

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 (the “Company”), 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)

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
SHARES AND REPURCHASE SHARES;
(2) PROPOSED EXTENSION OF ISSUE MANDATE;
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(4) PROPOSED RE-APPOINTMENT OF AUDITORS;
(5) PROPOSED ADOPTION OF AMENDED AND
RESTATED ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “AGM”) to be held at Multifunctional Hall 1, Renaissance Shanghai Putuo Hotel, No. 50 Tong Chuan Road, Putuo District, Shanghai, PRC on 8 June 2022, Wednesday at 4:00 p.m. (Hong Kong time) is set out on pages AGM-1 to AGM-6 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at www.1889hk.com.

The Company strongly encourages the shareholders to exercise their rights to attend the AGM by appointing the chairman of the AGM as their proxy to vote according to their indicated voting instructions.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the offices of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Due to the constantly evolving COVID-19 pandemic situation, the Company may need to take certain precautionary measures at the venue of the AGM to ensure the safety of attendees, including (but not limited to) requiring all attendees to have body temperature check and wear face masks. In addition, no refreshments will be served and no corporate gift will be distributed at the meeting. The Company reserves the right to deny admission to the meeting venue if any person does not comply with the precautionary measures to be taken at the meeting.

29 April 2022

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

The health of our Shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) The Company requires each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served and there will be no corporate gift.

PROXIES AND QUESTIONS AT AND PRIOR TO THE ANNUAL GENERAL MEETING

Vote by appointing the chairman of the Annual General Meeting as your proxy

All resolutions at the AGM will be decided on a poll. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) in accordance with your instructions at the meeting instead of attending the meeting in person.

The proxy form for the Annual General Meeting is enclosed with this circular. The proxy form can be downloaded from the website of the Company (www.1889hk.com) and the website of the Stock Exchange (www.hkexnews.hk). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of a proxy.

The proxy form should be returned to the branch share registrar and the transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the Annual General Meeting.

The Company would like to remind Shareholders that physical attendance at the AGM is not necessary for the purpose of exercising voting rights.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Questions from Shareholders

Shareholders not attending the AGM may still be able to submit questions relevant to the proposed resolution(s) at the AGM. Shareholders can send their questions by email in advance by 4:00 p.m. on Tuesday, 7 June 2022 (being not less than twenty-four (24) hours before the time appointed for holding the AGM) via email to ir@1889hk.com providing personal particulars as follows for verification purposes:

- (a) Full name;
- (b) Registered address;
- (c) Number of Shares held;
- (d) Hong Kong Identity Card Number or passport number (in case of natural person)/
Company registration number (in case of body corporate)
- (e) Contact telephone number; and
- (f) Email Address

The Board and/or the management and/or the Chairman of the AGM will endeavour to address substantial and relevant questions in relation to the resolution(s) to be tabled for approval at the AGM and will use its best endeavours to respond to the relevant questions as the Chairman of the AGM at his/her sole discretion considers practicable in the circumstances.

Changes to arrangements

The Company is closely monitoring the development of the COVID-19 pandemic in Hong Kong and the PRC. Should any changes be made to the AGM arrangements, the Company will notify Shareholders by way of a separate announcement published on the website of the Company (www.1889hk.com) and the website of the Stock Exchange (www.hkexnews.hk).

If Shareholders have any questions relating to the AGM, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Enquiries: www.computershare.com/hk/en/online_feedback
Tel: (852) 2862 8555
Fax: (852) 2865 0990

DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Multifunctional Hall 1, Renaissance Shanghai Putuo Hotel, No. 50 Tong Chuan Road, Putuo District, Shanghai, PRC at 4:00 p.m. on Wednesday, 8 June 2022, or any adjournment thereof, to consider and, if thought fit, to approve, among other things, the proposed grant of the general mandates to issue shares and repurchase shares, the extension of Issue Mandate, the proposed re-election of retiring Directors, the proposed re-appointment of auditors and the proposed amendment to Articles and the adoption of New Articles
“AGM Notice”	the notice convening the AGM which is set out on pages AGM-1 to AGM-6 of this circular
“Articles”	the articles of association of the Company as amended from time to time
“Audit Committee”	the audit committee of the Company
“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 三愛健康產業集團有限公司, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Notes”	the convertible notes in the aggregate principal amount of HK\$72,000,000 issued by the Company to Mr. Zhi Shao Huan and Mr. Jiang Heng Guang
“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 all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“INED(s)”	the independent non-executive Director(s)
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise all the powers of the Company allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the resolution granting such mandate
“Latest Practicable Date”	25 April 2022, 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, as amended, supplemented or otherwise modified from time to time
“New Articles”	the amended and restated articles of the Company proposed to be adopted at the AGM;
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“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 Shares in issue as at the date of passing Resolution No. 5
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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 the Share(s)
“Share Option(s)”	share option(s) to subscribe for Share(s) granted and to be granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 16 June 2017

