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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sanai Health Industry Group Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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**Sanai Health Industry Group Company Limited**

**三愛健康產業集團有限公司**

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

**(Stock code: 1889)**

**GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Nanhai Meeting Room 5, Hilton Shenzhen Shekou Nanhai, No. 1177 Wanghai Road, Nanshan District, Shenzhen, Guangdong, the People's Republic of China on Friday, 29 June 2018 at 3:00 p.m. (Hong Kong time) is set out on pages 12 to 15 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for the Annual General Meeting (i.e. before Wednesday, 27 June 2018 at 3:00 p.m. (Hong Kong time)) or any adjournment thereof. Completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

21 May 2018

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Nanhai Meeting Room 5, Hilton Shenzhen Shekou Nanhai, No. 1177 Wanghai Road, Nanshan District, Shenzhen, Guangdong, the People’s Republic of China on Friday, 29 June 2018 at 3:00 p.m. (Hong Kong time), the notice of which is set out on pages 12 to 15 of this circular
“Articles of Association”	the articles of association of the Company as altered from time to time
“associate(s)”	shall have the meaning ascribed under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the business of trading in securities
“Close Associate(s)”	has the meanings ascribed to it under the Listing Rules
“Company”	Sanai Health Industry Group Company Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Core Connected Person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors to allot, issue and deal with the aggregate number of Shares not exceeding 20% of the number of issued Shares as at the date of passing Resolution No. 4A

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## DEFINITIONS

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“Latest Practicable Date”	16 May 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice”	the notice convening the Annual General Meeting which is set out on pages 12 to 15 of this circular
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the number of issued Shares as at the date of passing Resolution No. 4B
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

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LETTER FROM THE BOARD

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**Sanai Health Industry Group Company Limited**

**三愛健康產業集團有限公司**

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

**(Stock code: 1889)**

*Executive Directors:*

Chen Chengqing (*Chairman*)

Hung Hoi Lan

Zhang Rongqing

*Registered Office:*

Grand Pavilion, Hibiscus Way

802 West Bay Road

P.O. Box 31119, KY1-1205

Cayman Islands

*Independent Non-executive Directors:*

Long Jun

Tu Fangkui

Wang Zihao

*Head Office and Principal Place  
of Business in Hong Kong:*

Unit 1309, 13th Floor

West Tower, Shun Tak Centre

Sheung Wan

Hong Kong

21 May 2018

*To Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting. These include the ordinary resolutions for: (i) granting the Directors general mandate to issue new Shares; (ii) granting the Directors general mandate to repurchase Shares; and (iii) re-election of retiring Directors.

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## **LETTER FROM THE BOARD**

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### **1. GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, an ordinary resolution, as set out as Resolution No. 4A, will be proposed for the Shareholders to consider and if, thought fit, to grant the Issue Mandate to the Directors to allot, issue and deal with the aggregate number of Shares not exceeding 20% of the number of issued Shares as at the date of passing of such resolution, i.e. 574,424,500 Shares (assuming no further issue or repurchase of any Share before the Annual General Meeting). The full text of the ordinary resolution to be proposed at the Annual General Meeting in relation to the Issue Mandate is set out in Resolution No. 4A in the Notice.

The Issue Mandate will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

### **2. GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, an ordinary resolution, as set out as Resolution No. 4B, will be proposed for the Shareholders to consider and if, thought fit, to grant the Repurchase Mandate to enable the Directors to exercise all the powers of the Company to repurchase Shares subject to the criteria set out in this circular. Shareholders should note that the maximum number of Shares that may be repurchased will be 10% of the number of issued Shares as at the date of passing of such resolution. The full text of the ordinary resolution to be proposed at the Annual General Meeting in relation to the Repurchase Mandate is set out in Resolution No. 4B in the Notice.

