

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;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “AGM”) to be held at Units 1302–1303, 13/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong on Wednesday, 14 June 2023, 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.

28 April 2023

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DEFINITIONS

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

“AGM Notice”	the notice convening the AGM which is set out on pages AGM-1 to AGM-6 of this circular
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Units 1302–1303, 13/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong at 4:00 p.m. (Hong Kong time) on Wednesday, 14 June 2023, 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 and the proposed re-appointment of auditors
“Articles”	the articles of association of the Company as amended from time to time
“associate(s)”	shall have the meaning ascribed under the Listing Rules
“Audit Committee”	the audit committee of the Company
“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, 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 (as supplemented by the supplemental deed dated 3 March 2023) in the aggregate principal amount of HK\$60,000,000 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

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED(s)”	the independent non-executive Director(s)
“Issue Mandate”	the general 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”	21 April 2023, 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
“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 Company
“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
“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
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subsidiary(ies)”	has the meanings ascribed to it under the Listing Rules
“substantial shareholder”	has the meanings 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

28 April 2023

*To the Shareholders and for information only,
the holders of share options and convertible notes 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;
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:

- (a) to grant the Issue Mandate and the extension thereof to the Directors;

LETTER FROM THE BOARD

- (b) to grant the Repurchase Mandate to the Directors;
- (c) to re-elect the Directors; and
- (d) to re-appoint auditors.

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 8 June 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 3,210,222,500 Shares as at the Latest Practicable Date, the Company would be allowed to allot and issue a maximum of 642,044,500 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 67,800,000 outstanding share options are exercised; (ii) all Convertible Notes convertible into 612,244,897 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 3,890,267,397 Shares and therefore, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 778,053,479 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 3,210,222,500 Shares as at the Latest Practicable Date, the Company would be allowed to repurchase a maximum of 321,022,250 Shares under the Repurchase Mandate. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the assumption that (i) all 67,800,000 outstanding share options are exercised; (ii) all Convertible Notes convertible into 612,244,897 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 3,890,267,397 Shares and therefore, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 389,026,739 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, 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. Gao Borui, Mr. Yuan Chaoyang and Professor Zhu Yi Zhun shall retire from their office by rotation and, being eligible, have 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. Gao Borui, Mr. Yuan Chaoyang and Professor Zhu Yi Zhun 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 recommendation to the Board for re-election.

At the Annual General Meeting, separate ordinary resolutions will be proposed to re-elect Mr. Gao Borui and Mr. Yuan Chaoyang as executive Directors and Professor Zhu Yi Zhun as independent non-executive Director.

LETTER FROM THE BOARD

Particulars relating to Mr. Gao Borui, Mr. Yuan Chaoyang and Professor Zhu Yi Zhun are set out in Appendix II to this circular.

PROPOSED RE-APPOINTMENT OF AUDITORS

The financial statements of the Group for the year ended 31 December 2022 were audited by Mazars CPA Limited whose term of office will expire upon the conclusion of the Annual General Meeting.

The Board proposed to re-appoint Mazars 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.

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.

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 9 June 2023 (Friday) to 14 June 2023 (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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 8 June 2023 (Thursday).

LETTER FROM THE BOARD

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 and the proposed re-appointment of auditors 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.

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
She Hao
Executive Director

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 3,210,222,500. 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 321,022,250 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 2022 (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 26.07% 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 866,753,000 Shares (representing

approximately 27.00% 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 30.00%. 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:

	Highest Price HK\$	Lowest Price HK\$
2022		
April	0.121	0.062
May	0.122	0.074
June	0.099	0.069
July	0.120	0.075
August	0.089	0.064
September	0.091	0.060
October	0.090	0.065
November	0.093	0.074
December	0.084	0.069
2023		
January	0.088	0.072
February	0.117	0.077
March	0.096	0.075
April (up to the Latest Practicable Date)	0.079	0.068

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

Mr. Gao Borui (高伯瑞) (“Mr. Gao”)

Mr. Gao Borui, aged 64, was appointed as an executive Director with effect from 26 July 2019. Mr. Gao has extensive experience in business, finance and accounting management. Since November 1998, Mr. Gao has consecutively worked as the chief financial officer, the chief accountant and the assistant to the chairman for the group companies of Xiuzheng Pharmaceutical Group Company Limited* (修正藥業集團股份有限公司), a limited company incorporated in the People’s Republic of China (the “PRC”) and principally engaged in developing, manufacturing and sale of healthcare medication and related products, where he was primarily responsible for finance, budget and funds management of the group. Mr. Gao passed exams in accounting and graduated from Changchun Taxation College* (長春稅務學院) in Changchun City, Jilin Province, the PRC in April 2001. Mr. Gao is a former member of the Chinese People’s Political Consultative Conference of Tonghua City, Jilin Province, the PRC. He is a former executive member of the Chinese Pharmaceutical Accounting Association* (中國醫藥會計學會) and the deputy secretary-general of the Accounting Association of Tonghua City* (通化市會計學會).

Save as disclosed above, as at the Latest Practicable Date, Mr. Gao 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.

Save as disclosed above, Mr. Gao does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Gao does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Gao has entered into a service contract with the Company for an initial term of two years commencing from 26 July 2019, which is automatically renewable for successive terms of two years each and may be terminated by either party giving not less than three months’ prior notice. Mr. Gao is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Gao is entitled to receive an annual emolument of HK\$240,000, 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 Mr. Gao 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 Shareholders in relation to his re-election.