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



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:

Mr. Chen Chengqing
Mr. Gao Borui
Mr. Yuan Chaoyang
Professor Zhang Rongqing
Mr. She Hao

Non-executive Director:

Mr. Xiu Yuan

Independent Non-executive Directors:

Professor Zhu Yi Zhun
Mr. Khor Khie Liem Alex
Mr. Zhang Ruigen

Registered Office:

Grand Pavilion, Hibiscus Way
802 West Bay Road
P.O. Box 31119, KY1-1205
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Unit 5, 7/F.
Nanyang Plaza
57 Hung To Road
Kwun Tong
Kowloon
Hong Kong

29 April 2022

*To the Shareholders and for information only,
the holders of share options and convertible bonds of the Company*

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
SHARES AND REPURCHASE SHARES;
(2) PROPOSED EXTENSION OF ISSUE MANDATE;
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(4) PROPOSED RE-APPOINTMENT OF AUDITORS;
(5) PROPOSED ADOPTION OF AMENDED AND
RESTATED ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to give you notice of the Annual General Meeting and details of the following resolutions which, together with other ordinary business, will be proposed at the Annual General Meeting for consideration and, where appropriate, approval of the Shareholders:

LETTER FROM THE BOARD

- (a) to grant the Issue Mandate and the extension thereof to the Directors;
- (b) to grant the Repurchase Mandate to the Directors;
- (c) to re-elect the Directors;
- (d) to re-appoint auditors; and
- (e) to amend the Articles and adopt the New Articles.

The notice of Annual General Meeting is set out on pages AGM-1 to AGM-6 of this circular.

ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION OF ISSUE MANDATE

At the annual general meeting of the Company held on 5 January 2022, resolutions were passed by the Shareholders, among other things, to grant general and unconditional mandates to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares and to repurchase Shares. Such general mandates have already lapsed. Accordingly, the Company proposes to seek approval of the Shareholders at the Annual General Meeting to grant new general mandates to the Directors to exercise the above powers.

The Issue Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company (the “**Next Annual General Meeting**”); or
- (b) the expiration of the period within which the Next Annual General Meeting is required by the Articles, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to grant the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I to this circular.

Issue Mandate

An ordinary resolution will be proposed at the Annual General Meeting which, if passed, will give the Directors a general and unconditional mandate to allot, issue and otherwise deal with new Shares at any time until the Next Annual General Meeting following the passing of the resolution or such earlier date as stated in the resolution up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the resolution.

LETTER FROM THE BOARD

Assuming no further Shares are issued or repurchased prior to the Annual General Meeting and based on the total number of Shares in issue of 3,067,222,500 Shares as at the Latest Practicable Date, the Company would be allowed to allot and issue a maximum of 613,444,500 new Shares under the Issue Mandate. Subject to the passing of the ordinary resolution granting the Issue Mandate and on the assumption that (i) all 36,800,000 outstanding share options are exercised; (ii) all Convertible Notes convertible into 605,042,016 Shares are converted in full prior to the Annual General Meeting; and (iii) no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the number of Shares in issue as at the date of the passing of the ordinary resolution granting the Issue Mandate will be 3,709,064,516 Shares and therefore, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 741,812,903 Shares, representing 20% of the total number of Shares in issue at the time of the passing of the ordinary resolution. In addition, an ordinary resolution will be proposed to authorise extension of the Issue Mandate which would increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

Repurchase Mandate

An ordinary resolution will also be proposed at the Annual General Meeting which, if passed, will give the Directors a general and unconditional mandate to repurchase the Shares at any time until the Next Annual General Meeting following the passing of the resolution or such earlier date as stated in the resolution up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the resolution.

Assuming no further Shares are issued or repurchased prior to the Annual General Meeting and based on the issued share capital of the Company of 3,067,222,500 Shares as at the Latest Practicable Date, the Company would be allowed to repurchase a maximum of 306,722,250 Shares under the Repurchase Mandate. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the assumption that (i) all 36,800,000 outstanding share options are exercised; (ii) all Convertible Notes convertible into 605,042,016 Shares are converted in full prior to the Annual General Meeting; and (iii) no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the number of Shares in issue as at the date of the passing of the ordinary resolution granting the Repurchase Mandate will be 3,709,064,516 Shares and therefore, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 370,906,451 Shares, representing 10% of the total number of Shares in issue at the time of the passing of the ordinary resolution.

