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)

POSITIVE PROFIT ALERT

This announcement is made by Sanai Health Industry Group Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

References are also made to the announcement of the Company dated 30 April 2019 in relation to the disposal of Wuyi International Pharmaceutical (Hong Kong) Company Limited (the "**2019 Disposal**") and the announcement of the Company dated 8 January 2019 made pursuant to Rule 13.19 of the Listing Rules (the "**Announcements**"). Unless otherwise specified, terms used herein shall have the same meanings as ascribed to them in the Announcements.

The board of directors of the Company (the "**Board**") wishes to inform the shareholders (the "**Shareholders**") and potential investors of the Company that based on the information currently available to the Board, the Group is expected to record a consolidated net profit attributable to owners of the Company for the six months ended 30 June 2019 as compared to a consolidated net loss attributable to owners of the Company of approximately RMB22,380,000 recognised for the corresponding period in 2018.

The expected turnaround from loss to profit was primarily attributable to (i) the one-off gain recognised upon completion of disposal of Wuyi International Pharmaceutical (Hong Kong) Company Limited and its subsidiary (the "**2019 Disposal Group**"); (ii) the one-off gain on disposal of property, plant and equipment by auction relating to the subsidiary of Wuyi International Pharmaceutical (Hong Kong) Company Limited; and (iii) the change in the gross loss of the Group of approximately RMB1,928,000 for the six months ended 30 June 2018 to a gross profit for the five months ended 31 May 2019, which is mainly due to the decrease in depreciation, amortization and salaries associated with the 2019 Disposal Group.

This positive profit alert announcement is only a preliminary assessment by the Board based on the information currently available, which have not been reviewed nor audited by the Company's auditors. The Company is in the process of finalizing the Group's consolidated results for the six months ended 30 June 2019. Shareholders and potential investors are advised to read carefully the announcement of the interim results of Company for the six months ended 30 June 2019, which is expected to be released in August 2019.

In addition, the Company would like to further supplement and clarify that, as stated in the announcement of the Company dated 30 April 2019, a disposal gain of RMB107 million was expected to be accrued to the Company as a result of the 2019 Disposal, the figure of which was derived from the account of Wuyi International Pharmaceutical (Hong Kong) Company Limited on a standalone basis. Upon completion of the 2019 Disposal and based on the consolidated account of the 2019 Disposal Group, it is expected that the disposal gain will amount to approximately RMB350 million on a consolidated basis. The effect of such difference has also been taken into consideration for this profit alert announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 17 July 2019

As at the date of this announcement, the board of Directors comprises four executive directors, namely, Mr. Chen Chengqing (Chairman), Ms. Hung Hoi Lan, Professor Zhang Rongqing and Mr. Cheng Hok Kai, Frederick; one non-executive director, namely, Mr. Xiu Yuan and three independent non-executive directors, namely, Mr. Wang Zihao, Mr. Tu Fangkui, and Mr. Long Jun.