Mr. Yuan Chaoyang (袁朝陽) (“Mr. Yuan”)

Mr. Yuan Chaoyang, aged 52, was appointed as an executive Director with effect from 26 July 2019. Mr. Yuan has extensive experience in business investment, development and management. He has been the director of the strategic planning department and project director of Delixi Group Co., Ltd.* (德力西集團有限公司), a limited company incorporated in the PRC and responsible for the strategic planning and project management for the company. From January 2017 to January 2018, Mr. Yuan served as the vice president of project development in AVIC Joy Holdings (HK) Limited, an investment holding company principally engaged in natural gas, construction material and property-related business, the shares of which are listed on the Stock Exchange (stock code: 260). Throughout the period, Mr. Yuan was primarily responsible for project development, operational efficiency, quality control and public relations management. Mr. Yuan graduated from the People’s Armed Police Command College, Fuzhou branch* (武警福州指揮學院) in Fujian Province, the PRC, in 1991, majoring in Japanese Language. Mr. Yuan completed his studies of enterprise management courses in the Graduate School, Shanghai University of Finance and Economics* (上海財經大學研究生院) in July 2015 and obtained a certificate. He was interested or deemed to be interested in an aggregate of approximately 27.12% of the total number of issued shares in the Company as at 31 December 2022.

Save as disclosed above, as at the Latest Practicable Date, Mr. Yuan 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.

Save as disclosed above, Mr. Yuan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Yuan does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Yuan has entered into a service contract with the Company for an initial term of two years commencing from 26 July 2019, which is automatically renewable for every successive term of two years each and may be terminated by either party giving not less than three months’ prior notice. Mr. Yuan is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Yuan is entitled to receive an annual emolument of HK\$240,000, 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 Mr. Yuan 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 Shareholders in relation to his re-election.

Professor Zhu Yi Zhun (朱依諄) (“Professor Zhu”)

Professor Zhu Yi Zhun, aged 59, was appointed as an independent non-executive Director on 31 December 2020. He also serves as a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Professor Zhu graduated from the School of Medicine of the Shanghai Jiao Tong University with a bachelor degree in Medicine in 1989, and then graduated from the School of Medicine of the Heidelberg University with a doctor’s degree in Medicine in 1994. Professor Zhu has been working on cardiovascular and neuropharmacology research for nearly 20 years, and he is currently the first director and the chair professor of the School of Pharmacy of the Macau University of Science and Technology, and the Director of Zhuhai UM Science & Technology Research Institute. Professor Zhu also had served as the Dean of the School of Pharmacy of Fudan University for almost 10 years. He was also appointed as the Changjiang Scholar Distinguished Professor of the Ministry of Education of the People’s Republic of China, and awarded the National Outstanding Young Scholars, the chief scientist of the National Major Scientific Research Program, and was the person in charge of platform of new drug creation in a major project in respect of national science and technology.

Professor Zhu was appointed as an independent non-executive director of Green International Holdings Limited, the shares of which were listed on the Stock Exchange (stock code: 2700) for the period from 4 March 2016 to 30 June 2017. He was also appointed as an independent director of 山西仟源醫藥集團股份有限公司 (Shanxi C & Y Pharmaceutical Group Company, Limited*) (stock code: 300254) for the period from June 2010 to July 2016 and an independent director of 江門甘蔗化工廠(集團)股份有限公司 (Jiangmen Sugarcane Chemical Factory (Group) Company, Limited*) (stock code: 000576) from August 2015 to May 2018; the shares of both of which are listed on the Shenzhen Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, Professor Zhu 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.

Save as disclosed above, Professor Zhu does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Professor Zhu does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Professor Zhu has entered into an appointment letter with the Company for an initial term of one year commencing from 31 December 2020, which is automatically renewable for successive terms of one year and may be terminated by either party giving not less than one months’ prior notice. Professor Zhu is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Professor Zhu 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 Zhu 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 Shareholders in relation to his re-election.

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 IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Sanai Health Industry Group Company Limited (the “**Company**”) to be held at Units 1302–1303, 13/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong on Wednesday, 14 June 2023 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 2022;
2. (a) To re-elect Mr. Gao Borui as an executive director of the Company;
(b) To re-elect Mr. Yuan Chaoyang as an executive director of the Company;
(c) To re-elect Professor Zhu Yi Zhun as an independent 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 Mazars 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, 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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
 - (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;

NOTICE OF ANNUAL 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
 - (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.”

NOTICE OF ANNUAL 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).”

By Order of the Board
Sanai Health Industry Group Company Limited
She Hao
Executive Director

Hong Kong, 28 April 2023

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 Friday, 9 June 2023 to Wednesday, 14 June 2023 (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

NOTICE OF ANNUAL GENERAL MEETING

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 Thursday, 8 June 2023.

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.
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, 13 June 2023 (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. Gao Borui, Mr. Yuan Chaoyang and Professor Zhu Yi Zhun 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.

NOTICE OF ANNUAL GENERAL MEETING

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 14 June 2023, the AGM will not be held on that day and will be postponed. An announcement will be made in such event.

As at the date of this notice, the Board comprises five executive directors, namely, Mr. Chen Chengqing, 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.