In addition, if the Repurchase Mandate is granted, another ordinary resolution will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the total number of Shares in issue of the Company at the date of the granting of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

An explanatory statement as required under Rule 10.06(1)(b) of the Listing Rules to provide the requisite information regarding the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

Extension of Issue Mandate

At the Annual General Meeting, an ordinary resolution, as set out as Resolution No. 6, 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. 6 in the notice of Annual General Meeting.

RE-ELECTION OF DIRECTORS

The Board currently 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 three independent non-executive Directors, namely, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen.

According to Article 87(1), one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election.

In accordance with Article 87(1), Mr. Chen Chengqing, Professor Zhang Rongqing and Mr. Xiu Yuan shall retire from their office by rotation and, being eligible, has offered themselves for re-election at the Annual General Meeting.

Recommendation of the Nomination Committee

The Nomination Committee had assessed and reviewed the written confirmation of independence of the INEDs, based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all of them remain independent. After considered the skills, experience, professional expertise of the Retiring Directors (the “**Retiring Directors**”), independence of INEDs and current situation of board diversity, the Nomination Committee believe that the Retiring Directors are capable to provide good contributions to the Group. Therefore, the Nomination Committee nominated the retiring Directors, namely Mr. Chen Chengqing, Professor Zhang Rongqing and Mr. Xiu Yuan to the Board for it to propose to the Shareholders for re-election at the Annual General Meeting. As a good corporate governance practice, each of the Retiring Directors who were members of the Nomination Committee have abstained from voting at the relevant Nomination Committee meeting on the respective propositions of their recommendations to the Board for re-election.

At the Annual General Meeting, separate ordinary resolutions will be proposed to re-elect Mr. Chen Chengqing and Professor Zhang Rongqing as executive Directors and Mr. Xiu Yuan as non-executive Director.

LETTER FROM THE BOARD

Particulars relating to Mr. Chen Chengqing, Professor Zhang Rongqing and Mr. Xiu Yuan are set out in Appendix II to this circular.

PROPOSED RE-APPOINTMENT OF AUDITORS

The financial statements of the Group for the years ended 31 December 2020 and 31 December 2021 were audited by Zhonghui Anda CPA Limited whose term of office will expire upon the conclusion of the Annual General Meeting.

The Board proposed to re-appoint Zhonghui Anda CPA Limited as the independent auditors of the Company and to hold office until the conclusion of the Next Annual General Meeting and to authorize the Board to fix their remunerations.

PROPOSED ADOPTION OF AMENDED AND RESTATED ARTICLES OF ASSOCIATION

The purpose of the amendment to the Articles is to bring the Articles in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules.

The proposed adoption of the New Articles is subject to the approval of the Shareholders by way of a special resolution at the AGM and shall take effect upon the close of the AGM.

Particulars of the proposed amendments to the existing Articles brought about by the adoption of the New Articles (marked-up against the existing Articles) are set out in Appendix III to this circular.

The legal advisers to the Company as to Hong Kong laws have confirmed that the proposed amendments to the Articles comply with the requirements of the Listing Rules. The legal advisers to the Company as to the laws of the Cayman Islands have confirmed that the proposed amendments to the Articles do not violate the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments to the Articles for a company listed on the Stock Exchange.

ANNUAL GENERAL MEETING

The resolutions to be proposed at the Annual General Meeting are set out in full in the notice of the Annual General Meeting on pages AGM-1 to AGM-6 of this circular.

A form of proxy for the AGM is enclosed herewith and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.1889hk.com). Please complete and return the form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, at the Annual General Meeting, the chairman of the Meeting will exercise his power under Article 66 to put each of the resolutions set out in the notice of the Annual General Meeting to be voted by way of poll.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of identifying Shareholders who are entitled to attend the Annual General Meeting, the register of members of the Company will be closed from 2 June 2022 (Thursday) to 8 June 2022 (Wednesday) (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for attending the Annual General Meeting, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 1 June 2022 (Wednesday).

RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the proposed re-election of Directors, the proposed re-appointment of auditors and the proposed amendments to the Articles and the proposed adoption of the New Articles are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the Annual General Meeting.

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 enquiries, 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.