An explanatory statement containing all relevant information relating to the Repurchase Mandate and as required pursuant to the Listing Rules is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

### **3. EXTEND GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, an ordinary resolution, as set out as Resolution No. 5, will be proposed for the Shareholders to consider and if, thought fit, to extend the Issue Mandate by adding an amount representing the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate being approved to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate provided that such extended amount in aggregate will not exceed 10% of the number of issued Shares on the date of the resolution approving the Issue Mandate. The full text of the ordinary resolution to be proposed at the Annual General Meeting in relation to the extension of the Issue Mandate is set out in Resolution No. 5 in the Notice.

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## LETTER FROM THE BOARD

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### 4. RE-ELECTION OF RETIRING DIRECTORS

#### Re-election of Retiring Directors

Professor Zhang Rongqing (re-designated as an executive Director on 15 September 2017) and Mr. Long Jun (appointed as an independent non-executive Director on 15 September 2017) will retire at the Annual General Meeting in accordance with the Articles of Association and, being eligible, offer themselves for re-election at the Annual General Meeting. Their particulars are set out in Appendix II to this circular.

Under Resolution No. 2, the re-election of retiring Directors will be individually voted on by the Shareholders.

### 5. ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting is set out on pages 12 to 15 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of Issue Mandate and the Repurchase Mandate, the extension of Issue Mandate, and the re-election of retiring Directors.

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the form of proxy to the Company's share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for the Annual General Meeting (i.e. before Wednesday, 27 June 2017 at 3:00 p.m. (Hong Kong time)) or any adjournment thereof. Completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

### 6. LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Listing Rules, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the Annual General Meeting will be taken by way of poll.

### 7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the re-election of retiring Directors are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
By Order of the Board  
**Sanai Health Industry Group Company Limited**  
**Chen Chengqing**  
*Chairman*

*The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the Annual General Meeting authorising the Repurchase Mandate.*

## **1. EXERCISE OF THE REPURCHASE MANDATE**

It is proposed that up to 10% of the Shares in issue at the date of the passing of the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the number of Shares in issue was 2,872,122,500. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares would be issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to 287,212,250 Shares (being 10% of the Shares in issue) during the period up to (a) conclusion of the next annual general meeting of the Company or (b) the expiration of the period within which the next annual general meeting of the Company is required by law or its Articles of Association to be held or (c) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

## **2. REASONS FOR REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will benefit the Company and provide the Company the flexibility to make such repurchase when appropriate. Such repurchases may, depending on market conditions and funding arrangements at the time, enhance the net assets value of the Company and/or earnings per Share.

## **3. IMPACT ON WORKING CAPITAL AND GEARING LEVEL**

As compared with the financial position of the Company as at 31 December 2017 (being the date of its latest published audited financial statements), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. The Directors confirm that no repurchase would be made to such extent which would have a material adverse impact on the working capital or gearing position of the Company.

## **4. FUNDING OF REPURCHASES**

The Company is empowered by its memorandum of association, the Articles of Association and the applicable laws of the Cayman Islands to repurchase its Shares. The Cayman Islands law provides that repurchase may be made out of profits of the Company, out of the Company's share premium account, out of proceeds of a fresh issue of Shares made for such purpose of the repurchase, or, if so authorised by the Articles of Association and subject to the provisions of the Cayman Islands law, out of capital. The amount of premium payable on repurchase may only be paid out of profits of the Company or the share premium account of the Company before or at the time the Shares are repurchased or, if so authorised by the Articles of Association and subject to the provisions of the Cayman



Islands law, out of capital. Under the Cayman Islands law, unless otherwise provided, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced so that the Shares may be subsequently re-issued.

## **5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, none of the Directors nor any of the Close Associates of any Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by Shareholders, to sell any Shares held by him/her/it to the Company.

