL

	Nominal value per share	Number of shares (thousands)	Amount HK\$'000
Ordinary shares			
Authorised:			
At 31 December 2024, 1 January 2025 and 30 June 2025	0.40	500,000	200,000
Issued and fully paid:			
At 31 December 2024, 1 January 2025 and 30 June 2025	0.40	169,445	67,778

Notes to the Consolidated Financial Statements

16. SHARE-BASED PAYMENT TRANSACTIONS

- a) Movements in number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price in HK\$ per share option	Number of share options (thousands)
At 1 January 2025 and 30 June 2025	1.27	1,692

- b) The fair values for the share options granted were calculated using the Binomial model. The inputs into the model were as follows:

Grant date	3 July 2020
Fair value per option on grant date	HK\$0.671*- HK\$0.830*
Share price on grant date	HK\$1.23*
Exercise price	HK\$1.27*
Expected volatility	136.554%
Expected life	5 years
Risk-free rate	0.3420%
Expected dividend yield	0%
Early exercise multiple	
– Directors	N/A
– A shareholder of one customer	2.2X

* Adjusted as to reflect the Share Consolidation.

Expected volatility was determined by using the historical volatility of the Company's share prices over the previous year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the director's best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.