LETTER FROM THE BOARD

GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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 number of 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 3,067,222,500. 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 306,722,250 Shares (being 10% of the number of Shares in issue) during the period up to (a) the conclusion of the Next Annual General Meeting or (b) the expiration of the period within which the Next Annual General Meeting of the Company is required by law or its Articles 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 2021 (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 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 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 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.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has any present intention to sell Shares to the Company, nor has he/she/it undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

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. Yuan Chaoyang 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 27.28% of the number of Shares in issue) and Mr. Yuan Chaoyang, an executive Director and the sole shareholder of Cyber Success, was interested or deemed to be interested in 836,753,000 Shares (representing

approximately 27.28% of the number of Shares in issue). 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 deemed shareholding of Mr. Yuan Chaoyang and the shareholding of Cyber Success in the Company would be increased to approximately 30.31%. 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 REPURCHASE MADE BY THE COMPANY

During each of the 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 and up to the Latest Practicable Date, were as follows:

	Shares	
	Highest Price HK\$	Lowest Price HK\$
2021		
April	N/A ^(Note)	N/A ^(Note)
May	N/A ^(Note)	N/A ^(Note)
June	N/A ^(Note)	N/A ^(Note)
July	N/A ^(Note)	N/A ^(Note)
August	N/A ^(Note)	N/A ^(Note)
September	0.280	0.120
October	0.220	0.131
November	0.160	0.125
December	0.155	0.113
2022		
January	0.134	0.096
February	0.102	0.062
March	0.099	0.042
April	0.121	0.062

Note: Trading in the Shares on the Stock Exchange has been suspended during the period between 24 January 2020 to 7 September 2021 and was resumed on 8 September 2021.

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

Mr. Chen Chengqing (陳成慶) (“Mr. Chen”)

Mr. Chen Chengqing, aged 44, joined the Company as an Executive Director on 17 February 2017 and is also the Chairman of the Board. He also serves as the Chairman of the Nomination Committee and a member of the Remuneration Committee. Mr. Chen is an entrepreneur with more than 20 years of experience in business management in the PRC. Mr. Chen is currently the chairman of Guizhou Changtong Cable Co., Ltd., the vice president of Pingba District Federation of Industry and Commerce, the executive vice president of Anshun Zhejiang Federation of Commerce, a member of Pingba District Committee of the Chinese People’s Political Consultative Conference and the vice president of Guizhou Wenzhou Federation of Commerce. Mr. Chen is interested or deemed to be interested in an aggregate of 2,800,000 Shares, representing approximately 0.09% of the total number of Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Chen had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group; (ii) Mr. Chen does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; and (iii) Mr. Chen did not have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Chen has entered into a service contract with the Company for an initial term of one year commencing from 17 February 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. His directorship is subject to the retirement by rotation and re-election in accordance with the Articles. Pursuant to the terms of the service contract entered into between the Company and Mr. Chen, he is entitled to a remuneration of HK\$240,000 per annum which 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, there is no information in relation to Mr. Chen that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter in relation to the appointment of Mr. Chen that needs to be brought to the attention of the holders of securities of the Company.

Professor Zhang Rongqing (張榮慶) (“Professor Zhang”)

Professor Zhang Rongqing, aged 65, was redesignated from an independent non-executive Director to an executive Director on 15 September 2017. Professor Zhang was appointed as the independent non-executive Director and a member of each of the Remuneration Committee and Nomination Committee on 16 June 2017. He graduated from Suzhou Medical College in 1982 with a Bachelor degree of medicine and received PhD in animal physiology and biochemistry from Nanjing Agricultural University in 1993. Professor 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. Professor 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. Professor 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 whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002086), since April 2017. Professor Zhang is interested or deemed to be interested in an aggregate of 22,000,000 Shares, representing approximately 0.72% of the total number of Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, (i) Professor Zhang had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group; (ii) Professor Zhang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; and (iii) Professor Zhang did not have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Professor 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 every successive term of one year each and may be terminated by either party giving not less than three months’ prior notice. Professor Zhang is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Professor Zhang is entitled to receive an annual emolument of HK\$120,000, which was determined with reference to the prevailing market conditions and his qualifications, duties and responsibilities.

Save as aforesaid, there is no information in relation to Professor Zhang that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the holders of securities of the Company in relation to his re-election.

Mr. Xiu Yuan (“Mr. Xiu”)

Mr. Xiu Yuan, aged 39, has been appointed as a non-executive Director on 5 November 2018. He graduated from the Economic Management of Xian Political College of the Chinese People’s Liberation Army. Now he is also the general manager of XiuZheng Pharmaceutical Group Marketing Co., Ltd. At the same time, he served as the Member of the Young Entrepreneur Committee of the All-China Federation of Industry and Commerce, the director of the 11th China Youth Entrepreneurs Association, and the founding director of the China Youth Entrepreneur “00 School” club.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Xiu had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group; (ii) Mr. Xiu does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; and (iii) Mr. Xiu does not have, directly or indirectly, any interest or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Xiu has entered into a letter of appointment with the Company for an initial term of 2 years on 5 November 2018 (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 one months’ prior notice. Mr. Xiu shall retire by rotation at least once every three years at each annual general meeting in accordance with the Articles. Pursuant to the terms of the Letter of Appointment, he is entitled to a remuneration of HK\$240,000 per annum. 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 aforesaid, there is no information in relation to Mr. Xiu that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the holders of securities of the Company in relation to his re-election.

