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**Human Health Holdings Limited**

**盈健醫療集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1419)**

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF RIGHT-OF-USE ASSET  
IN RELATION TO THE TENANCY OFFER**

**THE TENANCY OFFER**

The Board is pleased to announce that on 10 February 2022, Be Health, an indirect wholly-owned subsidiary of the Company, as tenant and the Landlords as landlords entered into the Tenancy Offer in respect of the tenancy of the Premises for a fixed term of six years commencing from 1 May 2022 to 30 April 2028. Upon expiration of the fixed term, Be Health shall have an option to renew for a further term of three years from 1 May 2028 to 30 April 2031 which may be exercised at the discretion of Be Health.

The Premises will be used as a mega medical hub with the provision of one-stop medical services and health-tech related services, assisting the Group in optimising its medical services network and delivering customised healthcare solutions with all-round service portfolio that fit the customers' physical and mental needs. In addition to the expansion of the scope of the existing medical services with state-of-the-art medical equipment and strengthened talent pool of its professional team members, the Group will also apply cutting edge technology with new strategies and business model to enhance its existing wellness services, to introduce new healthcare products and to utilise big data analytics to devise tailor-made healthcare solutions that address the needs of its customers and promote wellness services through different means.

**LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16, the tenancy of the Premises of Be Health will be recognised as a right-of-use asset. Therefore, the transactions contemplated under the Tenancy Offer will be regarded as an acquisition of asset by the Group under the Listing Rules. The value of right-of-use asset to be recognised by the Company under the Tenancy Offer is expected to be approximately HK\$88.86 million.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the acquisition of right-of-use asset to be recognised by the Group is more than 5% but less than 25%, the transaction contemplated under the Tenancy Offer constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from the circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 10 February 2022, Be Health, an indirect wholly-owned subsidiary of the Company, as tenant and the Landlords as landlords entered into the Tenancy Offer in respect of the tenancy of the Premises for a fixed term of six years commencing from 1 May 2022 to 30 April 2028. Upon expiration of the fixed term, Be Health shall have an option to renew for a further term of three years from 1 May 2028 to 30 April 2031 which may be exercised at the discretion of Be Health.

## **THE TENANCY OFFER**

The principal terms of the Tenancy Offer are as follow:

Date:	10 February 2022
Parties:	(a) Be Health as tenant; (b) CRE Property (Star House) Limited as landlord of Shops No. 9, 9A and 10A on G/F and Shop A on 1/F, Star House, No. 3 Salisbury Road, Kowloon, Hong Kong; (c) CRE Property (Others) Limited as landlord of Shop B on 1/F, Star House, No. 3 Salisbury Road, Kowloon, Hong Kong; and (d) Yuen Chuen Ho Limited as landlord of Shop C on 1/F, Star House, No. 3 Salisbury Road, Kowloon, Hong Kong.
Premises:	Shops No. 9, 9A and 10A on G/F and Shops A, B and C on 1/F, Star House, No. 3 Salisbury Road, Kowloon, Hong Kong (also known as Shop G03 on the G/F and Shops 102, 103 and 105 on 1/F, Star House, No.3 Salisbury Road, Kowloon, Hong Kong).
Term:	Fixed term of six years from 1 May 2022 to 30 April 2028.
Option to Renew:	An option to renew for a further term of three years from 1 May 2028 to 30 April 2031 which may be exercised at the discretion of Be Health.
Rent:	The aggregate rent for the fixed term shall be approximately HK\$95.23 million and shall be satisfied

by internal resources of the Group.

The rent shall be exclusive of management and air-conditioning charges and government rates and shall be payable in advance on the first day of each calendar month.

The rent under the Tenancy Offer was determined after arm's length negotiations between Be Health and the Landlords, taking into consideration of the prevailing market rent of comparable premises in the vicinity of the Premises.

Rent-free Period: A rent-free period of seven months and 16 days shall be granted.

Security Deposit: A security deposit equivalent to three months' rent, management and air-conditioning charges and government rates shall be payable by Be Health to the Landlords upon signing the Tenancy Offer.

Formal Agreement: Be Health and the Landlords shall enter into the Formal Agreement within 21 days from the date of the Tenancy Offer pursuant to the terms of the Tenancy Offer.

Corporate Guarantee: The Company shall enter into a deed of guarantee guaranteeing the observance and performance of the obligations of Be Health under the tenancy pursuant to the Tenancy Offer.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in the provision of comprehensive, one-stop and quality healthcare services. Be Health is an indirect wholly-owned subsidiary of the Company.