As at the Latest Practicable Date, no Core Connected Person has notified the Company that he/she/it has a present intention to sell any Shares held by him/her/it to the Company nor has he/she undertaken not to sell any Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

## **6. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed Repurchase Mandate in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

## **7. EFFECT OF TAKEOVERS CODE**

If as a result of a share repurchase exercised pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Cyber Success Global Investments Limited ("Cyber Success") and Mr. Chen Chengqing are the only substantial Shareholders (as defined under the Listing Rules) of the Company. As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Cyber Success held 836,753,000 Shares (representing approximately 29.13% of the issued Shares) and Mr. Chen Chengqing, a Director and the sole shareholder of Cyber Success, was interested or deemed to be interested in 836,753,000 Shares (representing approximately 29.13% of the issued Shares). In the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the proposed Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the shareholdings of Cyber Success and Mr. Chen Chengqing would both be increased to approximately 32.37%. Such increase will give rise to an obligation on part of any of the above Shareholders to make a mandatory general offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in takeover obligations. The Directors also have no intention to repurchase Shares which would result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

#### 8. SHARE PURCHASE MADE BY THE COMPANY

During each of six months preceding the Latest Practicable Date, no Share has been repurchased by the Company, whether on the Stock Exchange or otherwise.

#### 9. SHARE PRICES

The monthly highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months, were as follows:-

	Shares	
	Highest Price <i>HK\$</i>	Lowest Price <i>HK\$</i>
<b>2017</b>		
April	0.280	0.245
May	0.385	0.305
June	0.400	0.375
July	0.380	0.355
August	0.380	0.300
September	0.345	0.310
October	0.335	0.290
November	0.340	0.280
December	0.310	0.245
<b>2018</b>		
January	0.265	0.242
February	0.255	0.235
March	0.248	0.194
April	0.215	0.150
May (up to the Latest Practicable Date)	0.177	0.152

**PARTICULARS OF THE DIRECTORS**

The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting:

**Re-election of retiring Directors****Professor Zhang Rongqing (張榮慶) (“Prof. Zhang”)**

Professor Zhang Rongqing, aged 61, graduated from Suzhou Medical College in 1982 with a Bachelor degree of medicine and received PhD of animal physiology and biochemistry in Nanjing Agricultural University in 1993. Prof. Zhang has worked as professor in Tsinghua University since 1998, and he has been the associate dean of School of life science in Tsinghua University. He is currently a director of the Institute of Biomedical Research in Yangtze Delta Region of Tsinghua University in ZheJiang, deputy director of the Teaching Guidance Committee of Biological Technology and Bio-engineering of the Ministry of Education, the member of the 3rd and 4th Advisory Group of Experts of the “973” Plan in the field of agriculture of the Ministry of science and technology. Prof. Zhang has received many awards and patents in science and technology. He is a well-known senior expert in the field of marine biochemistry & molecular biology, marine natural drug & gene engineering, and marine biological enzyme. Prof. Zhang has been an independent director of Shenzhen Hepalink Pharmaceutical Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002399), since May 2014. He is also an independent director of Shandong Oriental Ocean Sci-tech Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002086), since April 2017.

Prof. Zhang has entered into a service contract with the Company for an initial term of one year commencing from 15 September 2017, which is automatically renewable for successive terms of one year each and may be terminated by either party giving not less than three months’ prior notice. The Director’s fee payable to Prof. Zhang will be determined by the Board pursuant to the authority granted by the Shareholders at the Annual General Meeting with reference to his experience, duties and responsibilities, the prevailing market conditions and the recommendation from the Remuneration Committee. Pursuant to the terms of the service contract, Prof. Zhang’s current remuneration, including any bonus payment, is HK\$120,000 per annum.

Save as disclosed above, Prof. Zhang (i) has not held any directorships in any public listed companies in the past three years; (ii) did not have or was not deemed to have any interest or short position (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company or its associated corporations; and (iii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company; and (iv) did not hold other positions within the Group.

There is no information in relation to Prof. Zhang that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of Listing Rules and there is no other matter in relation to the appointment of Prof. Zhang that needs to be brought to the attention of the Shareholders.

**Mr. Long Jun (隆軍) (“Mr. Long”)**

Mr. Long, aged 44, graduated from Peking University Guanghua School of Management with an Executive Master of Business Administration degree in 2009. Mr. Long has served as the vice president and managing partner in Focus Media (China) Holding Co., Ltd. a subsidiary of Focus Media Information Technology Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002027.SZ), since February 2014. He has more than 15 years of management experience in the media industry.