Unless otherwise specified, paragraphs and article numbers referred to herein are paragraphs and article numbers of the New Articles. If the serial numbering of the Articles is changed due to the addition, deletion or re-arrangement of certain articles made in these amendments, the serial numbering of the articles of the Articles as so amended shall be changed accordingly, including cross-references.

A summary of details of the proposed major amendments to the Articles as a result of the adoption of the New Articles are as follows (deletions are shown by way of strikethrough and bold and additions are highlighted with underline and bold).

Note: The New Articles is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

SUMMARY OF MAJOR ARTICLES AMENDMENTS

THAT the Articles be and are hereby amended as follows (for reference purposes, marked up against the Articles, where applicable):

- (1) By deleting the words “Companies Law (Revised)” wherever they may appear and replacing them with the words “Companies Act (As Revised)”.
- (2) By deleting the words “the Law” wherever they may appear and replacing them with the word “the Act”.

Article 2(1)

- (3) By adding the following definitions at the beginning of Article 2(1):

<u>“Act”</u>	<u>the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands.</u>
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- (4) By deleting the definition of “associate” in its entirety.
- (5) By adding the following definition immediately after “clearing house”:

<u>“close associate”</u>	<u>in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) as modified from time to time, except that for purposes of Article 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</u>
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- (6) By replacing the definition of “Company” with the following:

<u>“Company”</u>	<u>Wayi International Pharmaceutical Sanai Health Industry Group Company Limited.</u>
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(7) By deleting the definition of “Law” in its entirety.

(8) By replacing the definition of “ordinary resolution” with the following:

“ordinary resolution” a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than fourteen (14) clear days’~~ Notice has been duly given; in accordance with Article 59.

(9) By replacing the definition of “special resolution” with the following:

“special resolution” a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than twenty-one (21) clear days’~~ Notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given. ~~Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty one (21) clear days’~~ Notice has been given; Notice has been duly given in accordance with Article 59.

(10) By deleting the definitions of “Subsidiary and Holding Company” in its entirety.

(11) By adding the following definitions immediately after “Statutes”:

“substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.

Article 2(2)

(12) By adding Article 2(2)(i) immediately after Article 2(2)(h):

“(i) Section 8 and Section 19 of the Electronic Transactions Act (2003) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.”

Article 4

(13) By deleting Article 4(d) in its entirety and replacing with the following:

~~“(d) sub—~~divide its shares, or any of them, into shares of smaller amount than is fixed by the ~~memorandum of association~~Company’s Memorandum of Association (subject, nevertheless, to the ~~Law~~Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;”

Article 10

(14) By deleting Article 10(a), (b) and (c) in its entirety and replacing with the following.

“(a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorized representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person (or (in the case of a Member being a corporation,) its duly authorized representative) or by proxy (whatever the number of shares held by them) shall be a quorum; and

(b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and.”

Article 23

(15) By deleting Article 23 in its entirety and replacing with the following:

“~~23.~~ 23. Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.”

Article 25

(16) By deleting the last sentence of Article 25 and replacing with the following:

“A call may be extended, postponed or revoked in whole or in part as the Board determines but no ~~m~~Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.”

Article 33

(17) By deleting the second sentence of Article 33 and replacing with the following:

“The Board may at any time repay the amount so advanced upon giving to such Member not less than one (1) month’s Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.”

Article 44

(18) By deleting the first sentence of Article 44 and replacing with the following:

“The Register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours ~~on every~~during business ~~day~~hours by Members without charge or by any other person, upon a maximum payment of \$ 2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the ~~Law~~Act or, if appropriate, upon a maximum payment of \$ 1.00 or such lesser sum specified by the Board at the Registration Office.”

Article 45

(19) By deleting Article 45 in its entirety and replacing with the following:

45. Subject to the rules of any Designated Stock Exchange, notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for:
- (a) determining the Members entitled to receive any dividend, distribution, allotment or issue ~~and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;~~
 - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

Article 51

(20) By deleting Article 51 in its entirety and replacing with the following:

~~51-51.~~ The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement ~~in~~ an appointed newspaper or in any other newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

Article 55(2)

(21) By deleting the last paragraph of Article 55(2) in its entirety and replacing with the following:

“For the purpose of the foregoing, the “relevant period” means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.”

