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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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF COMPOSITION OF BOARD COMMITTEES

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND COMMITTEE MEMBERS

The board (the “**Board**”) of directors (the “**Directors**”) of Sanai Health Industry Group Company Limited (the “**Company**”) is pleased to announce that Professor Zhu Yi Zhun (朱依諱) (“**Professor Zhu**”) has been appointed as an independent non-executive Director, a member of each of the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**nomination committee**”) of the Company with effect from 31 December 2020. His biography is set out below.

Professor Zhu Yi Zhun, aged 55, graduated from the School of Medicine of the Shanghai Jiao Tong University with a bachelor degree in Medicine in 1989, and then graduated from the School of Medicine of the Heidelberg University with a doctor’s degree in Medicine in 1994. Professor Zhu has been working on cardiovascular and neuropharmacology research for nearly 20 years, and he is currently the first director and the chair professor of the School of Pharmacy of the Macau University of Science and Technology, and the Director of Zhunhai UM Science & Technology Research Institute.

Professor Zhu also served as the Dean of the School of Pharmacy of Fudan University for almost 10 years. He also appointed as the Changjiang Scholar Distinguished Professor of the Ministry of Education of the People’s Republic of China, and awarded as the winner of the National Outstanding Young Scholars, the chief scientist of the National Major Scientific Research Program, and the person in charge of platform of new drug creation the National Science and Technology major project.

Professor Zhu was appointed as an independent non-executive director of Green International Holdings Limited (stock code: 2700) for the period from 4 March 2016 to 30 June 2017, the shares of which are listed on the Stock Exchange. He was also appointed as an independent director of 山西仟源醫藥集團股份有限公司 (Shanxi C & Y Pharmaceutical Group Company, Limited*) (stock code: 300254) for the period from June 2010 to July 2016 and an independent director of 江門甘蔗化工廠(集團)股份有限公司 (Jiangmen Sugarcane Chemical Factory (Group) Company, Limited*) (stock code: 000576) from August 2015 to May 2018, both of which are listed on the Shenzhen Stock Exchange. Save as disclosed above, he does not hold other positions in the Group, nor hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years, and does not have other major appointments and professional qualifications.

As at the date of this announcement, save as disclosed above, Professor Zhu (i) did not hold any other positions with the Company or other members of the Group and did not hold any other directorship in any listed company in the last three years or does not hold any other major appointments and qualifications; (ii) Professor Zhu has no relationship with any other Directors, senior management, substantial shareholders or controlling shareholder of the Company, or any of their respective associates as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”); and (iii) Professor Zhu does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Professor Zhu has entered into an appointment letter with the Company for an initial term of one year commencing on 31 December 2020, which shall be automatically renewable for a successive term of one year, subject to termination by either party giving not less than one month’s prior notice. Professor Zhu shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting, and thereafter subject to retirement by rotation at least once every three years at each annual general meeting, in accordance with the articles of association of the Company. Pursuant to his appointment letter, the annual remuneration of Professor Zhu as an independent non-executive Director of the Company is HK\$120,000. Such 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.

As at the date of this announcement, save as disclosed above, to the best knowledge of the Board, there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters in relation to the appointment of Professor Zhu that need to be brought to the attention of the shareholders of the Company.

The Board considers that Professor Zhu is independent and satisfies all the independence criteria under Rule 3.13 of the Listing Rules.

The Board would like to take this opportunity to express its warmest welcome to Professor Zhu.

NON-COMPLIANCE WITH THE LISTING RULES

As disclosed in the announcement of the Company dated 30 November 2020, immediately after the resignation of Mr. Long Jun, the Company failed to satisfy various requirements under Rules 3.10(1), 3.10A, 3.21, 3.10(2) and 3.25 of the Listing Rules and code provision A.5.1 of the Corporate Governance Code in Appendix 14 of the Listing Rules.

Upon the above appointments of Mr. Zhu, the Board still fails to meet the requirements of having:

- (a) At least three independent non-executive directors on the Board under Rule 3.10(1) of the Rule Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”);
- (b) Independent non-executive directors who represent at least one-third of the Board under Rule 3.10A of the Listing Rules;
- (c) the Audit Committee comprising only non-executive director with a minimum of three members under Rule 3.21 of the Listing Rules and that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules;
- (d) the Remuneration Committee comprising a majority of independent non-executive directors under Rules 3.25 of the Listing Rules; and
- (e) the Nomination Committee comprising a majority of independent non-executive directors under code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

In order to comply with the Listing Rules and the terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee, the Board is in the process of identifying suitable candidate(s) to fill the vacancy of the positions of independent non-executive Director and the member of the Audit Committee, the member of the Remuneration Committee and the member of the Nomination Committee and will use its best endeavours to ensure that the suitable candidate(s) is/are appointed as soon as possible pursuant to Rules 3.11, 3.23 and 3.27 of the Listing Rules. The Company will make further announcement(s) as and when appropriate.

The Board would like to take this opportunity to extend a warm welcome to Professor Zhu for joining the Board.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 24 January 2020 and will remain suspended until the Company fulfills the Resumption Conditions.

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

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

Hong Kong, 31 December 2020

As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Chen Chengqing (Chairman), Mr. Gao Borui, Mr. Yuan Chaoyang, Professor Zhang Rongqing and Mr. She Hao, one non-executive director, namely, Mr. Xiu Yuan and one independent non-executive director, namely, Professor Zhu Yi Zhun.