## **INFORMATION OF THE LANDLORDS**

CRE Property (Star House) Limited is a company incorporated in Hong Kong with limited liability principally engaging in property investment.

CRE Property (Others) Limited is a company incorporated in Hong Kong with limited liability principally engaging in property investment.

Yuen Chuen Ho Limited is a company incorporated in Hong Kong with limited liability principally engaging in property investment.

Based on public information and the information provided by the Landlords, the ultimate beneficial owner of the Landlords is China Resources Enterprise, Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlords and their respective ultimate beneficial owner(s) are independent of the Company

and its connected persons.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO THE TENANCY OFFER**

The Group is principally engaged in the provision of comprehensive, one-stop and quality healthcare services to its customers through its medical centres. The Group operates all of its medical centres on leased properties. The entering into of the Tenancy Offer is in the ordinary and usual course of business of the Group.

Given that the health awareness of the general public gradually increase since the outbreak of COVID-19 pandemic and the demand for services covering physical wellness, mental health, pandemic prevention, cure, rehabilitation and body-mind balance increase, the Group is confident in the future prospect of healthcare and wellness services market and considered the Group's stable cash flow would enable it to ramp up its expansion plan on the above-mentioned services to cater for the specific needs of medical services and health related services in the community. With the prime location with a gross floor area over 38,000 square feet situated in Tsim Sha Tsui, the Premises will be used as a mega medical hub with the provision of one-stop medical services and health-tech related services, assisting the Group in optimising its medical services network and delivering customised healthcare solutions with all-round service portfolio that fit the customers' physical and mental needs. In addition to the expansion of the scope of the existing medical services with state-of-the-art medical equipment and strengthened talent pool of its professional team members, the Group will also apply cutting edge technology with new strategies and business model to enhance its existing wellness services, to introduce new healthcare products and to utilise big data analytics to devise tailor-made healthcare solutions that address the needs of its customers and promote wellness services through different means.

The Board is satisfied with the size and location of the Premises which is suitable for the Group to establish its one-stop medical services and health-tech related services centres, and considered the rental of the Premises is fair and reasonable after considering the prevailing market rent for comparable premises in the vicinity of the Premises.

In view of the above, the Board considers that the terms of the Tenancy Offer are on normal commercial terms and are fair and reasonable and the entering into of the Tenancy Offer is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16, the tenancy of the Premises of Be Health will be recognised as a right-of-use asset. Therefore, the transactions contemplated under the Tenancy Offer will be regarded as an acquisition of asset by the Group under the Listing Rules. The value of right-of-use asset to be recognised by the Company under the Tenancy Offer is expected to be approximately HK\$88.86 million.

As one or more of the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the acquisition of right-of-use asset recognised by the Group is more than 5% but less than 25%, the transaction contemplated under the Tenancy Offer constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from the circular and shareholders' approval requirements pursuant to Chapter 14 of

the Listing Rules.

## DEFINITIONS

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

“Be Health”	Be Health Specialist Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“Board”	board of Directors
“Company”	Human 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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal agreement to be entered into between the Landlords and Be Health within 21 days from the date of the Tenancy Offer in relation to the tenancy of the Premises pursuant to the terms of the Tenancy Offer
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Landlords”	(i) CRE Property (Star House) Limited, a company incorporated in Hong Kong with limited liability; (ii) CRE Property (Others) Limited, a company incorporated in Hong Kong with limited liability; and (iii) Yuen Chuen Ho Limited, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“Premises”	Shops No. 9, 9A and 10A on G/F and Shops A, B and C on 1/F, Star

House, No. 3 Salisbury Road, Kowloon, Hong Kong (also known as Shop G03 on the G/F and Shops 102, 103 and 105 on 1/F, Star House, No.3 Salisbury Road, Kowloon, Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Offer”	The tenancy offer entered into between the Landlords and Be Health on 10 February 2022 in respect of the tenancy of the Premises
“%”	per cent

By order of the Board  
**Human Health Holdings Limited**  
**Chan Kin Ping**  
*Chairman*

Hong Kong, 10 February 2022

*As at the date of this announcement, the Board comprises Mr. Chan Kin Ping, BBS, JP (also as Chief Executive Officer), Dr. Pang Lai Sheung, Dr. Sat Chui Wan and Mr. Poon Chun Pong as executive Directors, and Dr. Lui Sun Wing, Mr. Chan Yue Kwong Michael and Mr. Sin Kar Tim as independent non-executive Directors.*