Article 56

(22) By deleting Article 56 in its entirety and replacing with the following:

56. An annual general meeting of the Company shall be held in each financial year other than the financial year of the Company’s adoption of these Articles ~~(within a period of not more than fifteen (15) months after the holding of the last preceding and such~~ annual general meeting ~~or not more must be held within eighteen six (186) months after the date~~ end of adoption of these ~~Articles, the Company’s financial year~~ (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board. A meeting of Members or any class

thereof may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.

Article 58

(23) By deleting Article 58 in its entirety and replacing with the following:

58. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more ~~Members~~Member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty~~—~~one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Article 59

(24) By deleting Article 59 in its entirety and replacing with the following:

59. (1) An annual general meeting ~~and any extraordinary general meeting at which the passing of a special resolution is to be considered shall~~must be called by Notice of not less than twenty-one (21) clear days~~² Notice~~. All other ~~extraordinary~~ general meetings ~~may~~(including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days~~² Notice~~ but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the ~~Law~~Act, if it is so agreed:
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together ~~holding~~representing not less than ninety~~—~~five per cent. (95%) ~~in nominal value of the total voting rights at the meeting of all the issued shares giving that right~~Members.
- (2) The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members

as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

Article 61(2)

(25) By deleting the second sentence of Article 61(2) in its entirety and replacing with the following:

“Two (2) Members entitled to vote and present in person ~~or by proxy or~~ (in the case of a Member being a corporation) by its duly authorised representative or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes.”

Article 66

(26) By deleting the Article 66 in its entirety and replacing with the following:

“66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a ~~show of hands every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Articles, A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of ~~For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the showbusiness of hands or on the~~~~

~~withdrawal of any other demand for a poll) a poll is demanded; meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.~~

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

~~by the chairman of such meeting; or~~

- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one—tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one—tenth of the total sum paid up on all shares conferring that right;

~~“if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.~~

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”

Article 67

- (27) By deleting Articles 67 and 68 in its entirety and replacing with the following:

~~“67. Unless~~ Where a poll resolution is duly demanded and the demand is not withdrawn ~~voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”~~

Existing Articles 69 and 70

(28) By deleting the existing Articles 69 and 70 in its entirety.

Article 70 (existing Article 73)

(29) By deleting Article 70 (existing Article 73) in its entirety and replacing with the following:

“70. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the ~~Law~~Act. In the case of an equality of votes, ~~whether on a show of hands or on a poll,~~ the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.”

Article 71 (existing Article 74)

(30) By deleting the first sentence of Article 71 (existing Article 74) in its entirety and replacing with the following:

“71. Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.”

Article 72(1) (existing Article 75(1))

(31) By deleting the Article 72(1) (existing Article 75(1)) in its entirety and replacing with the following:

“72. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, ~~whether on a show of hands or on a poll,~~ by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote ~~on a poll~~ by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty—eight (48) hours before the time appointed for holding the meeting, or adjourned meeting ~~or poll,~~ as the case may be.”

Article 73 (existing Article 76)

(32) By adding a new Article 73(2) immediately after Article 73(1) (existing Article 76(1)) and the existing Article 76(2) be re-numbered as Article 73(3):

“(2) All Members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.”

Article 81(2) (existing Article 84(2))

(33) By deleting the last sentence of Article 81(2) (existing Article 84(2)) in its entirety and replacing with the following:

“Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including where a show of hands is allowed, the right to vote individually on a show of hands.”

Article 83(1) and Article 83(3) (existing Article 86(1) and Article 86(3))

(34) By deleting the last sentence of Article 83(1) (existing Article 86(1)) in its entirety and replacing with the following:

“The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them and thereafter in accordance with Article 874 called for such purpose and who shall hold office for such term as the Members may determine or, in the absence of such determination, in accordance with Article 84 or until their successors are elected or appointed or their office is otherwise vacated.”