Mr. Long has entered into a letter of appointment with the Company for an initial term of 1 year commencing on 15 September 2017 (the “Letter of Appointment”), which shall be automatically renewable for a successive term of one year, subject to termination by either party giving not less than three months’ prior notice. Mr. Long will be subject to retirement by rotation and re-election at the Company’s general meetings in accordance with the Articles and the Listing Rules. Pursuant to the terms of the Letter of Appointment, he is entitled to a remuneration of HK\$120,000 per annum payable at the end of each month on a pro-rata basis. The remuneration is determined by the Board by reference to his experience, duties and responsibilities, the prevailing market conditions and the recommendation from the Remuneration Committee.

Save as disclosed above, Mr. Long (i) has not held any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not have or is not deemed to have any interest or short position (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company or its associated corporations; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company; and (iv) does not hold other positions within the Company and its subsidiaries.

Save as disclosed above, there is no other information in relation to Mr. Long that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of Listing Rules and there is no other matter in relation to the appointment of Mr. Long that needs to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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### Sanai Health Industry Group Company Limited

三愛健康產業集團有限公司

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

**(Stock code: 1889)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “Annual General Meeting”) of the shareholders of Sanai Health Industry Group Company Limited (the “Company”) will be held at Nanhai Meeting Room 5, Hilton Shenzhen Shekou Nanhai, No. 1177 Wanghai Road, Nanshan District, Shenzhen, Guangdong, the People’s Republic of China on Friday, 29 June 2018 at 3:00 p.m. (Hong Kong time) for the following purposes:

1. To receive and consider the audited financial statements of the Company and its subsidiaries and the reports of directors and auditors of the Company for the year ended 31 December 2017.
2. To re-elect the retiring directors of the Company, each as separate resolution, and authorise the board of directors of the Company to fix their remuneration.
3. To re-appoint Crowe Horwath (HK) CPA Limited as auditors of the Company and authorise the board of directors of the Company to fix their remuneration.
4. As special business, to consider and, if thought fit, to pass the following as ordinary resolutions:

A. **“THAT**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the “Director(s)”) during the Relevant Period (as defined below) of all powers to allot, issue and deal with the additional shares in the capital of the Company, and to make or grant offers, agreements, options and warrants which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and warrants which might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
- (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed the aggregate of 20% of the number of issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly;

(d) for the purpose of this resolution:–

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

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## NOTICE OF ANNUAL GENERAL MEETING

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B. **“THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;
  - (b) the aggregate number of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
    - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
5. As special business, to consider and, if thought fit, to pass the following as ordinary resolution:

“**THAT** conditional upon resolutions nos. 4A and 4B being passed, the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 4B shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 4A above.”

By Order of the Board  
**Sanai Health Industry Group Company Limited**  
**Chen Chengqing**  
*Chairman*

Hong Kong, 21 May 2018

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. All proxies must be deposited with the Company's share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the Annual General Meeting (i.e. before Wednesday, 27 June 2018 at 3:00 p.m. (Hong Kong time)) or any adjournment thereof.
- (2) The register of members will be closed from Thursday, 21 June 2018 to Friday, 29 June 2018 (both days inclusive). In order to be qualified for attending the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Wednesday, 20 June 2018.
- (3) With reference to resolution no. 2 above, Professor Zhang Rongqing and Mr. Long Jun will retire in accordance with the articles of association of the Company and each of them, being eligible, offers himself/herself for re-election at the Annual General Meeting.
- (4) With reference to resolutions nos. 4 and 5 above, the Directors wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares or warrants pursuant to the relevant mandate.
- (5) The Annual General Meeting is expected to take not more than half day. Shareholders who attend shall bear their own traveling and accommodation expenses.
- (6) As at the date of this announcement, the board of directors of the Company comprises 3 Executive Directors, namely, Mr. Chen Chengqing (Chairman), Ms. Hung Hoi Lan and Professor Zhang Rongqing, and 3 Independent Non-executive Directors, namely, Mr. Wang Zihao, Mr. Tu Fangkui and Mr. Long Jun.