(35) By deleting the last sentence of Article 83(3) (existing Article 86(3)) in its entirety and replacing with the following:

~~“Any Director so appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.”~~

Article 86(3) (existing Article 89(3))

(36) By deleting the word “or” at the end of Article 86(3) (existing Article 89(3));

Article 98 (existing Article 101)

(37) By replacing the word “whatever” in Article 98 (existing Article 101) with the word “whatsoever”;

Article 100 (existing Article 103)

(38) By deleting Article 100 (existing Article 103) in its entirety and replacing with the following:

- “100. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
 - ~~(v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent or more of the issued~~

- ~~shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associate is derived); or~~
- (v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.
- (2) ~~A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.~~
- (3) ~~Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.~~

- (2) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”

Article 101(3) (existing Article 104(3))

- (39) By deleting Article 101(3) (existing Article 104(3)) in its entirety and replacing with the following:

~~(3)~~ Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:

- ~~(a)~~ ~~To~~(a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed-;
- ~~(b)~~ ~~To~~(b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration-; and
- ~~(c)~~ ~~To~~(c) to resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the ~~Law~~Act.”

Article 112 (existing Article 115)

- (40) By deleting Article 112 (existing Article 115) in its entirety and replacing with the following:

~~115-112.~~ A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board of which notice ~~may~~ be given in writing or by telephone or in such other manner as the Board may from time to time determine ~~when~~ever he shall be required so to ~~do~~be by the president or chairman, as the case may be, or any Director.”

Article 150 (existing Article 153)

- (41) By replacing the words “financial statement” in Article 150 (existing Article 153) with the word “financial statements”

Article 152(2) (existing Article 155(2))

- (42) By deleting Article 152(2) (existing Article 155(2)) in its entirety and replacing with the following:

“The Members may, at any general meeting convened and held in accordance with these Articles, by ~~special~~ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.”

Article 155 (existing Article 158)

- (43) By deleting Article 158 (existing Article 158) ~~of the Articles~~ in its entirety and replacing with the following:

~~“158. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.~~

155. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 152(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 152(1) at such remuneration to be determined by the Members under Article 154.”

Article 158 (existing Article 161)

- (44) By deleting last sentence of Articles 158 (existing Article 161) in its entirety and replacing with the following:

“The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”

Article 159 (existing Article 162)

- (45) By replacing the word “notice” as appeared in Article 159 (existing Article 162) with the word “Notice”.

Article 160 (existing Article 163)

(46) By replacing the word “notice” as appeared in Article 160 (existing Article 163) with the word “Notice”.

Article 162 (existing Article 165)

(47) By deleting Article 162 (existing Article 165) in its entirety and replacing with the following:

“162. (1) ~~The~~ Subject to Article 162(2), the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

(2) A resolution that the Company be wound up by the court or to be wound up voluntarily shall be a special resolution.”

Article 163(1) (existing Article 166(1))

(48) By deleting Article 163(1) (existing Article 166(1)) in its entirety and replacing with the following”

“~~166.~~ 163. (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) (if the Company shall be wound up and the assets available for distribution amongst the Members ~~of the Company~~ shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.”

Article 165

(49) By adding a new Article 165 immediately after Article 164 (existing Article 167) of the Articles:

“165. Unless otherwise determined by the Directors, the financial year end of the Company shall be 31 of December in each year.”

NOTICE OF ANNUAL GENERAL MEETING



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 “**AGM**”) of Sanai Health Industry Group Company Limited (the “**Company**”) to be held at Multifunctional Hall 1, Renaissance Shanghai Putuo Hotel, No. 50 Tong Chuan Road, Putuo District, Shanghai, PRC on Wednesday, 8 June 2022 at 4:00 p.m. (Hong Kong time) for the following purposes:

ORDINARY RESOLUTIONS

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 2021;
2. (a) To re-elect Mr. Chen Chengqing as an executive director of the Company;
(b) To re-elect Professor Zhang Rongqing as an executive director of the Company;
(c) To re-elect Mr. Xiu Yuan as a non-executive director of the Company; and
(d) To authorise the board of directors (the “**board**”) of the Company to fix remuneration of the directors of the Company.
3. To consider the appointment of Zhonghui Anda CPA Limited as the Auditor to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration.

To consider, as special business and, if thought fit, passing the following resolutions, with or without amendment, as ordinary resolutions of the Company:

4. “**THAT:**
 - (a) subject to paragraph (c) below of this Resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) or securities convertible into Shares, or options,

NOTICE OF ANNUAL GENERAL MEETING

warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, options and warrants which might require the exercise of such powers be and the same 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, warrants or other securities convertible into Shares, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (aa) 20 per cent. of the total number of Shares in issue on the date of the passing of this resolution; and

- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of Shares in issue on the date of the passing of resolution no. 6),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of 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, the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Companies Act**”) or any applicable laws of the Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their holdings of Shares (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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined below in this Resolution) of all powers of the Company to repurchase the Shares on the Stock Exchange or on any other stock exchange on which the Shares may be listed and is recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for this purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period (as defined below in this Resolution) shall not exceed 10 per cent. of the total number of Shares in issue as at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of Shares into a smaller or larger number of Shares after the passing of this Resolution) and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the date of 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, the Companies Act or any other applicable law of the Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon the ordinary Resolutions 4 and 5 set out in this notice of meeting being duly passed, the total number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the issue mandate granted under Resolution 4 set out in this notice of meeting be and is hereby extended by the addition thereto of the total number of Shares which may be repurchased by the Company pursuant to and in accordance with the issue mandate granted under Resolution 5 set out in this notice of meeting, provided that such number shall not exceed 10 per cent. of the total number of Shares in issue as at the date of passing of this Resolution 6 (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of Shares into a smaller or larger number of Shares after the passing of this Resolution).”

SPECIAL RESOLUTIONS

7. To consider and, if thought fit, to pass the following resolution as a special resolution:

“**THAT:**

- (a) the proposed amendments (the “**Proposed Amendments**”) to the existing articles of association of the Company (the “**Existing Articles**”), the details of which are set out in Appendix III to the circular of the Company dated 29 April 2022, be and are hereby approved;
- (b) the new articles of association of the Company (the “**New Articles**”), which contains all the Proposed Amendments and a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of the meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the Existing Articles with immediate effect; and
- (c) any director or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the

NOTICE OF ANNUAL GENERAL MEETING

adoption of New Articles, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and Hong Kong.”

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

Hong Kong, 29 April 2022

Registered Office:
Grand Pavilion, Hibiscus Way
802 West Bay Road
P.O. Box 31119, KY1-1205
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*
Unit 5, 7/F.
Nanyang Plaza
57 Hung To Road
Kwun Tong
Kowloon
Hong Kong

Notes:

1. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
2. Any member entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the AGM. A proxy need not be a member of the Company.
3. All resolutions at the AGM will be decided on a poll.
4. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, at the AGM, the chairman of the meeting will exercise his power under article 66 of the existing articles of association of the Company to put each of the resolutions set out in this notice to be voted by way of poll.
5. For determining the entitlement to vote at the AGM, the branch register of members of the Company will be closed from Thursday, 2 June 2022 to Wednesday, 8 June 2022 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to vote at the AGM (or at any adjournment thereof), all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. (Hong Kong Time) on Wednesday, 1 June 2022.
6. In the case of joint holders of a share, any one of such joint holders may vote, but if more than one of such joint holders vote, the one whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
7. Completion and return of the form of proxy will not preclude members from attending and voting at the AGM and in such event, the instrument appointing to proxy shall be revoked.

NOTICE OF ANNUAL GENERAL MEETING

8. Shareholders not attending the AGM may still submit questions relevant to the proposed resolution(s) at the AGM. Shareholders can also send their questions by email in advance by 4:00 p.m. on Tuesday, 7 June 2022 (being not less than twenty-four (24) hours before the time appointed for holding the AGM) via email to ir@1889hk.com providing personal particulars as follows for verification purposes:
- (a) Full name;
 - (b) Registered address;
 - (c) Number of Shares held;
 - (d) Hong Kong Identity Card Number or passport number (in case of natural person)/Company registration number (in case of body corporate)
 - (e) Contact telephone number; and
 - (f) Email Address

The Board and/or the management and/or the Chairman of the AGM will endeavour to address substantial and relevant questions in relation to the resolution(s) to be tabled for approval at the AGM and will use its best endeavours to respond to the relevant questions as the Chairman of the AGM at his/her sole discretion considers practicable in the circumstances.

9. In relation to proposed Resolution 2 in this notice of AGM, Mr. Chen Chengqing, Professor Zhang Rongqing and Mr. Xiu Yuan shall retire from their office at the above meeting pursuant to article 87(1) of the existing articles of association of the Company. All retiring Directors, being eligible, offer themselves for re-election at the AGM.
10. In relation to proposed Resolutions 4 and 6 in this notice meeting, approval is being sought from the shareholders for the grant to the Directors of a mandate to authorise the allotment and issue of shares under the Listing Rules.
11. In relation to proposed Resolution 5 in this notice of AGM, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information reasonably necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
12. If a “black” is in force in Hong Kong at any time after 5:00 a.m. on 8 June 2022, the AGM will not be held on that day and will be postponed. An announcement will be made in such event.
13. Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the website of the Company (www.1889hk.com) or the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) for future announcements and update on the AGM arrangement.
14. The “Precautionary Measures for the Annual General Meeting” set out in the circular shall form part of this notice of AGM.

As at the date of this notice, 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 three independent non-executive directors, namely, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen.