
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about 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 **Universal Health International Group Holding Limited**, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LIMITED 大健康國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2211)

PROPOSED CAPITAL REORGANISATION; PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND NOTICE OF EGM

Capitalised terms used in the lower portion of this cover page and the first page of this circular shall have the same respective meanings as those defined in the section headed “DEFINITIONS” of this circular.

A notice convening the EGM to be held at Conference Room, 2nd Floor, No.14-1 Bei Yi Zhong Road, Tiexi District, Shenyang City, Liaoning Province, PRC at 10:00 a.m. on Tuesday, 15 September 2026 is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.uhighl.com.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you plan to attend the EGM or any adjournment thereof, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s 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 holding of the EGM or any adjournment thereof. Such proxy form is also published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.uhighl.com. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy will be deemed to have been revoked.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions set out in the section headed “Letter from the Board – Proposed Rights Issue – Conditions of the Rights Issue” in this circular. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if you are in any doubt about your position, you should consult your professional advisers. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. The Placing Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

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Accompanying document – form of proxy

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and has been prepared on the assumption that the Rights Issue will be approved by the Independent Shareholders at the EGM. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	Date and time 2026
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Despatch of Company's circular in relation to the Capital Reorganisation and the Rights Issue, and the notice of EGM	Thursday, 27 August
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Latest time for registration of Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Wednesday, 9 September
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Closure of the register of members of the Company for the EGM	Thursday, 10 September to Tuesday, 15 September (both days inclusive)
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Latest time for lodging forms of proxy for the purpose of the EGM	10:00 a.m. on Sunday, 13 September
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EGM for approving the Capital Reorganisation and the Rights Issue	10:00 a.m. on Tuesday, 15 September
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Announcement of results of EGM to be published on the Stock Exchange website Tuesday, 15 September

Register of members of the Company re-opens	Wednesday, 16 September
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The following events are conditional on the fulfilment of the conditions relating to the Capital Reduction and the Share Subdivision and therefore the dates are tentative only:

Effective date of the Capital Reorganisation	Before 9:00 a.m. on Wednesday, 23 September
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First day of free exchange of existing share certificates of the Existing Shares for the Adjusted Shares	Wednesday, 23 September
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Last day for free exchanges of existing share certificates of the Existing Shares for the Adjusted Shares	Wednesday, 28 October
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The following events are conditional on the fulfilment of the conditions relating to the Rights Issue and therefore the dates are tentative only:

Last day of dealings in Shares on a cum-entitlement basis	Wednesday, 23 September
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EXPECTED TIMETABLE

First day of dealings in Shares on an ex-entitlement basis Thursday, 24 September

Latest time for the Shareholders to lodge transfer of
Shares in order to qualify for the Rights Issue 4:30 p.m. on Friday,
25 September

Register of members of the Company
closed for Rights Issue Monday, 28 September to
Friday, 2 October
(both days inclusive)

Record Date for determining entitlements under the Rights Issue Friday, 2 October

Register of members of the Company re-opens Monday, 5 October

Despatch of the Prospectus Documents
(in case of the Non-Qualifying Shareholders,
the Prospectus and the Overseas Letter only) Monday, 5 October

First day of dealings in nil-paid Rights Shares Wednesday, 7 October

Latest time for splitting of PALs 4:30 p.m. on Friday,
9 October

Last day of dealings in nil-paid Rights Shares Wednesday, 14 October

Latest Time for Acceptance and payment for the Rights Shares 4:00 p.m. on Tuesday,
20 October

Latest time for lodging transfer documents of
nil-paid Rights Shares in order to qualify for
the payment of the Net Gain 4:00 p.m. on Tuesday,
20 October

Announcement of the number of the
Unsubscribed Rights Shares subject to
the Compensatory Arrangements Friday, 23 October

Commencement of placing of
the Unsubscribed Rights Shares and
the NQS Unsold Rights Shares subject to
the Compensatory Arrangements Monday, 26 October

Placing End Date 4:00 p.m. on Friday,
30 October

EXPECTED TIMETABLE

Announcement of allotment results of
the Rights Shares to be published on the Stock Exchange Tuesday, 3 November

Despatch of share certificates for
fully-paid Rights Shares and/or refund cheques
(if applicable) for Rights Shares Wednesday, 4 November

Dealings in the fully-paid Rights Shares commence 9:00 a.m. on Thursday, 5 November

Payment of Net Gain to relevant
No Action Shareholders and Non-Qualifying Shareholders
and net proceeds from the sale of nil-paid Rights Shares to
the relevant Non-Qualifying Shareholders (if any) Friday, 27 November

All times stated above refer to Hong Kong times.

DEFINITIONS

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

“Adjusted Share(s)”	the ordinary share(s) of par value of US\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement of the Company dated 17 July 2026 in respect of the Capital Reorganisation and the Rights Issue
“Asia Health”	Asia Health Century International Inc., a company incorporated in the Cayman Islands and indirectly wholly-owned by Mr. Chu
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hour
“Capital Reduction”	the proposed reduction of the issued share capital of the Company whereby the nominal or par value of each issued Existing Share will be reduced from US\$0.10 to US\$0.01 by cancelling the paid-up share capital to the extent of US\$0.09 on each issued Existing Share
“Capital Reorganisation”	the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time
“Company”	Universal Health International Group Holding Limited (大健康國際集團控股有限公司), a company incorporated in the Cayman Islands, the Shares of which are listed and traded on the Main Board of the Stock Exchange

DEFINITIONS

“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “the Compensatory Arrangements and the Placing Agreement” in this circular
“connected person”	has the meaning ascribed to it under the Listing Rules
“CWUMPO”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, among other things, considering and approving, if thought fit, the Capital Reorganisation and the Rights Issue (including the grant of the Specific Mandate) contained in the notice of the EGM which are set out on pages EGM-1 to EGM-3 of this circular
“Existing Share(s)”	the ordinary share(s) of a nominal or par value of US\$0.10 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Extreme Condition”	extreme conditions in the case where a Super Typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee which comprises all the independent non-executive Directors, namely Mr. CHENG Sheung Hing, Ms. CHIANG Su Hui Susie and Mr. ZOU Haiyan, to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Rights Issue and the Placing Agreement

DEFINITIONS

“Independent Financial Adviser”	Altus Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the Placing Agreement
“Independent Shareholder(s)”	the Shareholder(s) other than (i) Asia Health, Mr. Chu, Mr. Jin and Mr. Zhao; and (ii) any other Shareholders who are involved in, or interested in, or have a material interest in the Rights Issue and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Irrevocable Undertakings”	the irrevocable undertakings given by each of Asia Health and Mr. Chu in favour of the Company
“Last Trading Day”	16 July 2026 being the last trading day of the Shares prior to the date of release of the Announcement
“Latest Practicable Date”	25 August 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Latest Time for Acceptance”	4:00 p.m. on 20 October 2026 or such date and/or time as the Company may determine as the latest time for acceptance of, and payment for, the Rights Shares under the Rights Issue
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Mr. Chu”	Mr. Chu Chuanfu (初川富), the chairman of the Board, the chief executive officer of the Group and an executive Director
“Mr. Jin”	Mr. Jin Dongkun (金東昆), the vice chairman of the Board and an executive Director
“Mr. Zhao”	Mr. Zhao Zehua (趙澤華), an executive Director
“Net Gain”	The premium paid by the placees over the Subscription Price for the Placing Shares placed by the Placing Agent
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) in their assured entitlement

DEFINITIONS

“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to them
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders, if any, explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholders(s)”	the Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	arrangements to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Yuet Sheung International Securities Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities
“Placing Agreement”	the placing agreement dated 17 July 2026 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
“Placing Long Stop Date”	Saturday, 31 October 2026 or such later date as the Company and the Placing Agent may agree in writing
“Placing Period”	the period commencing from the first Business Day after the date of announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares, which is expected to be Monday, 26 October 2026 and ending at 4:00 p.m. on Friday, 30 October 2026

DEFINITIONS

“Placing Share(s)”	the Unsubscribed Rights Share(s) and the NQS Unsold Rights Share(s)
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL to be used by the Qualifying Shareholders to apply for the Rights Share
“Prospectus Posting Date”	5 October 2026 or such date as the Company may determine for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	2 October 2026 or such date as the Company may determine, being the date by reference to which entitlements to the Rights Issue are to be determined
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue of four (4) Rights Shares for every one (1) Adjusted Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Shares”	the Adjusted Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“Share(s)”	the Existing Share(s) and/or the Adjusted Share(s), as the case may be
“Share Option Scheme”	the share option scheme adopted by the Company on 17 November 2013, which has expired on 17 November 2023

DEFINITIONS

“Share Subdivision”	the proposed subdivision of each authorised but unissued Existing Share of a nominal or par value of US\$0.10 each into ten (10) Adjusted Shares of a nominal or par value of US\$0.01 each
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be granted to the Directors by the requisite majority of the Independent Shareholders at the EGM for the allotment and issuance of the Rights Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.40 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC (as may be amended from time to time)
“Unsubscribed Rights Shares”	the number of Unsubscribed Rights Share(s) not taken up by the Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LIMITED 大健康國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2211)

Executive Directors:

Mr. CHU Chuanfu (*Chairman and Chief Executive Officer*)
Mr. JIN Dongkun (*Vice Chairman*)
Mr. ZHAO Zehua

Registered office:

P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Independent Non-executive Directors:

Mr. CHENG Sheung Hing
Ms. CHIANG Su Hui Susie
Mr. ZOU Haiyan

Principal place of business in Hong Kong:

2404, 24th Floor
World-Wide House
19 Des Voeux Road Central
Central, Hong Kong

27 August 2026

To the Shareholders

Dear Sir or Madam,

**PROPOSED CAPITAL REORGANISATION;
PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS
SHARES FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE
RECORD DATE ON A NON-UNDERWRITTEN BASIS;
AND
NOTICE OF EGM**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the ordinary resolution to be proposed at the EGM relating to the proposed Capital Reorganisation and the proposed Rights Issue, and to give you notice of the EGM.

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation involving:

- (i) the Capital Reduction whereby the nominal or par value of each issued Existing Share will be reduced from US\$0.10 to US\$0.01 by cancelling the paid-up capital to the extent of US\$0.09 on each issued Existing Share;
- (ii) the Share Subdivision whereby immediately following the Capital Reduction becoming effective, each authorised but unissued Existing Share of a nominal or par value of US\$0.10 each will be sub-divided into ten (10) Adjusted Shares of a nominal or par value of US\$0.01 each; and
- (iii) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) will be transferred to a distributable reserve account of the Company which may be applied by the Company in any manner permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate.

Upon the Capital Reorganisation becoming effective, the Adjusted Shares will be identical in all respects and rank pari passu in all respects with each other and will have the rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company. There will not be any change in the board lot size, before and after the Capital Reorganisation. The board lot size will remain as 5,000 Shares, with value of HK\$3,500 as at the Latest Practicable Date.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is US\$50,000,000.00 divided into 500,000,000 Existing Shares of a nominal or par value of US\$0.10 each, and there are 110,546,218 Existing Shares in issue which are fully paid or credited as fully paid. Assuming that there will be no change in the number of issued Existing Shares from the date of this circular up to and including the date on which the Capital Reorganisation becomes effective, the authorised share capital of the Company will become US\$50,000,000.00 divided into 5,000,000,000 Adjusted Shares, of which 110,546,218 Adjusted Shares will be in issue. The aggregate nominal value of the issued share capital of the Company will become US\$1,105,462.18, and the amount deemed to be paid up on each Adjusted Share is US\$0.01.

LETTER FROM THE BOARD

The table below summarises the effect of the Capital Reorganisation (assuming that there will be no change in the number of Existing Shares from the Latest Practicable Date to and including the date on which the Capital Reorganisation becomes effective):

	As at the Latest Practicable Date	Immediately upon the Capital Reorganisation becoming effective
Par value	US\$0.10 per Existing Share	US\$0.01 per Adjusted Share
Number of authorised Shares	500,000,000 Existing Shares	5,000,000,000 Adjusted Shares
Amount of authorised share capital of the Company	US\$50,000,000.00	US\$50,000,000.00
Number of issued Shares	110,546,218 Existing Shares	110,546,218 Adjusted Shares
Amount of the issued share capital of the Company	US\$11,054,621.80	US\$1,105,462.18

Upon the Capital Reorganisation becoming effective, the Adjusted Shares will be identical in all respects and rank pari passu in all respects with each other and will have the rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company. Other than the relevant expenses incurred and to be incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid-up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

As at the Latest Practicable Date, the Company (i) had not held any treasury shares; and (ii) had 2,247,000 outstanding share options granted under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 2,247,000 Shares. As there will not be any change in the number of issued Shares resulting from the Capital Reorganisation, there will not be any impact of the Capital Reorganisation on the number of and exercise price of the outstanding share options.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution by the Shareholders at the EGM to approve the Capital Reorganisation and the transactions contemplated thereunder;

LETTER FROM THE BOARD

- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares upon the Capital Reorganisation becoming effective;
- (iii) registration by the Registrar of Companies in the Cayman Islands a copy the solvency statement to be made by the directors of the Company in the prescribed form under the Companies Act, confirming that the Company will be able to pay its debts as they fall due in the ordinary course of business, and the minute containing the particulars required under the Companies Act with respect to the Capital Reduction;
- (iv) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

As at the Latest Practicable Date, none of the above conditions has been fulfilled and none of the above conditions is waivable.

Listing and Dealings

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation and all necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS. Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Adjusted Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, the Shareholders may, on or after Wednesday, 23 September 2026 until Wednesday, 28 October 2026 (both days inclusive), submit share certificates for the Existing Shares (in light yellow colour) to the Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for certificates for the Adjusted Shares (in light blue colour). Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each

LETTER FROM THE BOARD

share certificate for the Existing Shares submitted for cancellation or each Adjusted Share certificate issued for the Adjusted Shares, whichever the number of certificates cancelled/issued is higher. All existing certificates of the Shares will continue to be evidence of title to such Shares and be valid for delivery, trading and settlement purposes.

Reasons for the Capital Reorganisation

The proposed Capital Reorganisation will enable the nominal or par value of the Existing Shares to be reduced from US\$0.10 to US\$0.01 each. The credit arising from the Capital Reduction of approximately US\$9.95 million will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. Further, under the Companies Act, the Company is restricted in its ability to issue Shares at a price lower than their nominal or par value. The Capital Reduction will reduce the par value of the Shares, which allows the Company to conduct the Rights Issue at the Subscription Price of HK\$0.40 (equivalent to approximately US\$0.05) per Rights Share, and will also provide the Company with greater flexibility to accommodate the issue of further Adjusted Shares in the future when necessary. The Board believes that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole and that will not have any material adverse effect on the financial position of the Group nor result in any changes in the relative rights of the Shareholders.

As at the Latest Practicable Date, save as disclosed in this circular, the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities which will involve issue of equity securities of the Company; and (ii) has no other plan or intention to carry out any future corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to the Capital Reorganisation becoming effective, to raise approximately HK\$176.90 million before expenses, by way of Rights Issue of a maximum of 442,184,872 Rights Shares at the Subscription Price of HK\$0.40 per Rights Share on the basis of four (4) Rights Shares for every one (1) Adjusted Share held on the Record Date and payable in full on acceptance. Details of the Rights Issue are summarised as follows:

Issue statistics

Basis of the Rights Issue	:	Four (4) Rights Shares for every one (1) Adjusted Share held on the Record Date
Subscription Price	:	HK\$0.40 per Rights Share
Number of Adjusted Shares in issue	:	110,546,218 Adjusted Shares
Number of Rights Shares	:	Up to 442,184,872 Rights Shares

LETTER FROM THE BOARD

Number of Rights Shares undertaken to be taken up by Asia Health and Mr. Chu	:	39,248,396 Rights Shares
Total number of Adjusted Shares in issue upon completion of the Rights Issue	:	Up to 552,731,090 Adjusted Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no Adjusted Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Aggregate nominal value of the Rights Shares	:	Up to US\$4,421,848.72 (assuming no change in the number of Shares in issue on or before the Record Date)
Maximum funds to be raised before expenses	:	Up to approximately HK\$176.90 million (assuming all the Rights Shares will be fully taken up)

As at the Latest Practicable Date, the Company has 2,247,000 outstanding share options granted under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 2,247,000 Shares, representing approximately 2.0% of the issued share capital of the Company as at the Latest Practicable Date. The 2,247,000 outstanding share options have all been vested in the optionholders.

On the date of the Announcement, each of Mr. Jin Dongtao, Mr. Jin, Mr. Zhao, Mr. Cheng Sheung Hing and Ms. Chiang Su Hui Susie, all are Directors (except Mr. Jin Dongtao), has given his/her irrevocable undertaking to the Company to the effect that he/she will not exercise any of his/her share options (carrying rights to subscribe for an aggregate of 94,000 Shares) on or before the Record Date.

After taking into account the share options granted to certain Directors, which carry rights to subscribe for an aggregate of 94,000 Shares but will not be exercised on or before the Record Date, a total of 2,153,000 new Shares (representing approximately 1.9% of the Company's issued share capital as at the Latest Practicable Date) would be allotted and issued upon full exercise of the outstanding share options held by the other optionholders. However, it is highly unlikely that such outstanding share options will be exercised on or before the Record Date, given that the exercise prices (HK\$7.40 and HK\$16.48, respectively) are substantially higher than the current market price per Share. Assuming all the share options (except the 94,000 share options which will not be exercised by the relevant holders) are fully exercised at the Latest Practicable Date, the maximum number of Rights Shares will be increased by 8,612,000 Rights Shares, from 442,184,872 Rights Shares to 450,796,872 Rights Shares, while the gross proceeds to be raised under the Rights Issue will be increased by approximately HK\$3.44 million.

Save for the above, the Company has no other outstanding warrants, options (or unvested options) or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

Assuming no change in the number of issued Shares on or before the Record Date and that no Adjusted Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the maximum number of 442,184,872 Rights Shares proposed to be issued pursuant to the terms of the

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Rights Issue represent: (i) 400% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) 80% of the total number of Shares to be in issue as enlarged by the allotment and issue of the Rights Shares (assuming all the Rights Shares will be taken up).

Subscription Price

The Subscription Price is HK\$0.40 per Rights Share, payable in full on application of the relevant assured allotment of the Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 4.76% to the closing price of HK\$0.420 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 7.19% to the average closing price of approximately HK\$0.431 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day;
- (iii) a discount of approximately 1.00% to the theoretical ex-entitlement price of HK\$0.404 per Share based on the closing price of HK\$0.420 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 7.83% to the average closing price of approximately HK\$0.434 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 5.75% represented by the theoretical diluted price of approximately HK\$0.4062 to the benchmarked price of HK\$0.431 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.420 per Share and the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of HK\$0.431 per Share), and calculated on the basis that the Rights Issue will be fully subscribed; and
- (vi) a discount of approximately 87.06% to the unaudited consolidated net asset value per Share of approximately HK\$3.09 as at 31 December 2025 (based on the latest published unaudited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$342.05 million and 110,546,218 Shares in issue as at 31 December 2025).

The net price per Rights Share (after deducting the relevant expenses) will be approximately HK\$0.39 per Rights Share.

The Subscription Price was determined by the Company with reference to, among other things, (i) the prevailing market conditions; (ii) the Group's current financial position; and (iii) the funding and working capital needs of the Group as set out in the section headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" below.

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In determining the Subscription Price, the Directors have reviewed the closing prices of the Shares over the last six-months period immediately prior to the Last Trading Day (the “**Review Period**”). During the Review Period, the average closing price of the Shares was approximately HK\$0.84. The Subscription Price of HK\$0.40 per Rights Share represents a discount of approximately 52.4% to the average closing price of the Shares for the Review Period. The Directors consider that the prices and general price trend of the Shares during the Review Period have reflected the market’s evaluation of the Group’s recent business performance, as well as recent market sentiment.

The Board also considered the current financial position and business performance of the Group. Ongoing operational losses and a tight cash runway have limited the Group’s capability to internally fund new commercial opportunities and long-term working capital. In addition, given the Group’s business performance does not meet the banks’ criteria, the Group possesses limited leverage to secure debt financing. The Board considers it is reasonable to set the Subscription Price at a greater discount to the audited consolidated net asset value per Share in order to enhance the attractiveness of the Rights Issue and encourage participation by Qualifying Shareholders and investors, particularly in light of the unfavourable price trend and relatively low liquidity of the Shares.

In terms of the liquidity of the Shares, during the Review Period, the daily trading volume ranged from 0 to 55,949,630 Shares and the average trading volume was 2,041,953 Shares, representing approximately 1.8% of the number of Shares in issue as at the Latest Practicable Date, which was considered fluctuating and low.

Taking into account the low trading volume of the Shares during the Review Period, the Directors consider that it is reasonable and necessary to set the Subscription Price, while also addressing the capital needs of the Group, at a discount to the recent market price so as to attract the investors to participate in the Rights Issue. Accordingly, the Directors consider that the Subscription Price is fair and reasonable.

Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its existing shareholding in the Company. The Directors (excluding the members of the Independent Board Committee whose opinions in respect of the Rights Issue are set forth in the Letter from the Independent Board Committee after taking into consideration the advice from the Independent Financial Adviser) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The entitlement ratio was determined by the Board after balancing the Group’s expected capital requirements (as elaborated in the section headed “**REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**”) against the need for an attractive and accessible entry price (as elaborated in the sub-section headed “**Subscription Price**”).

To maximize acceptance of the Rights Issue and thereby achieve the targeted proceeds, the Subscription Price had to be set at an attractive price. A lower volume of Shares would not have met the Group’s fundraising target, whereas a higher entitlement ratio would have enlarged the total share base and allowed for a larger amount of proceeds to be raised. The higher the entitlement ratio, the more new Shares are

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created. For shareholders who did not take up their rights, their relative shareholding would be diluted to a much greater extent, as their existing stake would represent a significantly smaller percentage of the enlarged total share capital.

The Board therefore considers that alternative price-to-size ratios would either be insufficient to meet the Group's expansion needs or, if Shareholders do not or cannot take up their provisional allotments, would result in greater potential dilution. After weighing these trade-offs, the Board is of the view that the entitlement ratio under the Rights Issue is appropriate, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

The basis of the provisional allotment shall be four (4) Rights Shares for every one (1) Adjusted Share held by a Qualifying Shareholder as at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Latest Time for Acceptance.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Adjusted Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders for subscription and will not be available to the Non-Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus with the Overseas Letter, for information only, to the Non-Qualifying Shareholders. No PAL will be sent to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholder must be registered as a member of the Company on the Record Date and must be a Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Shares (with the relevant share certificate(s)) with the Registrar, Computershare Hong Kong Investor Services Limited of 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, being the Company's share registrar and transfer office in Hong Kong by 4:30 p.m. on Friday, 25 September 2026.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company.

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Rights of Overseas Shareholders and Non-Qualifying Shareholders

If at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than in Hong Kong.

As at the Latest Practicable Date, based on the register of members of the Company, there were a total of 98 Overseas Shareholders with registered addresses located outside Hong Kong, details of which are set out below:

Jurisdiction	Number of Overseas Shareholder(s)	Aggregate number of Shares	Approximate percentage of issued share capital of the Company
		held by Overseas Shareholder(s) in the jurisdiction	
The PRC	95	26,694,186	24.15%
Cayman Islands	3	3,850,010	3.48%

Save for the 98 Overseas Shareholders with registered addresses located in the PRC and Cayman Islands, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made enquiries as to whether the issue of Rights Shares to the Overseas Shareholders may contravene the applicable securities legislation(s) of the relevant overseas place(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s). Having considered the results of such enquiries obtained, the Directors are of the view that there are no legal restrictions under the laws of or the requirements of the relevant regulatory bodies or stock exchange in the PRC and the Cayman Islands with respect to the offer of the Rights Shares to the Overseas Shareholders with registered addresses in such jurisdictions as at the Latest Practicable Date. Accordingly, the Directors have decided to extend the Rights Issue to the Overseas Shareholders having registered addresses in the PRC and the Cayman Islands, and such Overseas Shareholders are considered as Qualifying Shareholders. If, after making enquiry for other jurisdiction(s), the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place(s) or any requirement of the relevant regulatory body(ies) or stock exchange(s) in that or those place(s), not to offer the Rights Shares to such Overseas Shareholders, no provisional allotment of Rights Shares will be made to such Overseas Shareholders.

Accordingly, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The Rights Shares which would otherwise have been in the assured allotments of the Non-Qualifying Shareholders will be placed by the Placing Agent under the Compensatory Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties. The Company will disclose the results of the enquiry in the Prospectus regarding the legal restrictions on the issue and allotment of Rights Shares to the Overseas Shareholders.

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Closure of register of members

The register of members of the Company will be closed from Monday, 28 September 2026 to Friday, 2 October 2026, both days inclusive, to determine the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

No fractional entitlements to the Rights Shares

On the basis of provisional allotment of four (4) Rights Shares for every one (1) Adjusted Share held on the Record Date, no fractional entitlements to the Rights Shares shall arise under the Rights Issue. No odd lot matching services in relation to the Rights Issue will be provided.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. The Unsubscribed Rights Share and the NQS Unsold Rights Shares, if any, will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. The Directors consider that a non-underwritten structure is fair and reasonable and in the interest of the Company and its Shareholders as a whole, as it avoids the substantial underwriting commissions (approximately HK\$5.30 million would be payable) that would otherwise be incurred under a fully underwritten arrangement. Besides, the Company has also reviewed the rights issue transactions undertaken by other companies listed on the Stock Exchange for a three-month period immediately prior to and including the Last Trading Day, and note that substantially all of those rights issue transactions were conducted on a non-underwritten basis. As such, the Company considers the Rights Issue being conducted on a non-underwritten basis is consistent with prevailing market practice and on normal commercial terms.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the Rights Issue may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms such that the Company will provide for the Qualifying Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

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The Compensatory Arrangements and the Placing Agreement

Pursuant to Rule 7.21(1) of the Listing Rules, the Company must make arrangements as stipulated in Rule 7.21(1)(b) of the Listing Rules to dispose of any Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering such Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees for the benefit of the relevant No Action Shareholders. Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties on a best effort basis, any premium over the Subscription Price for those Rights Shares and Non-Qualifying Shareholders that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 4:00 p.m., on 30 October 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. In order to comply with the Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares at the Placing price. Principal terms of the Placing Agreement are summarised below:

Date	:	17 July 2026
Placing Agent	:	Yuet Sheung International Securities Limited
Placing commission	:	3% of the amount which is equal to the Placing price multiplied by the Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent, subject to a maximum Placing commission of HK\$3,500,000.00.

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The engagement between the Company and the Placing Agent for the Placing (including the commission rate) was determined after arm's length negotiations between the Placing Agent and the Company. After taking into account the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition, the Directors consider the terms of the Placing (including the commission rate) are on normal commercial terms. In determining the placing commission, the Company reviewed the prevailing market rate with reference to the rights issue exercises conducted by companies listed on the Stock Exchange for a three-month period prior to the Last Trading Day. The commissions charged by placing agents in rights issue exercises conducted on a non-underwritten basis ranged from approximately 0.75% to 4.0% of the gross proceeds successfully placed under the rights issue, with a mean and median of approximately 2.25% and 2.5% respectively. The placing commission of 3% payable to the Placing Agent is within the market range of the comparables and close to the median Placing commission rate of the comparables. The Directors are therefore of the view that the Placing commission rate of 3.0% under the Placing Agreement is fair and reasonable so far as the Independent Shareholders are concerned. As for the capped Placing commission of HK\$3.50 million, the Directors also consider this to be fair and reasonable. In the absence of such a cap, the Company would have been required to pay a placing commission of approximately HK\$5.3 million, based on the maximum number of 442,184,872 Rights Shares being placed by the Placing Agent.

Placing Price : The placing price of each of the Placing Shares shall be at least equal to the Subscription Price.

The final price determination depends on the demand and market conditions of the Placing Shares during the process of placement.

Placing Period : The period from Monday, 26 October 2026 up to 4:00 p.m. on Friday, 30 October 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.

Placees : The Placing Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties.

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Ranking of the Placing Shares : The Placing Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Adjusted Shares in issue as at the date of completion of the Placing.

Terminations : If at any time prior to completion of the Compensatory Arrangements:

- (i) the Company fails to comply with its obligations under the Placing Agreement; or
- (ii) it comes to the notice of the Placing Agent that any statement contained in any document issued in connection with the Compensatory Arrangements has become or would be untrue, incorrect or misleading in any material respect or would constitute a material omission therefrom; or
- (iii) any of the warranties of the Company under the Placing Agreement is not, or has ceased to be, true, accurate and not misleading in any respect by reference to the facts subsisting at the time, and such matter is reasonably considered by the Placing Agent to be material in the context of the Compensatory Arrangements then the Placing Agent may in its absolute discretion by giving notice in writing to the Company terminate the Placing Agent's obligation under the Placing Agreement.

In case of force majeure occurring at any time prior to completion of the Compensatory Arrangements which renders the Compensatory Arrangements impracticable or inadvisable, or any event or omission occurs or comes to the Placing Agent's notice which will or may be materially prejudicial to the Company or the Compensatory Arrangements, then the Placing Agent will consult with the Company but may, in its absolute discretion, by notice in writing to the Company, terminate the Placing Agreement pursuant to the terms therein.

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The Company shall use its best endeavours to procure the fulfillment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfillment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

Conditions Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

- (i) the Capital Reorganisation having become effective;
- (ii) the Listing Committee having granted the listing of, and permission to deal in, the Rights Shares;
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any or any part of the above conditions (other than that set out in paragraph (ii) above) by notice in writing to the Company.

As at the Latest Practicable Date, save that conditions (iii) and (iv) are on-going matters, none of the conditions have been fulfilled.

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Completion : Completion is expected to take place within three (3) Business Days after publication of an announcement by the Company of the number of the Placing Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions to the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing.

The Placing price shall be at least equal to the Subscription Price. Any Placing Shares remain not placed after completion of the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefit of the No Action Shareholders and the Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and the Non-Qualifying Shareholders on a pro-rata basis.

The Board considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Placing Shares to the Company; (ii) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders.

The Placing Agent confirms that it is an Independent Third Party, and that there is no other arrangement, agreement, understanding or undertaking in relation to the Shares. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

Given that the Company has put in place the above Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

Application for listing

The Company shall make an application to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares.

Subject to the granting of listing of, and permission to deal in, the Rights Shares on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock

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Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all Rights Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Rights Shares on Wednesday, 4 November 2026 by ordinary post at their own risk. If the Rights Issue is terminated, refund cheques in respect of the applications for Rights Shares are expected to be posted on Wednesday, 4 November 2026 by ordinary post to the applicants at their own risk.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

The Irrevocable Undertakings

Pursuant to the Irrevocable Undertakings, each of Asia Health, a company wholly-owned by Mr. Chu (the chairman of the Board, the chief executive officer of the Group and an executive Director), and Mr. Chu has irrevocably undertaken to the Company (i) to apply and pay for all Rights Shares which will be in the assured allotment of Rights Shares in respect of the 9,069,079 Adjusted Shares and 743,020 Adjusted Shares beneficially owned by it and him respectively; and (ii) that it/he will remain to be the beneficial owner of the 9,069,079 Adjusted Shares and 743,020 Adjusted Shares respectively at the close of business on the Record Date.

Save for the Irrevocable Undertakings, the Board has not received any information or irrevocable undertakings from any Shareholders of their intention to take up the securities of the Company to be offered to them under the Rights Issue.

Besides, on the date of the Announcement, each of Mr. Jin Dongtao, Mr. Jin, Mr. Zhao, Mr. Cheng Sheung Hing and Ms. Chiang Su Hui Susie has given his/her irrevocable undertaking to the Company to the effect that he/she will not exercise any of his/her share options on or before the Record Date.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the Capital Reorganisation having become effective;
- (b) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares by no later than the first day of their dealings;

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- (c) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by all Directors (or by their agents duly authorised in writing) and otherwise in compliance with the Listing Rules and the CWUMPO not later than the Prospectus Posting Date;
- (d) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Non-Qualifying Shareholders, if any, for information purposes only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (e) compliance with and performance of all undertakings and obligations of Asia Health and Mr. Chu under the Irrevocable Undertakings in all material respects; and
- (f) where applicable, all necessary approvals, permissions, consents, waivers (including Shareholders or Independent Shareholders, regulators and creditors of the Company) required under the memorandum and articles of the Company, applicable laws (including the Listing Rules, the SFO and otherwise) having been obtained in respect of the Rights Issue.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on 31 October 2026 (or such later date as the Company may determine), the Rights Issue will not proceed. As at the date of this circular, none of the above conditions has been fulfilled.

As at the Latest Practicable Date, none of the above conditions has been fulfilled and none of the above conditions is waivable.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this circular. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. If there is an undersubscription of the Rights Issue as a result of untaken rights not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

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Any dealings in the Shares from the date of this circular up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

Effect of bad weather or Extreme Conditions on the Latest Time for Acceptance and payment for the Rights Issue

If there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or Extreme Conditions,

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 20 October 2026 (being the date of the Latest Time for Acceptance), the latest time of acceptance of and payment for the Rights Shares will not take place at the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same Business Day instead;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 20 October 2026 (being the date of the Latest Time for Acceptance), the latest time of acceptance of and payment for the Rights Shares will not take place at the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Tuesday, 20 October 2026, the dates mentioned in this section headed “Expected Timetable” in this circular may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company and its subsidiaries are principally engaged in the distribution and retail of drugs, healthcare products and other pharmaceutical products in the northeastern region of the People’s Republic of China. As at 30 June 2026, cash and cash equivalent of the Group were approximately RMB32.0 million, which has been earmarked for paying staff salaries and repayment of bank loans. In light of the Group’s ongoing financial challenges and limited liquidity, the Directors consider that additional capital is essential to strengthen the financial position and business development of the Group.

The net proceeds from the Rights Issue, after deducting professional fees and all other related expenses, are expected to be approximately HK\$172.3 million, assuming the Rights Shares are fully subscribed at the Subscription Price.

The Company intends to allocate the net proceeds as follows:

Approximately HK\$80.0 million will be utilized for the acquisition of controlling interest in a specified traditional Chinese medicine (TCM) manufacturer located in Hong Kong (the “**TCM Manufacturer**”) (expected to be fully utilised by 31 March 2027). The TCM Manufacturer possesses established production

LETTER FROM THE BOARD

lines and retail sales locations within Hong Kong. The Board believes this strategic acquisition will create strong synergies, enabling the Group to expand its retail footprint and extend its sales network directly into Hong Kong and overseas markets.

The TCM Manufacturer proposed for acquisition holds a licence under the Chinese Medicine Ordinance (Cap. 549) to manufacture proprietary Chinese medicines in Hong Kong. It is principally engaged in (i) manufacturing registered traditional Chinese medicines, including “Strong Seal Pills (海狗丸)” and (ii) online sales of proprietary Chinese medicines. For the year ended 31 December 2025, it recorded revenue and profit of no less than HK\$60.0 million and HK\$15.0 million, respectively.

The executive Directors have held preliminary discussions with the potential vendor. Subject to the completion of the Rights Issue (assuming that the net proceeds exceed HK\$120.0 million), the Company will proceed with substantive negotiations and, thereafter, enter into a legally binding agreement.

The proposed acquisition budget of HK\$80.0 million is based on the net asset value attributable to a 59% interest in the TCM Manufacturer. Should the Rights Issue net proceeds fall short of HK\$120.0 million, the acquisition may not proceed. If the net proceeds exceed HK\$120.0 million but the acquisition does not materialise, the Company will seek another TCM manufacturer to support its business development.

The remaining net proceeds (approximately HK\$92.3 million) will be applied as general working capital for the Group’s ongoing operations. This will be allocated across the following key operational areas:

- (a) approximately HK\$15.0 million for merchandising medicine and healthcare products for retail sale, which is expected to be fully utilised by 31 December 2026;
- (b) approximately HK\$14.0 million for rental expenses for the Group’s business premises, covering approximately 7 months;
- (c) approximately HK\$7.5 million for professional fees, staff salaries, and other routine administrative expenses, which is expected to be fully utilised by 30 June 2027; and
- (d) the balance, estimated to be approximately HK\$55.8 million, to be allocated for the following other working capital and corporate purposes:
 - (i) approximately HK\$25.0 million for the repayment of the Group’s outstanding bank borrowings and other interest-bearing liabilities, which will reduce the Group’s finance costs and improve its overall financial position and is expected to be fully utilised by 31 December 2026;
 - (ii) approximately HK\$15.0 million as a reserve for potential strategic investments or business development initiatives that may arise, including but not limited to e-commerce business. As at the date of this circular, there was no concrete plan for such investments and business; and
 - (iii) the remaining balance of HK\$15.8 million to be retained as a general liquidity reserve to provide the Group with financial flexibility to respond to unforeseen circumstances or market opportunities.

LETTER FROM THE BOARD

In the event that the net proceeds to be raised under the Rights Issue is less than HK\$120.0 million, the above use of proceeds will be adjusted by the Company accordingly and the net proceeds from the Rights Issue will be applied by the Company in the following order of priority:

- (a) for merchandising medicine and healthcare products for retail sale;
- (b) for rental expenses for the Group's business premises;
- (c) for professional fees, staff salaries, and other routine administrative expenses;
- (d) for repayment of the Group's outstanding bank borrowings and other interest-bearing liabilities;
- (e) for potential strategic investments or business development initiatives that may arise, including but not limited to e-commerce business; and
- (f) as a general liquidity reserve to provide the Group with financial flexibility to respond to unforeseen circumstances or market opportunities.

In the event that the net proceeds to be raised under the Rights Issue is above HK\$120.0 million but below HK\$172.3 million, the net proceeds will be applied as follows:

- (a) approximately HK\$80.0 million will be utilized for the acquisition of a controlling interest in the TCM Manufacturer, which is expected to be fully utilised by 31 March 2027;
- (b) approximately HK\$15.0 million for merchandising medicine and healthcare products for retail sale, which is expected to be fully utilised by 31 December 2026;
- (c) approximately HK\$14.0 million for rental expenses for the Group's business premises, covering approximately 7 months;
- (d) approximately HK\$7.5 million for professional fees, staff salaries, and other routine administrative expenses, which is expected to be fully utilised by 30 June 2027; and
- (e) the remaining net proceeds from the Rights Issue will then be applied by the Company in the following order of priority:
 - (i) for repayment of the Group's outstanding bank borrowings and other interest-bearing liabilities;
 - (ii) for potential strategic investments or business development initiatives that may arise, including but not limited to e-commerce business; and
 - (iii) as a general liquidity reserve to provide the Group with financial flexibility to respond to unforeseen circumstances or market opportunities.

LETTER FROM THE BOARD

As at the date of this circular, and assuming the Rights Issue is not substantially undersubscribed, the Company has no initial or concrete plan, nor does it otherwise foresee, any further fund-raising activities in the next 12 months.

Other fundraising alternatives

The Company has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing or subscription of new Adjusted Shares and open offer.

In respect of bank borrowings, the Directors consider that, even if available, such facilities would carry elevated interest costs and impose liquidity pressures on the Company. Given that interest rates are expected to remain at relatively high levels after taking into account the financial position of the Group, debt financing for companies like ours may not be achievable on favourable terms in a timely manner or may require pledge of other kinds of assets or securities, which may reduce the Group's flexibility under the current market condition.

In respect of equity financing, the Directors consider that placing or subscription of new Adjusted Shares would dilute the Shareholders' interests without providing them with an opportunity to participate.

While both the Rights Issue and open offer provide the Shareholders with equal opportunity to participate in and to maintain their pro-rata shareholdings in the Company, as opposed to an open offer, the Rights Issue further provide flexibility to the Qualifying Shareholders who do not wish to take up their provisional entitlements to sell the nil-paid rights in the market, thereby recouping some value.

The objective of the Rights Issue is to enable the Shareholders to maintain their proportionate shareholding interests in the Company should they wish to do so, ensuring stability in the Shareholders' base in the Company, and to participate in the Company's future growth and development. The Board therefore considers raising funds by way of Rights Issue instead of an open offer will be more beneficial to the Company and the Shareholders in the current circumstances.

However, the No Action Shareholders should note that their shareholding interest in the Company will be diluted. The Board has considered that the potential dilution impact on the shareholding interests of the Qualifying Shareholders, which may only happen when the Qualifying Shareholders do not subscribe for their pro-rata Rights Shares, to be acceptable.

Having taken into account the terms and conditions of the Rights Issue, the Directors (excluding the members of the Independent Board Committee in respect of the Rights Issue whose opinions in respect of the Rights Issue are set forth in the Letter from the Independent Board Committee after taking into consideration the advice from the Independent Financial Adviser) consider that the terms of the Rights Issue are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. In addition, the Company is aware that any fund-raising activities by way of issuing securities of the Company will cause potential dilution impact to the shareholding of the existing Shareholders. However, the Rights Issue would allow the Company to strengthen its capital base and provide an opportunity to all Shareholders (other than the Non-Qualifying Shareholders) to participate in the growth of the Company in proportion to their shareholdings.

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the completion of the Rights Issue (assuming all Shareholders have taken up all entitled Rights Shares under the Rights Issue); and (iii) immediately after completion of the Rights Issue (assuming (a) no Qualifying Shareholders have taken up any of his/her/its entitlement under the Rights Issue except for Asia Health and Mr. Chu pursuant to the Irrevocable Undertakings; and (b) all the Placing Shares have been placed to Independent Third Parties under the Compensatory Arrangements) is set out below:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up all entitled Rights Shares under the Rights Issue)		Immediately after completion of the Rights Issue (assuming (a) no Qualifying Shareholders have taken up any of his/her/its entitlement under the Rights Issue except for Asia Health and Mr. Chu pursuant to the Irrevocable Undertakings; and (b) all the Placing Shares have been placed to Independent Third Parties under the Compensatory Arrangements)		Immediately after completion of the Rights Issue (assuming (a) no Qualifying Shareholders have taken up any of his/her/its entitlement under the Rights Issue (except for Asia Health and Mr. Chu pursuant to the Irrevocable Undertakings); and (b) none of the Placing Shares have been placed under the Compensatory Arrangements)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Directors and their respective associates (if any)</i>								
Asia Health	9,069,079	8.20	45,345,395	8.20	45,345,395	8.20	45,345,395	30.27 (note 1)
Mr. Chu	743,020	0.67	3,715,100	0.67	3,715,100	0.67	3,715,100	2.48 (note 1)
Mr. Zhao	34,340	0.03	171,700	0.03	34,340	0.01	34,340	0.02
Mr. Jin	30,000	0.03	150,000	0.03	30,000	0.01	30,000	0.02
Sub-total	9,876,439	8.93	49,382,195	8.93	49,124,835	8.89	49,124,835	32.79
Independent placees	–	–	–		402,936,476 (note 2)	72.90 (note 2)	–	–
Public Shareholders	100,669,779	91.07	503,348,895	91.07	100,669,779	18.21	100,669,779	67.21
Total	110,546,218	100.00	552,731,090	100.00	552,731,090	100.00	149,794,614	100.00

LETTER FROM THE BOARD

Notes:

1. The entitlements of Asia Health and Mr. Chu under the Rights Issue will be scaled down to a level which does not trigger an obligation to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.
2. The Placing Agent shall ensure that no independent placee (or group of placees acting in concert) is allocated Placing Shares in such a manner that would, in the reasonable opinion of the Company, be likely to cause the Company to fall below the public float requirement.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activity in the past twelve months before the date of this circular.

IMPLICATIONS UNDER THE LISTING RULES

Capital Reorganisation

The Capital Reorganisation is conditional upon, among other things, the approval by the Shareholders by way of a special resolution at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders or their associates would have any interest in the Capital Reorganisation, and as such no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Capital Reorganisation at the EGM.

Rights Issue

As the Rights Shares are not issued pursuant to the general mandate of the Company, in accordance with Rule 7.19A(1) of the Listing Rules, among other things, the Rights Issue must be made conditional on approval by the Independent Shareholders at the EGM and, pursuant to Rule 7.19A(1) of the Listing Rules, any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (other than the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue. As such, Asia Health (which is an associate of Mr. Chu (an executive Director) and holds 9,069,079 Shares and is wholly-owned by Mr. Chu), Mr. Chu (who is an executive Director and personally holds 743,020 Shares), Mr. Jin (who is an executive Director and personally holds 30,000 Shares) and Mr. Zhao (who is an executive Director and personally holds 34,340 Shares) shall abstain from voting in favour of the resolutions to approve the Rights Issue at the EGM. Each of Asia Health, Mr. Chu, Mr. Jin and Mr. Zhao has no intention to vote against the resolutions approving the Rights Issue. If any of them later changes his mind and intends to vote against the Rights Issue, the Company will immediately publish an announcement disclosing that fact, and this circular and the Prospectus Documents will still be despatched to him.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-

LETTER FROM THE BOARD

Qualifying Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all independent non-executive Directors has been established to make recommendation to the Independent Shareholders regarding the Rights Issue and the transactions contemplated thereunder, including the Specific Mandate. Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue including the Subscription Price, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this circular. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. If there is an undersubscription of the Rights Issue as a result of untaken rights not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Any dealings in the Shares from the date of this circular up to the date on which all the conditions of the Rights Issue are fulfilled and/or waived (where applicable), and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

EGM

A notice convening the EGM to be held at Conference Room, 2nd Floor, No.14-1 Bei Yi Zhong Road, Tiexi District, Shenyang City, Liaoning Province, PRC on Tuesday, 15 September 2026 at 10:00 a.m. at which a special resolution will be proposed for the approval of the Capital Reorganisation and an ordinary resolution will be proposed for the approval of the Rights Issue (including the grant of the Specific Mandate and the Placing Agreement), is set out on pages EGM-1 to EGM-3 of this circular.

LETTER FROM THE BOARD

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, the Capital Reorganisation, the Rights Issue and the Placing Agreement. Only the Independent Shareholders will be entitled to vote on the resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM.

A form of proxy for use at the EGM is enclosed with this circular, and such form of proxy is also published on the website of the Stock Exchange at www.hkex.com.hk. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy and indicate your voting instruction in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, 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 for the holding of the EGM (i.e. by 10:00 a.m. on Sunday, 13 September 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10 September 2026 to Tuesday, 15 September 2026 (both days inclusive) to determine the entitlements to attend and vote at the EGM, and from Monday, 28 September 2026 to Friday, 2 October 2026, both days inclusive, to determine the entitlements to the Rights Issue. No transfer of Shares will be registered during these periods.

Shareholders whose names appear on the register of members of the Company on Tuesday, 15 September 2026 are entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 9 September 2026.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the Capital Reorganisation, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be made available and/or despatched by the Company together with the PAL to the Qualifying Shareholders on or before Monday, 5 October 2026. The Company will send the PAL to the Qualifying Shareholders individually in printed form. Copies of the Prospectus Documents will also be made available on the websites of the Company at www.uhighl.com and the Stock Exchange at www.hkexnews.hk. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only but will not send the PAL to them.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. CHENG Sheung Hing, Ms. CHIANG Su Hui Susie and Mr. ZOU Haiyan has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 34 to 35 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 36 to 62 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Capital Reorganisation, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Universal Health International Group Holding Limited
CHU Chuanfu
Chairman, Chief Executive Officer and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholder in respect of the Rights Issue.



UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LIMITED 大健康國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2211)

27 August 2026

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) ADJUSTED SHARE HELD ON RECORD DATE

We refer to the circular of the Company dated 27 August 2026 (“**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board as the members of the Independent Board Committee, to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

The Independent Financial Adviser has been appointed to advise us and Independent Shareholders in respect of the terms of the Rights Issue and the Placing Agreement.

Having considered the terms of the Rights Issue and the Placing Agreement, and the advice of the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue and the Placing Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Rights Issue and the Placing Agreement.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Yours faithfully,

For and on behalf of the Independent Board Committee
Universal Health International Group Holding Limited

Mr. CHENG Sheung Hing

Ms. CHIANG Su Hui Susie
Independent non-executive Directors

Mr. ZOU Haiyan

LETTER FROM ALTUS CAPITAL LIMITED

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, which has been prepared for the purposes of incorporation in this circular.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

27 August 2026

To the Independent Board Committee and the Independent Shareholders

Universal Health International Group Holding Limited

Room 2404, 24th Floor
World-Wide House
19 Des Voeux Road Central
Central
Hong Kong

Dear Sirs/Madams,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) ADJUSTED SHARE
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, details of which are set out in the “Letter from the Board” contained in the Circular of the Company dated 27 August 2026 (the “Circular”). Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Board proposes, subject to the Capital Reorganisation becoming effective, to raise approximately HK\$176.9 million before expenses by way of Rights Issue of a maximum of 442,184,872 Rights Shares at the Subscription Price of HK\$0.4 per Rights Share (assuming no change in the number of issued Shares in issue on or before the Record Date and that no Adjusted Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) on the basis of four (4) Rights Shares for every one (1) Adjusted Share held on the Record Date and payable in full on acceptance. The Rights Issue is not underwritten and will not be extended to the Non-Qualifying Shareholder(s) (if any).

LETTER FROM ALTUS CAPITAL LIMITED

There will be no excess application arrangements in relation to the Rights Issue. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Rights Shares which remain unsubscribed in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. On 17 July 2026 (after trading hours), the Company has entered into the Placing Agreement with Yuet Sheung International Securities Limited in relation to the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares.

LISTING RULES IMPLICATIONS

As the Rights Shares are not issued pursuant to the general mandate of the Company, in accordance with Rule 7.19A(1) of the Listing Rules, among other things, the Rights Issue must be made conditional on approval by the Independent Shareholders at the EGM and, pursuant to Rule 7.19A(1) of the Listing Rules, any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (other than the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue.

As such, Asia Health (which is an associate of Mr. Chu (an executive Director) and holds 9,069,079 Shares and is wholly-owned by Mr. Chu), Mr. Chu (who is an executive Director and personally holds 743,020 Shares), Mr. Jin (who is an executive Director and personally holds 30,000 Shares) and Mr. Zhao (who is an executive Director and personally holds 34,340 Shares) shall abstain from voting in favour of the resolution to approve the Rights Issue at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cheng Sheung Hing, Ms. Chiang Su Hui Susie and Mr. Zou Haiyan, has been established to advise the Independent Shareholders as to (i) whether the terms of the Rights Issue are fair and reasonable; (ii) whether the Rights Issue is in the interests of the Company and the Shareholders as a whole; and (iii) how to vote on the relevant resolution to be proposed at the EGM, taking into account the recommendation of the Independent Financial Adviser.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders on (i) whether the terms of the Rights Issue are fair and reasonable; (ii) whether the Rights Issue is in the interests of the Company and the Shareholders as a whole; and (iii) how to vote on the relevant resolution to be proposed at the EGM in relation to the Rights Issue.

We had acted as the independent financial adviser for the Company with regards to the adjustments of the exercise price of and the number of shares subject to the outstanding share options as a result of the share consolidation of the Company, details of which are set out in the announcement of the Company dated 28 May 2025 (the “**May 2025 share consolidation**”).

LETTER FROM ALTUS CAPITAL LIMITED

Saved for the aforesaid transaction, we have not acted as an independent financial adviser or financial adviser for other transactions of the Company in the last two years prior to the date of the Circular. We were the independent financial adviser in relation to the May 2025 share consolidation as we were independent when none of the circumstances set out in Rule 13.84 of the Listing Rules exist. As such, it does not affect our independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue in accordance to Rule 13.84 of the Listing Rules. The fees received by us for acting as the independent financial adviser in relation to the May 2025 share consolidation do not affect and will not affect our independence in the future as such fees were determined on normal commercial terms, at market level and not conditional upon the successful passing of the relevant resolution(s) of the May 2025 share consolidation. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the Rights Issue is at market level and not conditional upon successful passing of the resolution, and that our engagement is on normal commercial terms, we are independent of the Company.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the annual report of the Company for the year ended 30 June 2025 (the “**FY25 Annual Report**”); (ii) the interim report of the Company for the six months ended 31 December 2025 (the “**1H26 Interim Report**”); (iii) the Announcement; and (iv) other information contained or referred to in the Circular.

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Group (the “**Management**”). We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company, the Directors and the Management were reasonably made after due and careful enquiry and were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular.

We have no reason to believe that any of such statements, information, opinions or representations are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render them untrue, inaccurate or misleading.

We consider that we have been provided with, and have reviewed, sufficient information to reach an informed view and provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background information of the Group

1.1 Principal business of the Group

The Company is an investment holding company and, together with its subsidiaries, is principally engaged in the distribution and retail of drugs, healthcare products and other pharmaceutical products in the northeastern region of the PRC.

LETTER FROM ALTUS CAPITAL LIMITED

1.2 Financial information of the Group

Set out below is a summary of the key financial information of the Group extracted from the FY25 Annual Report and the 1H26 Interim Report:

Extract of the Group's consolidated statement of comprehensive income

	For the year ended 30 June 2025 ("FY2025") (audited) RMB'000	For the year ended 30 June 2024 ("FY2024") (audited) RMB'000	For the six months ended 31 December 2025 ("1H2026") (unaudited) RMB'000	For the six months ended 31 December 2024 ("1H2025") (unaudited) RMB'000
Revenue	711,509	1,089,037	266,824	441,153
Retail	197,883	332,167	90,930	118,893
Distributions	513,626	756,870	175,894	322,260
Gross profit	113,387	179,885	47,448	70,363
Selling and marketing expenses	102,456	165,034	32,770	59,984
Profit (Loss) attributable to owners of the Company	(26,006)	413	(6,058)	(8,012)

Extract of the Group's consolidated balance sheet

	As at 30 June 2024 (audited) RMB'000	As at 30 June 2025 (audited) RMB'000	As at 31 December 2025 (unaudited) RMB'000
Non-current assets	397,155	276,621	276,333
Current assets	295,722	170,982	208,031
Trade and other receivables	106,857	52,077	47,066
Inventories	122,798	65,494	63,970
Cash and cash equivalents	36,363	13,403	63,096
Non-current liabilities	40,300	—	—
Borrowings	40,300	—	—
Current liabilities	299,692	130,029	142,316
Trade and other payables	269,392	105,029	117,316
Borrowings	30,300	25,000	25,000
Net Cash/(Debt)	(34,237)	(11,597)	38,096
Net current assets/(liabilities)	(3,970)	40,953	65,715
Net assets	352,885	317,574	342,048
Gearing ratio (Note)	9.7%	3.7%	N/A

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Note: Gearing ratio is calculated on the basis of the Group's net debt (borrowings less cash and cash equivalents), divided by total capital (total equity plus net debt).

FY2025 compared to FY2024

The Group's revenue decreased by approximately 34.7% from approximately RMB1,089.0 million in FY2024 to approximately RMB711.5 million in FY2025. The overall decrease in revenue was mainly due to the impact of the new PRC medical insurance policy.

In terms of the chain retail business segment, due to the change in consumer behaviour and cost pressure, the Group closed some stores with low profitability during FY2025. As of 30 June 2025, the Group's total number of stores was 120 (2024: 203 stores). A total of 83 shops had been closed down during FY2025. As such, revenue from this segment decreased from approximately RMB332.2 million in FY2024 to approximately RMB197.9 million in FY2025.

In relation to the distribution business segment, there had also been a decline in the number of active customers, which was mainly attributable to the Group's adoption of a prudent approach in running its distribution business and its actions taken to mitigate credit risks by strengthening the credit management of sales and minimising trade receivables in order to lower the risk of bad debts. During FY2025, the Group had a decreased nationwide distribution network covering approximately 1,027 (FY2024: 1,515) active customers, among which, approximately 722 (FY2024: 1,041) pharmaceutical retailers, hospitals and clinics and approximately 305 (FY2024: 474) distributors. As a result, revenue from this segment decreased from approximately RMB756.9 million in FY2024 to approximately RMB513.6 million in FY2025.

The Group's gross profit decreased by approximately 37.0% from RMB179.9 million in FY2024 to RMB113.4 million in FY2025, largely in line with the decline in revenue.

The overall gross profit margin remained relatively stable at approximately 15.9% in FY2025 as compared to FY2024 of approximately 16.5%. The retail segment recorded a gross profit margin of approximately 27.5% in FY2025 (FY2024: 28.2%), while the distribution segment recorded a gross profit margin of approximately 11.5% in FY2025 (FY2024: 11.4%).

The Group's selling and marketing expense is the major operating expenses of the Group business. Such expenses amount to approximately RMB165.0 million in FY2024 and decreased to approximately RMB102.5 million in FY2025. The decrease was mainly due to the decrease in employee benefit expenses, rental expenses and transportation expenses. Together with the decline in revenue and gross profit, the Group recorded a loss attributable to owners of the Company of approximately RMB26.0 million for FY2025, turning from a profit of approximately RMB0.4 million in FY2024.

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1H2026 vs 1H2025

For 1H2026, the Group recorded total revenue of approximately RMB266.8 million, representing a decrease of approximately 39.5% as compared with approximately RMB441.2 million for 1H2025. The decrease in revenue was primarily attributable to the continued impact of adjustments to the PRC medical insurance policies and keen market competition, and the decrease in number of active customers within the nationwide distribution network.

In relation to the Group's retail business, the Group recorded a revenue of approximately RMB90.9 million in 1H2026, representing a period-on-period decrease of approximately 23.5% as compared to a revenue of approximately RMB118.9 million in 1H2025. The number of chain stores further decreased to 115 as at 31 December 2025, from 120 as at 30 June 2025.

The Group also recorded a drop in revenue generated from the distribution segment, from approximately RMB322.3 million in 1H2025 to approximately RMB175.9 million in 1H2026, which was mainly attributable to the Group's continued adoption of a prudent operating strategy in its distribution business and implementation of corresponding management measures to mitigate credit risks by strengthening the credit management of sales. Additionally, the Group reduced the scale of trade receivables, thereby effectively controlling potential bad debt risks. As a result, the Group's nationwide distribution network coverage further decreased to approximately 660 active customers as at 31 December 2025, from 1,027 as at 30 June 2025.

For 1H2026, the Group recorded a gross profit of approximately RMB47.5 million, representing a decrease of 32.7% as compared with RMB70.4 million for 1H2025 which was largely in line with the decline in revenue. The overall gross profit margin increased from approximately 15.9% for 1H2025 to approximately 17.8% for 1H2026, mainly due to the change in product mix during the period.

Loss attributable to owners of the Company for 1H2026 narrowed to approximately RMB6.1 million, as compared with a loss of approximately RMB8.0 million for 1H2025. The decrease in the loss was primarily attributable to a significant reduction in selling and marketing expenses from approximately RMB60.0 million for 1H2025 to approximately RMB32.8 million for 1H2026, which offset the decline in revenue. The decrease in selling and marketing expenses was mainly due to the decrease in employee benefits expenses, rental expenses and transportation expenses.

As at 30 June 2025 vs 30 June 2024

As at 30 June 2025, the Group's net assets amounted to approximately RMB317.6 million, representing a decrease from approximately RMB352.9 million as at 30 June 2024. Non-current assets decreased to approximately RMB276.6 million as at 30 June 2025 from approximately RMB397.16 million as at 30 June 2024 and current assets decreased to approximately RMB171.0 million as at 30 June 2025 from approximately RMB295.7 million as at 30 June 2024.

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The decrease in non-current asset is primarily due to the disposal of the Group's interest in an associate (Jilin Jintian Universal Health Capsule Limited) during FY2025. As such the Group's investment in an associate was nil as at 30 June 2025 (30 June 2024: RMB84.1 million).

The decrease in current assets is primarily attributable to a reduction in trade and other receivables from approximately RMB106.9 million as at 30 June 2024 to approximately RMB52.1 million as at 30 June 2025 and a decrease in inventories from approximately RMB122.8 million as at 30 June 2024 to approximately RMB65.5 million as at 30 June 2025. Such decrease in trade and other receivables was due to the Group's prudent approach in running the distribution business and mitigating actions to strengthen the credit management and to lower the credit risks and bad debts. The decrease in inventory was mainly due to the decreased purchase of inventory which is generally in line with the decline in revenue and the decrease in number of retail pharmacies as discussed above.

The Group's cash and cash equivalents decreased from approximately RMB36.4 million as at 30 June 2024 to approximately RMB13.4 million as at 30 June 2025, total borrowings decreased from approximately RMB70.6 million as at 30 June 2024 to approximately RMB25.0 million as at 30 June 2025, resulting in an improved net current position from net current liabilities of approximately RMB4.0 million as at 30 June 2024 to net current assets of approximately RMB41.0 million as at 30 June 2025. The decrease in cash and cash equivalents and decrease in total borrowings are primarily due to the repayment of bank loans during FY2025.

The Group's non-current borrowings amounted to approximately RMB40.3 million as at 30 June 2024 and then decreased to nil as at 30 June 2025. For current liabilities, the Group recorded an amount of approximately RMB299.7 million as at 30 June 2024 and then decreased to approximately RMB130.0 million as at 30 June 2025. The decrease was mainly due to a reduction in trade and other payables from approximately RMB269.4 million to RMB105.0 million. The gearing ratio of the Group as at 30 June 2025 and 30 June 2024, calculated as net debt divided by total equity plus net debt was approximately 3.7% and 9.7% respectively.

Due to the above changes, the Group's net assets decreased from approximately RMB352.9 million as at 30 June 2024 to approximately RMB317.6 million as at 30 June 2025.

31 December 2025 vs 30 June 2025

As at 31 December 2025, the Group's total assets amounted to approximately RMB484.4 million, and total liabilities amounted to approximately RMB142.3 million, resulting in net assets of approximately RMB342.1 million, which represents an increase from approximately RMB317.6 million as at 30 June 2025.

Non-current assets remained stable at approximately RMB276.3 million and RMB276.6 million as at 31 December 2025 and 30 June 2025 respectively. Current assets amounted to approximately RMB171.0 million as at 30 June 2025 and increased to approximately RMB208.0 million as at 31 December 2025. Such increase was mainly due to the increase in

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cash and cash equivalents from approximately RMB13.4 million as at 30 June 2025 to approximately RMB63.1 million as at 31 December 2025. The increase in cash and cash equivalents is mainly due to the net proceeds from the issuance of subscription shares of approximately RMB22.2 million in September 2025 and the net cash generated from operating activities of approximately RMB21.1 million during 1H2026.

As at 31 December 2025, the Group recorded an improved net current assets of approximately RMB65.7 million from approximately RMB41.0 million as at 30 June 2025. The improvement of net current assets as at 31 December 2025 was mainly due to the increase in cash and cash equivalents as discussed above. Total borrowings remained at approximately RMB25.0 million (being all current) as at 31 December 2025 as compared with 30 June 2025.

As a result of the Group's cash and cash equivalents and total borrowings as discussed above, the Group maintained a net cash position of approximately RMB38.1 million as at 31 December 2025. The gearing ratio of the Group as at 31 December 2025 calculated as net debt divided by total equity plus net debt was not applicable due to its net cash position status at the relevant time.

1.3 Outlook of the Group

Industry overview

China's healthcare sector has transitioned from a traditional supplementary service into a vital, strategic pillar of national economic growth. Driven by an aging population and a high prevalence of chronic conditions, demand is expanding across pharmaceuticals, elderly care, and rehabilitation. At the same time, shifting consumer mindsets (e.g. spanning active seniors seeking preventive wellness to younger generations integrating lightweight, lifestyle-oriented health products) are reshaping market consumption.

This demand is backed by a policy landscape and rapid technological integration. Government directives are enforcing higher standards, encouraging multi-tiered service offerings, and accelerating the deployment of AI, big data, and IoT. By embedding smart diagnostics, remote monitoring, and virtual care directly into personal and household routines, the industry is creating a continuous care model. Driven by policy, technology, and evolving consumer habits, the Management is of the view that the China's healthcare market is positioned for sustained long-term expansion.

Future plans of the Group

Looking forward, the Group intends to continue concentrating on universal health, focus on the healthcare and pharmaceutical operations field while accelerating the transformation of its business model, with a view to stabilising and optimising the existing retail chain network and distribution system, and to further exploring the structural transformation and digital upgrading of the "supply-side" reform.

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To optimize its retail network and distribution system through digital transformation, the Group will execute three key strategies: expert services, which focus on upskilling licensed pharmacists, expanding Direct-to-Patient (DTP) pharmacies, and integrating clinic services to enhance brand trust; platform expansion, which leverages health-tech partnerships to expand store offerings into aesthetics, elderly chronic disease management, and home healthcare; and digital integration, which connects physical stores to online channels via mini-programs, live commerce, and third-party e-commerce platforms. The Management is of the view that these initiatives will combine traditional network strength with new economic models to optimize operations, accelerate digital growth.

2. Reasons for the Rights Issue and proposed use of proceeds

2.1 The funding needs

As discussed in the paragraph headed “1.3 Outlook of the Group” above, as the Group intends to continue strengthening its existing pharmaceutical retail and distribution system, additional capital is required for the Group to support its ongoing working capital requirements.

The Group faces ongoing financial challenges and constrained liquidity, as detailed under the paragraph headed “1.2 Financial information of the Group” of this letter. Revenue from the core pharmaceutical retail and distribution businesses declined by 34.7% year-over-year, dropping from RMB1,089.0 million in FY2024 to RMB711.5 million in FY2025. During 1H2026, revenue also decreased by approximately 39.5% (RMB266.8 million compared to RMB441.2 million in 1H2025). The Group recorded losses attributable to owners of the Company of RMB26.0 million for FY2025 and RMB6.1 million for 1H2026.

We also noted from the “Letter from the Board” of the Circular that the Group’s cash and cash equivalents decreased from approximately RMB63.1 million as of 31 December 2025 to RMB32.0 million as of 30 June 2026, and these remaining reserves are earmarked for staff salaries and bank loan repayments.

In light of these operational demands, limited liquidity, and the development plans of the Group, we concur with the Management that the Group has a genuine funding need. The Rights Issue is a reasonable means to strengthen the Group’s financial position and support its ongoing business development. Please refer to the paragraph headed “2.3 The proposed use of proceeds” of this letter for details of the intended deployment of funds from the proceeds raised from the Rights Issue.

2.2 Alternative fund-raising methods

As discussed in the paragraph headed “Other fundraising alternatives” in the “Letter from the Board” of the Circular, the Company has considered various fund-raising alternatives prior to determining the Rights Issue, including debt financing and other equity fund-raising methods such as placing or subscription of new Adjusted Shares and open offer. We have analysed and compared such other methods below.

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In respect of debt financing or bank borrowings, we concur that such methods will result in additional interest burden to and impose liquidity pressures on the Company. As discussed in the paragraph headed “1.2 Financial Information of the Group” in this letter, we had reviewed the Group’s financial position and noted that, as at 31 December 2025, the Group had total bank borrowings of approximately RMB25.0 million and total liabilities of approximately RMB142.3 million. We also noted that the Group has a consecutive loss-making track record of approximately RMB26.0 million in FY2025 and approximately RMB6.1 million in 1H2026. Having considered the above, we concur with the Management that obtaining additional debt financing or bank borrowings may not be achievable on favourable terms in a timely manner or may require pledge of assets and/or securities, which may further reduce the Group’s financial flexibility under the current market condition.

In respect of placing or subscription of new Adjusted Shares, it results in a certain dilution on the shareholding of existing Shareholders without providing them with an opportunity to participate in the fundraising exercise. In comparison, the Rights Issue provides the Qualifying Shareholders the opportunity to participate in the fund raising exercise and maintain their proportionate shareholding interests in the Company should they wish to do so.

Comparing the Rights Issue with an open offer, while they are similar in nature, an open offer does not allow free trading of rights entitlement in the open market. Whereas Rights Issue provides flexibility to the Qualifying Shareholders who do not wish to take up their provisional entitlements to sell the nil-paid rights in the market, thereby recouping some value from their entitlements.

Having considered and compared the abovementioned alternatives, the Rights Issue allows existing Shareholders to participate in the fund raising and avoid dilution by taking up their entitlements, while providing flexibility to the Qualifying Shareholders through the ability to trade nil paid rights in the market. Therefore, we concur with the Management’s view that the Rights Issue is more beneficial to the Company and the Shareholders under the current circumstances.

2.3 *The proposed use of proceeds*

As stated in the paragraph headed “Reasons for the Rights Issue and Use of Proceeds” in the “Letter from the Board” in the Circular, assuming that the Rights Shares are fully subscribed, the maximum net proceeds from the Rights Issue (after deducting professional fees and all other related expenses) are estimated to be approximately HK\$172.3 million. The Company intends to apply the net proceeds to address the operational and capital requirements as well as business development plans.

The Company intends to use approximately HK\$80.0 million of the net proceeds for the acquisition of controlling interest in the TCM Manufacturer. We noted that the TCM Manufacturer possesses established production lines and retail sales locations within Hong Kong, enabling the Group to expand its retail footprint and extend its sales network directly into Hong Kong and overseas markets. For further details of the TCM Manufacturer, please refer to the “Letter from the Board” of the Circular.

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Accordingly, we consider that this proposed acquisition is in line with the Group's strategy to consolidate and optimize its existing retail chain network and distribution system and to further explore "supply side" structural transformation as discussed in the paragraph headed "1.3 Outlook of the Group" above, as well as the Group's intention to expand its presence beyond Mainland China as discussed in the paragraph headed "5. Financial and trading prospects of the Group" in Appendix II to the Circular.

In addition, the Group will apply the remaining proceeds of approximately HK\$92.3 million of the net proceeds to general working capital for the Group's ongoing operations, which will be allocated across the following key operational areas:

- (a) approximately HK\$15.0 million for merchandising medicine and healthcare products for retail sale;
- (b) approximately HK\$14.0 million for rental expenses for the Group's business premises;
- (c) approximately HK\$7.5 million for professional fees, staff salaries, and other routine administrative expenses; and
- (d) the balance, estimated to be approximately HK\$55.8 million, to be allocated for other corporate purposes, including (i) the repayment of the Group's outstanding bank borrowings and other interest-bearing liabilities; (ii) the potential strategic investments or business development initiatives that may arise, including but not limited to joint ventures, strategic partnerships, or minority equity investments in complementary businesses; and (iii) the general liquidity reserves.

In the event the net proceeds to be raised under the Rights Issue is less than HK\$120.0 million, the net proceeds will be fully applied as general working capital to support the Group's ongoing operations. In the event that the net proceeds to be raised under the Rights Issue is above HK\$120.0 million but below HK\$172.3 million, the net proceeds will be utilized for the acquisition of a controlling interest in the TCM Manufacturer and the working capital purposes. For further details, please refer to the "Letter from the Board" in Circular.

Considering that the proposed use of proceeds addresses the funding requirements identified in the paragraph headed "2.1 The funding needs" above, including funding requirements for (i) the Group's proposed acquisition of the TCM Manufacturer to support its business development; (ii) the necessary working capital to sustain the Group's existing core operations; and (iii) the support of the digital transformation and development initiatives, and the Rights Issue would enable the Group to obtain the necessary funding without incurring heavy interest burdens and gearing risks associated with debt financing, we are of the view that the proposed use of proceeds is fair, reasonable, and in the interests of the Company and the Shareholders as a whole.

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3. Principal terms of the Rights Issue

3.1 Summary of the key terms of the Rights Issue

Basis of the Rights Issue:	Four (4) Rights Shares for every one (1) Adjusted Share held on the Record Date
Subscription Price:	HK\$0.40 per Rights Share
Number of Adjusted Shares in issue:	110,546,218 Adjusted Shares
Number of Rights Shares:	Up to 442,184,872 Rights Shares
Number of Rights Shares undertaken to be taken up by Asia Health and Mr. Chu:	39,248,396 Rights Shares
Total number of Adjusted Shares in issue upon completion of the Rights Issue:	Up to 552,731,090 Adjusted Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no Adjusted Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Aggregate nominal value of the Rights Shares	Up to US\$4,421,848.72 (assuming no change in the number of Shares in issue on or before the Record Date)
Maximum funds to be raised before expenses	Up to approximately HK\$176.9 million (assuming all the Rights Shares will be fully taken up)

As at the Latest Practicable Date, the Company has 2,247,000 outstanding Share Options granted under the Share Option Scheme. On the date of the Announcement, each of Mr. Jin Dongtao, Mr. Jin, Mr. Zhao, Mr. Cheng Sheung Hing, and Ms. Chiang Su Hui Susie, all are Directors (except Mr. Jin Dongtao), has given his/her irrevocable undertaking to the Company to the effect that he/she will not exercise any of his/her share options (carrying rights to subscribe for an aggregate of 94,000 Shares) on or before the Record Date. Save for the above, the Company has no other outstanding warrants, options (or unvested options) or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

For further information of the Rights Issue and the Placing, please refer to the “Letter from the Board” in the Circular.

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3.2 *Subscription Price*

As stated in the “Letter from the Board”, the Subscription Price is HK\$0.40 per Rights Share, payable in full on application of the relevant assured allotment of the Rights Shares.

The Subscription Price represents:

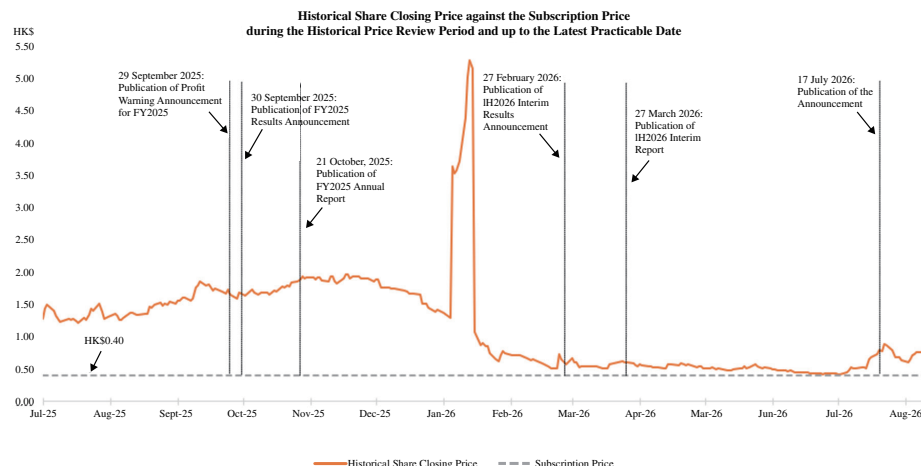
- (i) a discount of approximately 42.86% to the closing price of HK\$0.700 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 4.76% to the closing price of HK\$0.420 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 7.19% to the average closing prices of approximately HK\$0.431 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 1.00% to the theoretical ex-entitlement price of HK\$0.404 per Share based on the closing price of HK\$0.420 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 7.83% to the average closing price of approximately HK\$0.434 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 5.75% represented by the theoretical diluted price of approximately HK\$0.4062 to the benchmarked price of HK\$0.431 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.420 per Share and the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of HK\$0.431 per Share), and calculated on the basis that the Rights Issue will be fully subscribed; and
- (vii) a discount of approximately 87.06% to the unaudited consolidated net asset value per Share of approximately HK\$3.09 as at 31 December 2025 (based on the latest published unaudited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$342.05 million and 110,546,218 Shares in issue as at 31 December 2025).

3.2.1 *Historical price performance of the Shares*

Set out below is a chart illustrating the historical closing price of the Shares during the period from 16 July 2025, being 12 months immediately preceding the Last Trading Day, to the Last Trading Day and up to the Latest Practicable Date (the “**Historical**

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Price Review Period”). We consider that a period of 12 months, which reflects historical and prevailing market sentiment, is adequate to illustrate the recent price movement of the Shares for the purpose of conducting a reasonable comparison.



Source: Website of the Stock Exchange

As shown in the chart above, the closing prices of the Shares during the Historical Price Review Period ranged from a lowest of HK\$0.415 per Share recorded on 17 July 2026 to a highest of HK\$5.27 per Share recorded on 28 January 2026, with an average closing price of approximately HK\$1.17 per Share.

From 16 July 2025 (i.e. commencement of the Historical Price Review Period) to mid-January 2026, closing prices of the Shares were traded between HK\$1.21 per Share recorded on 1 August 2025 and HK\$1.97 per Share recorded on 2 December 2025. During this period, the Company published a profit warning announcement for FY2025 on 29 September 2025, the annual results announcement for FY2025 and the FY25 Annual Report on 30 September 2025 and 21 October 2025 respectively.

Thereafter, during the period from mid-January to 30 January 2026, the Share closing price increased sharply from HK\$1.29 per Share on 19 January 2026 and reached its highest of HK\$5.27 per Share on 28 January 2026. Following such a short surge, the closing price of the Shares substantially declined to HK\$1.08 per Share on 30 January 2026. It was noted from regulatory filings with the Stock Exchange that during the period from 22 January 2026 to 30 January 2026, there had been several large blocks of Shares being traded by a then substantial shareholder of the Company, namely Guo Bing, who disposed of approximately 30.1 million Shares during this period of time. However, we are not aware of any underlying reason causing such disposal and the substantial surge and decline in the Share closing prices. Subsequent to this period, the closing price of the Shares generally followed a downward trend and traded between HK\$0.42 per Share and HK\$0.90 per Share from 2 February 2026 to the Last Trading Day. As at the Last Trading Day, the Shares closed at HK\$0.42 per Share. On 27 February and 27 March 2026, the Company published its interim results announcement

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and interim report for 1H2026. Following the publication of the Announcement, we noted that the closing prices of the Shares increased gradually from HK\$0.42 per Share on 17 July 2026 to HK\$0.89 per Share on 6 August 2026. Thereafter, the closing prices of the Shares started to decline and recorded HK\$0.70 as at the Latest Practicable Date.

We note that the Subscription Price of HK\$0.40 per Rights Share represents a discount of approximately 4.76% to the closing price of HK\$0.420 per Share on the Last Trading Day and a discount of approximately 7.19% to the average closing price of HK\$0.431 per Share for the five consecutive trading days and the ten consecutive trading days immediately prior to the Last Trading Day. The Subscription Price is substantially lower than the average closing price of approximately HK\$1.17 per Share during the Historical Price Review Period. The Subscription Price is also close to the lower end of the range of the historical closing price of the Shares and represents a slight discount of approximately 3.61% to the lowest historical closing share price of HK\$0.415 recorded on 17 July 2026 during the Historical Price Review Period.

Taking into account the above, we are of the view that the Subscription Price is fair and reasonable from the point of view of historical trading prices of the Shares.

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3.2.2 Historical trading liquidity of the Shares

Set out below is the average daily trading volume of the Shares on a monthly basis and the respective percentage of the average daily trading volume of the Shares during the Historical Price Review Period compared to (i) the total number of issued Shares as of the end of each month/period; and (ii) the total number of issued Shares held by public Shareholders as of the end of each month/period.

Month	Trading days	Average daily trading volume of Shares	Average daily trading volume as a percentage to the total number of issued Shares as at the end of each month/period (%)	Average daily trading volume as a percentage to the total number of issued Shares held by public Shareholders as at the end of each month/period (%)
2025				
July (from 16 July 2025)	12	391,200	0.49	0.56
August	21	197,483	0.25	0.28
September	22	326,426	0.30	0.47
October	20	654,215	0.59	0.94
November	20	77,936	0.07	0.11
December	21	23,011	0.02	0.03
2026				
January	21	7,308,778	6.61	7.26
February	17	2,563,374	2.32	2.55
March	22	1,220,899	1.10	1.21
April	19	490,377	0.44	0.49
May	19	228,273	0.21	0.23
June	21	242,440	0.22	0.24
July (up to the Last Trading Day)	11	164,639	0.15	0.16
July (from 17 July 2026)	11	2,694,893	2.44	2.68
August (up to and including the Latest Practicable Date)	17	11,666,369	10.55	11.59
Average		1,837,954	1.66	1.83
Maximum		11,666,369	10.55	11.59
Minimum		23,011	0.02	0.03

Source: The Website of the Stock Exchange (www.hkex.com.hk)

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As illustrated in the above table, the percentage of average daily trading volume to (i) the total number of issued Share; and (ii) the total number of Shares held by public Shareholders, ranged from approximately 0.02% to 10.55% and 0.03% to 11.59% respectively. The average daily trading volume of the Shares during the Historical Price Review Period was approximately 1,837,954 Shares, representing approximately 1.66% and 1.83% of the total number of issued Shares and the total number of Shares held by public Shareholders as at the Latest Practicable Date respectively.

However, we note that the average daily trading volume recorded during the period from July 2025 up to the Last Trading Day was generally thin except for January 2026, mainly due to the large block of Share disposal by Guo Bing as discussed in the paragraph headed “3.2.1 Historical price performance of the Shares” above. We noted that the average daily trading volume significantly increased to 7,308,778 Shares in January 2026, and then decreased to 2,563,374 Shares and 1,220,899 Shares in February and March 2026 respectively. Other than the exceptionally high average daily trading volume recorded in January 2026, the average daily trading volume of the Shares of the remaining months during the period from July 2025 up to the Last Trading Day was approximately 548,356 Shares, representing approximately 0.50% and 0.54% of the total number of issued Shares and the total number of Shares held by public Shareholders as at the Latest Practicable Date respectively.

Following the publication of the Announcement, we further noted that the trading volume increased significantly and remained at a relatively high level up to the Latest Practicable Date, with an average daily trading volume of approximately 11,666,369 Shares in August 2026 (up to and including the Latest Practicable Date). Notwithstanding the recent increase in trading volume following the publication of the Announcement and up to the Latest Practicable Date, we consider the liquidity of the Shares was generally thin throughout the whole Historical Price Review Period, after excluding the impact of the aforementioned exceptional trading activities in January 2026 and the recent surge in trading volumes following the publication of the Announcement.

Given the generally thin trading liquidity of the Shares, we consider that the Company is unlikely to be able to raise equity funds from third parties without offering a discount to the prevailing Share price. Taking into account the thin trading liquidity of the Shares, we are of the view that, from the perspective of trading liquidity, the Rights Issue is an appropriate equity financing method for the Company, and the Subscription Price is fair and reasonable.

3.2.3 Comparison with other rights issues

In order to assess the fairness and reasonableness of the terms of the Rights Issue, we have identified 23 rights issue transactions (the “**Comparables**”) based on the following criteria: (i) undertaken by companies listed on the Stock Exchange, which were not lapsed or terminated up to the Latest Practicable Date; and (ii) involving issuance of ordinary shares, announced from 16 April 2026 up to and including the Last Trading

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Day (being a three-month period immediately prior to and including the Last Trading Day) (the “**Review Period**”). We consider the three-month period of the Review Period is appropriate, fair and representative because (i) the Comparables are considered for the purpose of taking a general reference for the recent market practice in relation to the rights issue exercise in the recent market conditions; and (ii) a sufficient number of Comparables was identified during the Review Period.

The Comparables listed below have been identified through our research using public information. We believe that it is an exhaustive list based on our selection criteria. The assessment of the Comparables focuses on key pricing considerations and market practices.

Shareholders should note that the subject companies in the Comparables may have different principal business activities, market capitalisations, profitability and financial positions as compared to those of the Company. Although the circumstances surrounding such Comparables may be different from those relating to the Company, we consider that the Review Period is adequate and fair and reasonable to capture the prevailing market conditions of companies listed on the Stock Exchange conducting rights issues.

The major terms of the rights issue conducted by the Comparables are summarised below.

Announcement date	Company name (Stock code)	Basis for entitlement	Premium/(Discount) of the subscription price over		Theoretical dilution effect ^{Note1}	Excess application or Compensatory arrangements	Placing commission	Underwriting
			the theoretical ex right price based on the					
			the closing price on the last trading day	closing price on the last trading date				
			%	%	%	%	%	
16 July 26	PINE Technology Holdings Limited (1079)	1 for 2	(41.18)	(33.42)	14.32	Excess application forms ^{Note2}	N/A ^{Note2}	Non-underwritten
15 July 26	Flowing Cloud Technology Ltd (6610)	4 for 1	(24.05)	(5.96)	19.39	Compensatory Arrangements	Higher of HK\$2 million or 1% of the amount successfully placed	Non-underwritten

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Announcement date	Company name (Stock code)	Basis for entitlement	Premium/(Discount) of the subscription price over		Theoretical dilution effect ^{Note 1}	Excess application or Compensatory arrangements	Placing commission	Underwriting
			the theoretical ex right price based on the closing price on the last trading day	closing price on the last trading date				
			%	%	%		%	
14 July 26	Capital Industrial Financial Services Group Limited (730)	1 for 1	0.81	0.40	1.10	Compensatory Arrangements	2.00	Non-underwritten
13 July 26	KPM Holding Limited (8027)	2 for 1	(13.80)	(6.30)	11.10	Compensatory Arrangements	3.00	Non-underwritten
10 July 26	Guoen Holdings Limited (8121)	4 for 1	(24.21)	(6.01)	22.40	Compensatory Arrangements	4.00	Non-underwritten
9 July 26	Hong Kong Entertainment International Holdings Limited (8291)	3 for 1	(4.76)	(1.23)	3.57	Compensatory Arrangements	3.00	Non-underwritten
24 June 26	Biosysen Limited (1355)	1 for 2	(51.43)	(41.38)	17.14	Compensatory Arrangements	1.50	Non-underwritten
22 June 26	Imperium Technology Group Limited (776)	1 for 2	(66.67)	(65.00)	22.34	Compensatory Arrangements	3.00	Non-underwritten
18 June 26	China Wood International Holding Co., Limited (1822)	1 for 1	(43.80)	(28.03)	22.42	Compensatory Arrangements	1.50	Non-underwritten
17 June 26	CMON Limited (1792)	3 for 1	(14.74)	(6.25)	15.79	Compensatory Arrangements	2.50	Non-underwritten

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Announcement date	Company name (Stock code)	Basis for entitlement	Premium/(Discount) of the subscription price over the theoretical ex right price based on the closing price on the last trading day	the theoretical closing price on the last trading date	Theoretical dilution effect ^{Note1}	Excess application or Compensatory arrangements	Placing commission	Underwriting
			%	%	%		%	
15 June 26	Asian Citrus Holdings Limited (73)	3 for 1	(28.13)	(8.91)	23.86	Compensatory Arrangements	Higher of HK\$100,000 or 1% of gross proceeds successfully placed	Non-underwritten
5 June 26	Gaodi Holdings Limited (1676)	1 for 2	(12.44)	(9.00)	4.31	Compensatory Arrangements	0.75	Non-underwritten
29 May 26	FDB Holdings Limited (1826)	1 for 2	(20.63)	(14.53)	6.90	Compensatory Arrangements	3.50	Non-underwritten
26 May 26	Harbour Digital Asset Capital Limited (913)	3 for 2	(19.08)	(9.74)	12.80	Compensatory Arrangements	3.00	Non-underwritten
21 May 26	MOG Digitech Holdings Limited (1942)	1 for 2	(54.55)	(46.85)	18.98	Compensatory Arrangements	1.00	Non-underwritten
13 May 26	V & V Technology Holdings Limited (8113)	1 for 2	1.12	0.67	Nil ^{Note3}	Excess application forms ^{Note2}	N/A ^{Note2}	Non-underwritten
12 May 26	MTT Group Holdings Limited (2350)	2 for 5	(64.29)	(57.10)	18.65	Compensatory Arrangements	Higher of HK\$300,000 or 2.2% of the amount successfully placed	Non-underwritten

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Announcement date	Company name (Stock code)	Basis for entitlement	Premium/(Discount) of the subscription price over		Theoretical dilution effect ^{Note 1}	Excess application or Compensatory arrangements	Placing commission Underwriting	
			the theoretical ex right price based on the closing price on the last trading day	closing price on the last trading date			%	%
5 May 26	Citychamp Watch & Jewellery Group Limited (256)	1 for 3	31.60	19.00	Nil ^{Note 3}	Compensatory Arrangements	Higher of HK\$300,000 or 1.5% of gross proceeds successfully placed	Non-underwritten
29 April 26	Minerva Group Holding Limited (397)	1 for 2	(19.10)	(11.60)	8.50	Compensatory Arrangements	3.50	Non-underwritten
27 April 26	Tasty Concepts Holding Limited (8096)	3 for 2	(16.70)	(7.40)	10.00	Compensatory Arrangements	3.00	Non-underwritten
21 April 26	China Information Technology Development Limited (8178)	1 for 2	(24.40)	(17.80)	9.50	Compensatory Arrangements	1.00	Non-underwritten
17 April 26	Hong Wei (Asia) Holdings Company Limited (8191)	4 for 1	(16.13)	(3.70)	12.90	Compensatory Arrangements	1.00	Non-underwritten
16 April 26	Pa Shun International Holdings Limited (574)	1 for 2	(72.88)	(64.18)	24.29	Compensatory Arrangements	1.00	Non-underwritten

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Announcement date	Company name (Stock code)	Basis for entitlement	Premium/(Discount) of the subscription price over		Theoretical dilution effect ^{Note 1}		Excess application or Compensatory arrangements	Placing commission	Underwriting
			the theoretical ex right price based on the closing price on the last trading day	the closing price on the last trading date	%	%	%	%	
	Maximum		31.60	19.00	24.29			4.00	
	Minimum		(72.88)	(65.00)	0.00			0.75	
	Mean		(26.06)	(18.45)	13.05			2.25	
	Median		(20.63)	(9.00)	12.90			2.50	
	The Company	4 for 1	(4.76)	(1.00)	5.75	Compensatory Arrangements	3% of Non-underwritten successfully placed proceeds, capped at HK\$3.5 million		

Source: Website of the Stock Exchange

Notes:

1. Theoretical dilution effect as referred to Rule 7.27B of the Listing Rules.
2. The transaction involves excess application with no placing arrangement.
3. There is no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) led by the transaction as the theoretical diluted price is higher than the benchmarked price (as defined under Rule 7.27B of the Listing Rules).

The Comparables indicate a common market practice for listed companies to set the subscription price of rights issue at a discount to the closing price on the last trading price prior to the date of release of the rights issue announcement (the “**LTD Price**”) and the theoretical ex-rights price (the “**Ex-right Price**”) based on the LTD Prices. Among the 23 Comparables, 20 Comparables were conducted at a discount to both the LTD Price and the Ex-right Price, while only 3 Comparables, namely Capital Industrial Financial Services Group Limited, V & V Technology Holdings Limited and Citychamp Watch & Jewellery Group Limited were conducted at a premium to the LTD Price and the Ex-right Price.

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Among the Comparables, the discounts to the LTD Price ranged from approximately 72.88% to a premium of 31.60%, with a mean and median of a discount of approximately 26.06% and 20.63% respectively. Excluding the three premium cases, the discounts to the LTD Price ranged from approximately 4.76% to 72.88%, with a mean and median of a discount of approximately 31.65% and 24.13% respectively. The discounts to the Ex-right Price ranged from approximately 65.00% to a premium of 19.00%, with a mean and median of a discount of approximately 18.45% and 9.00%. Excluding the three premium cases, the discounts to the Ex-right Price ranged from approximately 1.23% to 65.00%, with a mean and median of a discount of approximately 22.22% and 10.67% respectively. The discounts of the Subscription Price of the Company's proposed Rights Issue, at approximately 4.76% and 1.00% to the LTD Price and Ex-right Price, respectively, are lower than the mean and median of the Comparables and generally within the above observed range of the Comparables.

Furthermore, based on the Comparables, the theoretical dilution effect ranged from approximately 0.00% to 24.29%, with a mean and median of approximately 13.05% and 12.90% respectively. Excluding the three premium cases, the theoretical dilution effect ranged from approximately 3.57% to 24.29%, with a mean and median of approximately 14.96% and 15.06% respectively. The theoretical dilution effect of the Company's proposed Rights Issue, of approximately 5.75%, is lower than the mean and the median but remains within the above observed ranges of the Comparables.

Despite the wide range of discounts to the LTD Price and the Ex-right Price among the Comparables, we consider the comparable analysis to be fair and representative as (i) all the Comparables are rights issue transactions announced by Hong Kong listed issuers within the Review Period and were selected based on the selection criteria as discussed above which we consider to be fair and reasonable; (ii) both the higher-end and lower-end discounts of the Comparables represent the actual market transactions conducted under prevailing market conditions and therefore reflect prevailing market practice for equity fundraising by way of rights issue; (iii) the purpose of the comparable analysis is to assess whether the Subscription Price of the Rights Issue fall within the range generally accepted by the market, rather than to derive a precise valuation of the Shares; (iv) the discounts of the Subscription Price to the LTD Price and the Ex-right Price of approximately 4.76% and 1.00% respectively, fall within the observed ranges of the Comparables and are substantially lower than the mean and median discounts of the Comparables; (v) the theoretical dilution effect, where discounts are commonly adopted to encourage shareholder participation; and (vi) none of the Comparables have been subsequently terminated. Accordingly, the comparable analysis serves as a useful market reference and is considered together with other factors discussed in this letter.

Taking into account that (i) it is a normal market practice for listed companies to set a Subscription Price at a discount to the LTD Price and Ex-right; (ii) the discounts of the Subscription Price to the LTD Price and to the Ex-right Price reflect market norms and fall within the ranges of the Comparables; and (iii) the theoretical dilution effect of the Rights Issue falls within the ranges of the Comparables. We consider the Subscription Price to be fair and reasonable.

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3.3 *Other terms*

Non underwritten basis of the Rights Issue

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. The Unsubscribed Rights Shares, if any, will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares not successfully placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

We have reviewed the rights issue transactions selected in the paragraph headed “3.2.3 Comparison with other rights issues” above and note that all the Comparables were conducted on a non-underwritten basis. As such, we are of the view that the Rights Issue being conducted on a non-underwritten basis is consistent with prevailing market practice and a normal commercial term.

The Placing and Placing Price

The Company has entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights and NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis. The Placing will proceed only if the Rights Shares are not fully subscribed by the Qualifying Shareholders. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares not successfully placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be at least equal to the Subscription Price, and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process. As we consider that the Subscription Price is fair and reasonable as discussed in the paragraph headed “3.2 Subscription Price” above in this letter, we also consider the arrangement of setting the Placing price at or above the Subscription Price to be fair and reasonable.

The Compensatory Arrangement

The Rights Shares which would otherwise have been in the assured allotments of the Non-Qualifying Shareholders will be placed by the Placing Agent under the Compensatory Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties.

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We noted that 21 out of the 23 Comparables adopted compensatory arrangements whilst 2 Comparables, namely PINE Technology Holdings Limited and V & V Technology Holdings Limited, adopted excess application arrangements. As such, we are of the view that the Compensatory Arrangement adopted by the Company is in line with market practice and is a normal commercial term.

The Placing Commission

According to the Placing Agreement, the Company shall pay the Placing Agent a placing commission (the “**Placing Commission**”) of 3% of the amount which is equal to the Placing Price multiplied by the successfully placed Unsubscribed Rights Shares and NQS Unsold Rights Shares, subject to a maximum placing commission of HK\$3.5 million. Accordingly, the actual placing commission payable by the Company will depend on the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares successfully placed by the Placing Agent and will not exceed HK\$3.5 million.

We noted that the placing commission paid by Comparables generally ranged from approximately 0.75% to 4.0% of the gross proceeds successfully placed under the Rights Issue, with a mean and median of approximately 2.25% and 2.5% respectively. The 3% placing commission of the Company’s proposed Rights Issue is within the observed market range of the Comparables despite being slightly higher than the mean and median of the Comparables. Considering the generally thin liquidity of the Shares as discussed above and the non-underwritten basis of the Rights Issue, we consider the 3% placing commission is fair and reasonable, despite it being slightly higher than the mean and median of the Comparables. In addition, the placing commission is capped at HK\$3.5 million and is calculated solely on the amount successfully placed. Therefore, regardless of how many Unsubscribed Rights Shares are placed, the total commission will be 3% or HK\$3.5 million (whichever is lower), which is in the interest of the Company.

Having considered the above and noting that the placing commission was determined after arm’s length negotiations between the Company and the Placing Agent with reference to the prevailing market rate, we are of the view that the placing commission is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned.

3.4 Section conclusion

Taking into consideration (i) the Subscription Price is fair and reasonable; (ii) the Rights Issue provides additional means to raise a substantial amount of funds for the Company and offers all Qualifying Shareholders with an equal opportunity to participate and maintain their proportionate interests; (iii) the Placing Commission is on normal commercial terms and generally in line with prevailing market practice, we concur with the Management that the terms of the Rights Issue are fair and reasonable.

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4. Financial impact

It should be noted that the analysis below is for illustrative purpose only and does not purport to represent how the financial position of the Group will become upon completion of the Rights Issue and the Placing.

4.1. *Net tangible assets*

Based on the “Unaudited pro forma financial information of the Group” as set out in Appendix II to the Circular, assuming full subscription and as if the Rights Issue had been completed on 31 December 2025, the Group will receive net proceeds of approximately HK\$172,261,000 (equivalent to approximately RMB149,618,000) and the net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 would have increased from approximately RMB342,048,000 to approximately RMB491,666,000.

4.2 *Liquidity*

The net proceeds from the Rights Issue of approximately HK\$172,261,000 will enhance the Group’s cash resources and liquidity position and provide additional funding to execute its proposed acquisition and general working capital purposes.

Overall, we note that the Group’s financial position will improve following the Rights Issue.

5. Possible dilution effect

All Qualifying Shareholders are entitled to subscribe for the Rights Shares.

For those Qualifying Shareholders who take up their full provisional allotments under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue.

Qualifying Shareholders who do not take up the Rights Issue can, subject to the then prevailing market conditions, consider selling their nil paid rights to subscribe for the Rights Shares in the market. However, they should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue and the Placing.

For those Qualifying Shareholders who do not take up their full provisional allotments under the Rights Issue, depending on the extent to which they subscribe for the Rights Shares, their shareholding interests in the Company upon completion of the Rights Issue and the Placing will be diluted by up to a maximum of approximately 80%.

Having considered (i) the dilution effect is not prejudicial as all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and Shareholders’ interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; and (ii) the Qualifying Shareholders have the opportunity to realise their nil paid rights to subscribe for the Rights Shares in the market, subject to

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availability, we are of the view that the potential dilution effect on the shareholding, which may only happen to the Qualifying Shareholders who decide not to subscribe for their pro rata Rights Shares, is acceptable and justifiable.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that (i) the terms of the Rights Issue are fair and reasonable; and (ii) the Rights Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour on the resolution at the EGM in relation to the Rights Issue.

Yours faithfully,
For and on behalf of
Altus Capital Limited

Leo Tam
Responsible Officer

*Mr. Leo Tam (“**Mr. Tam**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. He has over ten years of experience in corporate finance and advisory in Hong Kong, in particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions. Mr. Tam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for six months ended 31 December 2025 and the three years ended 30 June 2025, 2024 and 2023 are disclosed in the following documents which have been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.uhighl.com/>), and can be accessible by the links as follows:

- (a) interim report of the Company for the six months ended 31 December 2025 (pages 33 to 70) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0327/2026032701538.pdf>)
- (b) annual report of the Company for the year ended 30 June 2025 (pages 97 to 254) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1021/2025102100256.pdf>)
- (c) annual report of the Company for the year ended 30 June 2024 (pages 95 to 259) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1023/2024102300344.pdf>)
- (d) annual report of the Company for the year ended 30 June 2023 (pages 95 to 263) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1019/2023101900324.pdf>)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 3 July 2026, being the Latest Practicable Date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had indebtedness totaling approximately RMB23,155,000 comprising the following:

	<i>RMB'000</i>
Bank loans, secured and guaranteed	21,000
Bank loans, secured and unguaranteed	10
Due to an investee, unsecured and unguaranteed	2,145
	<u>23,155</u>

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at 3 July 2026, the Group did not have outstanding indebtedness or any loan capital issued and authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, leases liabilities or hire purchases commitments, guarantees, material covenants, or contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the presently available resources, the banking facilities available to the Group, the internally generated funds as well as the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its requirements for at least next 12 months following the Latest Practicable Date.

The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

5. THE TREND OF THE GROUP'S BUSINESS AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the distribution and retail of drugs, healthcare products and other pharmaceutical products in the northeastern region of the People's Republic of China.

Since 30 June 2025 (the date to which the latest published audited accounts of the Company were made up), the Group has focused and will continue to focus on its core business layout in the pharmaceutical healthcare field, and steadily promoted the expansion of traditional physical retail chain stores and distribution network while facing more intensive competition.

Meanwhile, after taking into account population aging trends and industry structural upgrades, the Group has accelerated and will continue to accelerate its strategic deployment of "Direct to Patient (DTP) pharmacies", piloted the introduction of skin management and Chinese medicine moxibustion physiotherapy cooperative projects, and has actively explored and will continue to explore more efficient and sustainable innovative operational models to shape a new regional brand image.

With the continuous enhancement of public awareness regarding self-management of health and the sustained growth in medicine consumption demand, the domestic healthcare-related industries have maintained and will maintain a positive development momentum.

To ensure stable pharmaceutical supply, the Group has proactively coordinated material procurement and inventory management, providing the public with timely access to essential medicines and health equipment. In certain regions, tailored service models such as telephone ordering, home delivery of medicine, and/or mobile internet-based reservation for medication pickup have been introduced to safeguard business continuity.

Looking forward, the Group will continue to focus on the healthcare sector, prioritising its core pharmaceutical business while timely divesting subsidiaries and businesses that have low relevance to its principal operations. In addition, the Company intends to expand its presence beyond Mainland China with a view to maximising shareholders' returns, and will prioritise the evaluation of viable options in this regard.

While the Group will continue to leverage its network and layout advantages in traditional industries, and integrate innovative new economic models and franchise systems, it plans to strengthen its overseas presence through the acquisition of a traditional Chinese medicine (TCM) manufacturer in Hong Kong. Currently, as the Group does not operate any proprietary production lines, its products are manufactured through original equipment manufacturer (OEM) arrangements with third-party suppliers.

Upon completion of the proposed acquisition, the Group intends to gradually shift the manufacturing of certain products to the Hong Kong-based TCM manufacturer. Concurrently, the Group will leverage the manufacturer's established sales and distribution channels to promote its products in overseas markets, thereby creating synergies between manufacturing capabilities and international market access.

During recent years, a material portion of the retail demand in the Hong Kong and cross-border wellness market was heavily weighted toward respiratory, immune-boosting, and general antiviral TCM products. As public health conditions completely normalize globally in 2026, consumer purchasing habits are undergoing a rapid structural shift back to routine health maintenance, anti-aging, and chronic care products. If the Group or the target Hong Kong-based TCM manufacturer fails to rapidly adapt its production lines and inventory to this shifting product mix, it could suffer inventory write-downs or revenue compression.

Save as disclosed above, the Directors are not aware of any special trade factors or risks relevant to the Group's financial and trading prospects.

The following is the text of the independent reporting accountant's assurance report received from Forvis Mazars CPA Limited, Certified Public Accountants, the Hong Kong reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of inclusion in this circular.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

27 August 2026

The Board of Directors
Universal Health International Group Holding Limited
Room 2404, 24th Floor
World Wide House
No.19 Des Voeux Road Central
Central, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Universal Health International Group Holding Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) prepared by the directors of the Company (the “**Directors**”) for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma condensed consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out in Appendix II of the Circular dated 27 August 2026 (the “**Circular**”) issued by the Company in connection with the proposed rights issue on the basis of four rights shares for every one share (the “**Rights Issue**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group's condensed consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 as if the Rights Issue had taken place on 31 December 2025. As part of this process, information about the Group's condensed consolidated balance sheet as at 31 December 2025 has been extracted by the Directors from the Group's condensed consolidated financial statements for the six months ended 31 December 2025, on which an interim report has been published.

Directors' responsibility for the unaudited pro forma financial information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 (“**AG 7**”) “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Reporting accountant's independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Hong Kong Standard on Quality Management 1 “*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*” as issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the entity, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma statement of adjusted condensed consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules, is set out to illustrate the effects of the Rights Issue on the unaudited condensed consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 as if the Rights Issue had been completed on 31 December 2025.

The Unaudited Pro Forma Financial Information has been prepared based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the condensed consolidated net tangible assets of the Group as at 31 December 2025 or any further dates following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited condensed consolidated balance sheet of the Group as at 31 December 2025, as extracted from the published interim report of the Company for the six months ended 31 December 2025, with adjustments described below.

		Unaudited pro forma adjusted	Unaudited pro forma adjusted	Unaudited pro forma adjusted
Unaudited condensed consolidated net tangible assets of the Group attributable to the equity owners of the Company as at 31 December 2025 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>RMB'000</i> <i>(Note 2)</i>	Unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company Immediately after completion of the Rights Issue <i>RMB'000</i> <i>(Note 3)</i>	Unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company Before completion of the Rights Issue <i>RMB'000</i> <i>(Note 4)</i>	Unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company Immediately after completion of the Rights Issue <i>RMB'000</i> <i>(Note 5)</i>
Based on 442,184,872 Rights Shares to be issued at Subscription Price to HK\$0.40 per Rights share				
342,048	149,618	491,666	3.09	0.89

Notes:

- (1) The unaudited condensed consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 is extracted from the published interim report of the Company for the six months ended 31 December 2025, which is based on the unaudited condensed consolidated net assets of the Group attributed to the owners of the Company as at 31 December 2025 of approximately RMB342,048,000.
- (2) The estimated net proceeds from the Rights Issue are calculated based on gross proceeds of approximately HK\$176,874,000 (equivalent to approximately RMB153,624,000) from the issue of 442,184,872 Rights Shares at the Subscription Price of HK\$0.40 per Rights Share after deduction of the estimated professional fees and other related expenses payable by the Company of approximately HK\$4,613,000 (equivalent to approximately RMB4,006,000) attributable to the Rights Issue. The estimated net proceeds are approximately HK\$172,261,000 (equivalent to approximately RMB149,618,000).
- (3) The unaudited pro forma adjusted condensed consolidated net tangible assets of the Group attributable to owners of the Company after the completion of the Rights Issue represents the unaudited condensed consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 plus the estimated net proceeds from the Rights Issue as set out in note 2 above, as appropriate.
- (4) The unaudited condensed consolidated net tangible assets per existing shares before completion of the Rights Issue is determined based on the amount as disclosed in note 1 above, divided by 110,546,218 shares in issue immediately before the completion of the Rights Issue.
- (5) The unaudited pro forma adjusted condensed consolidated net tangible assets per share immediately after completion of the Rights Issue is determined on the amount as disclosed in note 3 above, divided by 552,731,090 shares, comprising the 442,184,872 Rights Shares to be issued immediately after the completion of the Rights Issue.
- (6) For the purpose of this unaudited pro forma adjusted condensed consolidated net tangible assets of the Group per Right Issue, the balance stated in HK\$ is converted into RMB at exchange rate of HK\$1 to RMB0.8686, the central parity rates of Renminbi in the interbank foreign exchange market as authorised and published by the China Foreign Exchange Trade System as of 30 June 2026, for illustration purpose only, and such translation does not constitute a representation that any amount has been, could have been, or may otherwise be exchanged or converted at the above rate.
- (7) No other adjustments have been made to the unaudited pro forma adjusted condensed consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

1. 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 Group. 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.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately following the completion of the Capital Reorganisation but before the completion of the Rights Issue; and (iii) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date other than as a result of the Capital Reorganisation) will be, as follows:

(i) As at the Latest Practicable Date

US\$

Authorised share capital:

500,000,000 Existing Shares of US\$0.10 each	50,000,000.00
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Issued and paid-up share capital:

110,546,218 Existing Shares of US\$0.10 each	11,054,621.80
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(ii) Immediately after the Capital Reorganisation becomes effective

US\$

Authorised share capital:

5,000,000,000 Adjusted Shares of US\$0.01 each	50,000,000.00
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Issued and paid-up share capital:

110,546,218 Adjusted Shares of US\$0.01 each	1,105,462.18
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(iii) **Immediately after completion of the Rights Issue assuming maximum number of Rights Shares to be issued**

US\$

Authorised share capital:

5,000,000,000 Adjusted Shares of US\$0.01 each 50,000,000.00

Issued and paid-up share capital:

552,731,090 Adjusted Shares of US\$0.01 each 5,527,310.90

All the Shares rank pari passu with each other in all respects, including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank pari passu with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects, including rights to dividends, voting and return of capital.

Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of issue of the fully-paid Rights Shares.

As at the Latest Practicable Date, no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital or any other equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange, and no application is being made or is currently proposed or sought for the Shares or any other equity or debt securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

On 13 May 2025, the Company as issuer and Huang Yu Holdings Limited (the “**Subscriber**”) as subscriber entered into a subscription agreement (the “**Subscription Agreement**”), pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 30,440,263 Shares, representing approximately 27.54% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares under specific mandate at the subscription price of HK\$0.08 per subscription share. Save for the allotment and issue of Shares under the Subscription Agreement, the Company had not agreed to issue any Shares since 30 June 2025, being the end of the last financial year of the Company, and up to the Latest Practicable Date.

As at the Latest Practicable Date, save for the 2,247,000 outstanding share options granted under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 2,247,000 Shares, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or, the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules were as follows:

Name	Capacity/Nature of interest	Number of Shares interested in	Percentage of interest in the Company
Mr. Chu	Beneficial owner	743,020	0.67
	Interest of a controlled corporation	9,069,079	8.20
Mr. Zhao	Beneficial owner	62,340 <i>(note 1)</i>	0.06
Mr. Jin	Beneficial owner	58,000 <i>(note 2)</i>	0.05
Cheng Sheung Hing	Beneficial owner	5,000 <i>(note 3)</i>	0.01
Chiang Su Hui Susie	Beneficial owner	5,000 <i>(note 4)</i>	0.01
Zou Haiyan	Beneficial owner	5,000 <i>(note 5)</i>	0.01

Notes:

1. The 62,340 Shares represent 34,340 Shares and 28,000 share options granted under the Share Option Scheme carrying rights to subscribe for 28,000 Shares.
2. The 58,000 Shares represent 30,000 Shares and 28,000 share options granted under the Share Option Scheme carrying rights to subscribe for 28,000 Shares.

3. The 5,000 Shares represent 5,000 share options granted under the Share Option Scheme carrying rights to subscribe for 5,000 Shares.
4. The 5,000 Shares represent 5,000 share options granted under the Share Option Scheme carrying rights to subscribe for 5,000 Shares.
5. The 5,000 Shares represent 5,000 share options granted under the Share Option Scheme carrying rights to subscribe for 5,000 Shares.

As at the Latest Practicable Date, saved as disclosed above, none of the Directors and chief executive of the Company were interested in or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange; or (iv) were required to be disclosed under the Takeovers Code.

(b) Interests of substantial shareholders

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

Name	Capacity/Nature of interest	Number of Shares interested in	Percentage of interest in the Company
Asia Health <i>(note)</i>	Beneficial owner	9,069,079	8.20

Note:

Asia Health is wholly-owned by Global Health Century International Group Ltd. (“**Global Health**”) which is in turn wholly-owned by Mr. Chu, the chairman of the Board, the chief executive officer and an executive Director. Thus, each of Global Health and Mr. Chu is deemed to be interested in all the Shares held by Asia Health under the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2025, the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

8. MATERIAL CONTRACTS

Save for the Placing Agreement and the Subscription Agreement, no material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or any other its subsidiaries within two years immediately preceding the date of this circular and up to the Latest Practicable Date.

9. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given opinion, letter or advice contained in this circular (collectively, the “**Experts**”):

Name	Qualification
Altus Capital Limited	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Forvis Mazars CPA Limited

Certified Public Accountants and Registered Public Interest
Entity Auditor

As at the Latest Practicable Date, each of the above Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the Experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2025, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses payable by the Company in connection with the Rights Issue, including Independent Financial Adviser fees, placing commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$4.61 million.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	:	<i>Executive Directors</i> Mr. Chu Chuanfu Room 2404, 24th Floor World-Wide House 19 Des Voeux Road Central Central Hong Kong Mr. Jin Dongkun Room 2404, 24th Floor World-Wide House 19 Des Voeux Road Central Central Hong Kong Mr. Zhao Zehua Room 2404, 24th Floor World-Wide House 19 Des Voeux Road Central Central Hong Kong
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Independent non-executive Directors

Mr. Cheng Sheung Hing
Room 2404, 24th Floor
World-Wide House
19 Des Voeux Road Central
Central
Hong Kong

Ms. Chiang Su Hui Susie
Room 2404, 24th Floor
World-Wide House
19 Des Voeux Road Central
Central
Hong Kong

Mr. Zou Haiyan
Room 2404, 24th Floor
World-Wide House
19 Des Voeux Road Central
Central
Hong Kong

Audit committee

Mr. ZOU Haiyan (*Chairman*)
Mr. CHENG Sheung Hing
Ms. CHIANG Su Hui Susie

Nomination committee

Mr. CHU Chuanfu (*Chairman*)
Mr. CHENG Sheung Hing
Ms. CHIANG Su Hui Susie

Remuneration committee

Mr. CHENG Sheung Hing (*Chairman*)
Ms. CHIANG Su Hui Susie
Mr. JIN Dongkun

Registered office	:	PO Box 309 Ugland House Grand Cayman, KY1-1104 Cayman Islands
Headquarters	:	No. 14-1 Bei Yi Zhong Road Tiexi District Shenyang City Liaoning Province, the PRC
Principal place of business in Hong Kong	:	Room 2404, 24th Floor World-Wide House 19 Des Voeux Road Central Central Hong Kong
Authorised representatives	:	Ms. Hui Kit Ying, <i>certified public accountant</i> Mr. Zhao Zehua
Company secretary	:	Ms. Hui Kit Ying, <i>certified public accountant</i>
Share Registrar in Hong Kong	:	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Principal banker	:	Bank of China (Hong Kong) Limited Bank of China Tower 1 Garden Road Central Hong Kong
Auditors and reporting accountants	:	Forvis Mazars CPA Limited <i>Certified Public Accountants and Registered Public Interest Entity Auditor</i> 42nd Floor, Central Plaza 18 Harbour Road Wanchai Hong Kong

Legal adviser to the Company as to Hong Kong laws	:	Mason Ching & Associates 2403, World-Wide House 19 Des Voeux Road Central Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	:	Altus Capital Limited 21 Wing Wo Street, Central Hong Kong
Placing Agent	:	Yuet Sheung International Securities Limited Unit 2704 27/F, Shun Tak Centre, West Tower 168-200 Connaught Road Central Sheung Wan, Hong Kong

12. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises all the independent nonexecutive Directors, namely Mr. ZOU Haiyan (Chairman), Mr. CHENG Sheung Hing, Ms. CHIANG Su Hui Susie, being the primary duties of the audit committee include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

13. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Chu Chuanfu

Mr. Chu Chuanfu (初川富), aged 56, currently serves as the Chief Operating Officer, mainly responsible for overseeing the distribution of Chinese medicine and other pharmaceutical products across the Group's chain stores, as well as other management functions. He was appointed as an executive Director and the chief executive officer of the Group on 1 August 2021 and subsequently appointed as the chairman of the Board on 12 December 2022.

Other experience:

- 2020: Honourary Director of the Northern Branch of Chinese Pharmacy
- December 2023: Chief Supervisor of the Liaoning Digital New Retail Industry Association (遼寧數字新零售行業協會)
- December 2024: Mentor of Master's Degree Programme at Liaoning University

Education:

- July 1993: graduated from Harbin University of Civil Engineering and Architecture (哈爾濱建築工程學院), PRC, with a major in Coal Chemical Engineering
- January 2014: graduated from Scandinavian Art and Business Institute, Finland, through distance learning with a Master of Business Administration

Mr. Chu is qualified as a practising pharmacist in Chinese medicine and a certified nutritionist in the PRC.

Jin Dongkun

Mr. Jin Dongkun (金東昆), aged 53, was appointed as an executive Director and the vice chairman of the Board on 12 March 2012. He is one of the co-founders of the Group and has served as Business Manager, General Manager and Vice President of the Group since June 1998. He is responsible for overseeing the Group's external affairs and relationships. Mr. Jin has over 27 years of experience in the pharmaceutical distribution industry and in marketing.

Other experience:

- 2010 – September 2014: vice chairman of the Heilongjiang Alliance of Pharmaceutical Retailers (黑龍江藥店聯盟)
- November 2014 – present: vice chairman of the China Medical Pharmaceutical Material Association (中國醫藥物資協會)

Education:

- December 1994: graduated from Harbin Engineering University (哈爾濱工程大學), China, with a major in Electric Technology
- July 2013: obtained a Master's degree in Business Management in a programme run by the Scandinavian Art and Business Institute, Finland

Mr. Jin is qualified as a practising pharmacist and a senior economist in China.

Zhao Zehua

Mr. ZHAO Zehua (趙澤華), aged 58, was appointed as the General Manager of Finance of the Group in October 2011 and as an executive Director on 16 June 2015. He joined the Group in January 2005 as Financial Controller and was promoted to his current position in October 2011, responsible for financial control and management. Mr. Zhao has over 36 years of experience in financial management, with strong expertise in financial accounting, treasury management and internal control.

Other experience:

- August 1989 – May 2001: Head of Finance at Hebei Chengde Tianyuan Pharmaceutical Co., Ltd. (河北省承德天原藥業有限公司)
- June 2001 – December 2004: Finance Manager and Deputy General Manager of Hebei Chengde Tianyuan Pharmaceutical Co., Ltd. (河北省承德天原藥業有限公司)
- January 2003 – December 2004: Finance Manager and Deputy General Manager of Chengde Pharmaceutical Group Liuhe Pharmaceutical Co., Ltd. (承德藥業集團六合製藥有限責任公司)

Education:

- July 1992: graduated from Hebei Radio and Television University (河北廣播電視大學), China, with a major in Finance and Accounting

Mr. Zhao is a qualified accountant in the PRC.

Independent non-executive Director

Cheng Sheung Hing

Mr. Cheng Sheung Hing (鄭雙慶), aged 78, was appointed as an independent non-executive Director on 18 November 2013. Mr. Cheng is a senior economist at the People's Bank of China, with extensive years of experience in foreign exchange management, as well as in the management of pharmaceutical companies and listed companies.

Other experience:

- 1982 – 1985: in charge of the foreign affairs of Beijing Pharmaceutical Co., Ltd. (北京市醫藥總公司) and stores for new drugs and specific drugs
- 1986 – 1995: Director of Non-trade Department and Inspection Department and Deputy Administrative Officer of the General Office of the State Administration of Foreign Exchange (國家外匯管理局)
- 1995 – 2002: Assistant to the General Manager and Assistant to the Chairman of the Board at Wing On Travel (Holdings) Limited (永安旅遊(控股)有限公司) (now known as Greater Bay Area Dynamic Growth Holding Limited 大灣區聚變力量控股有限公司), a company listed on the Main Board of the Stock Exchange (Stock Code: 01189)
- 2003 – 2005: Assistant to the Chairman of the Board at Heng Fai Enterprises Limited (恒輝企業控股有限公司) (now known as Zensun Enterprises Limited 正商實業有限公司), a company listed on the Main Board of the Stock Exchange (Stock Code: 00185)

Directorships:

- 2005 – 2013: Independent non-executive Director of National United Resources Holdings Limited (國家聯合資源控股有限公司) (formerly known as China Outdoor Media Group Limited 中國戶外媒體集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00254)

Education:

- 1982: graduated from formerly known as School of Economics of Peking University (北京經濟學院) (now known as Capital University of Economics and Business 首都經濟貿易大學) with a major in Trading Economics

Chiang Su Hui Susie

Ms. Chiang Su Hui Susie (江素惠), aged 79, was appointed as an independent non-executive Director on 18 November 2013. Ms. Chiang has over 34 years of experience in governmental affairs, treasury and cross-straits relations.

Other experience:

- December 1991 – March 2001: the Hong Kong Representative of the Government Information Office of the Executive Yuan of Taiwan (台灣行政院新聞局)
- March 1994 – December 2004: Founded the Kwang-hwa Information and Culture Centre (光華新聞文化中心) and served as the Hong Kong Representative, dedicated to fostering cultural exchange among Mainland China, Hong Kong and Taiwan
- April 2002: Founded the C S Forum (香江論壇) and the C S Corp. Consultancy Limited (香江顧問有限公司) in Hong Kong, with the mission of promoting cross-straits economic and trade communications
- August 2010 – December 2019: Member of the Hong Kong-Taiwan Cultural Co-operation Committee under the Government of the Hong Kong Special Administrative Region (香港特區政府港台文化合作委員會)

Current positions:

- Chairwoman of the C S Culture Foundation (香江文化交流基金會)
- Chairwoman of the C S Corp. Consultancy Limited (香江顧問有限公司)
- Chairwoman of the C S Finance & Investment Company Limited (香江金融財務集團有限公司)

- Honourary Chairwoman of the Taiwan Business Association (Hong Kong) Limited (香港台灣工商協會)

Education:

- July 1969: graduated from the National Chung Hsing University (國立中興大學) in Taiwan, majoring in Law

Zou Haiyan

Mr. ZOU Haiyan (鄒海燕), aged 61, was appointed as an independent non-executive Director on 20 July 2017. Mr. Zou is a Fellow of the Chinese Institute of Certified Public Accountants (CICPA), a Fellow of the Institute of Public Accountants of Australia (FIPA), a Fellow of the Institute of Financial Accountants of British (FFA), an Associate member of International Accountants (AAIA), a member of the Institute of Cost Accountants of India (ACMA), and a Certified Financial Planner (FChFP). He has over 41 years of extensive experience in the financial accounting and financial services industry.

He has served as a training instructor and guest lecturer at the Hong Kong Branch of the Association of Chartered Certified Accountants, the Hong Kong Institute of International Accountants, the Hong Kong Chinese Accountants Association, City University of Hong Kong, The Hong Kong University of Science and Technology, The University of Hong Kong, Capital University of Economics and Business, South China University of Technology, Hong Kong Productivity Council, Vocational Training Council, and the Hong Kong General Chamber of Commerce. He also served as Associate Professor at The Hong Kong Polytechnic University and Distinguished Professor at the School of Continuing Education of Shanghai University of Finance and Economics. He was Vice Chairman of the Hong Kong Heyuan Association, Executive Vice Chairman of the Hong Kong Jiangdong New District Association, Honorary Accountant of the Hong Kong Brand General Chamber of Commerce, Vice Chairman of the Shenzhen Zijin Chamber of Commerce, and Council Member of the Shenzhen Taxation Society and the Shenzhen Audit Society.

Other experience:

- July 1985 – May 1994: Principal Staff Member at the Guangdong Provincial Department of Finance (廣東省財政廳)
- June 1987 – March 1989: Senior Auditor at KPMG Hong Kong
- June 1994 to March 2001: Finance Manager at Guangdong Enterprises (Holdings) Limited (粵海企業(集團)有限公司) in Hong Kong
- January 2000 – March 2001: Managing Director at Guangdong Finance Co., Limited (百粵金融財務有限公司) in Hong Kong
- July 2001 – November 2003: Practised as a Certified Public Accountant at Guangdong Kangyuan Certified Public Accountants (廣東康元會計師事務所)

- December 2003 – August 2009: Served as Chief Partner of Guangdong Gaowich Certified Public Accountants (廣東高域會計師事務所)

Current positions:

- Managing Director of Kaowick Listing and Financial Services Company Limited (嘉域上市融資服務有限公司)
- Partner of Shenzhen Guangshen Certified Public Accountant (深圳廣深會計師事務所)
- Managing Director of China Tax and Business Consultants Company Limited (中國稅務商務顧問有限公司)
- October 2016 – October 2019: Independent Director of Asia Power Equipment (Shenzhen) Co., Ltd.* (亞洲電力設備(深圳)有限公司), a company listed on National Equities Exchange and Quotations (“**NEEQ**”) in China (Stock Code: 837584), delisted on 13 December 2018 due to business development needs and strategic plans for domestic capital market
- September 2017 – September 2023: Independent Director of Shenzhen AV-Display Co., Ltd. (深圳秋田微電子股份有限公司), a company listed on the ChiNext Market of the Shenzhen Stock Exchange (Stock Code: 300939)
- June 2021 – June 2022: Independent Non-executive Director and member of the Audit Committee of Anchorstone Holdings Limited (基石控股有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01592)
- February 2022 – Present: Independent Director of Shenzhen Yanmade Technology Inc. (深圳市燕麥科技股份有限公司), a company listed on the STAR Market of the Shanghai Stock Exchange (“**SSE STAR Market**”)
- June 2023 – Present: Independent Non-executive Director, Chairman of the Audit Committee and Nomination Committee, and member of the Remuneration of HG Semiconductor Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 06908)
- November 2023 – Present: Independent Director of Shenzhen Lifotronic Technology Co., Ltd. (深圳普門科技股份有限公司), a company listed on the SSE STAR Market (Stock Code: 688389)
- February 2025 – Present: Independent Director of Inner Mongolia Xianhong Science Co., Ltd. (內蒙古顯鴻科技股份有限公司), a company listed on the NEEQ (Stock Code: 836619)

Education:

- July 1985: graduated from Guangdong Provincial Finance School in Taxation (廣東省財政學校)
- July 1997: obtained a Diploma in Business Management from The Hong Kong Polytechnic University
- January 2015: graduated from University of Electronic Science and Technology of China (電子科技大學), majoring in Human Resources Management
- February 2018: obtained a Master's degree of Business Administration (EMBA) awarded by EuroPort Business School, Netherlands
- July 2018: Graduated from Shannxi Normal University (陝西師範大學) in China, majoring in Law
- March 2025: Obtained a Doctor's degree of Business Administration from European City University, France

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, each of the Directors has no relationship with any other Directors or senior manager of the Company. Other than the company secretary of the Company, the Company has no other senior manager.

Company Secretary

Hui Kit Ying

Flat B, 16/F, Luen Wah Building
518-520 Queen's Road West
Hong Kong

Ms Hui, aged 44, is a practising certified public accountant of the Hong Kong Special Administrative Region and a member of the Hong Kong Institute of Certified Public Accountants. Ms Hui holds a Bachelor of Business Administration (Honours) in Accountancy from The Hong Kong Polytechnic University.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.uhighl.com/>) for 14 days from the date of this circular:

- (a) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 34 to 35 of this circular;

- (b) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 36 to 62 of this circular;
- (c) the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (d) the written consent referred to in paragraph headed “9. Qualification and Consent of Experts” of this appendix;
- (e) the Subscription Agreement; and
- (f) the Placing Agreement.

15. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.
- (c) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

NOTICE OF EGM



UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LIMITED 大健康國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2211)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Universal Health International Group Holding Limited (the “**Company**”) will be held at Conference Room, 2nd Floor, No.14-1 Bei Yi Zhong Road, Tiexi District, Shenyang City, Liaoning Province, PRC on Tuesday, 15 September 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions of the Company. Unless otherwise stated, the capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 27 August 2026 (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the meeting for the purpose of identification) (the “**Circular**”), of which the notice convening the EGM shall form part.

SPECIAL RESOLUTION

1. “**RESOLVED THAT**, subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation:
 - (a) the issued share capital of the Company be reduced by cancelling the paid-up share capital of the Company to the extent of US\$0.09 on each of the issued Existing Shares such that the par value of each issued Existing Share will be reduced from US\$0.10 to US\$0.01 (the “**Capital Reduction**”), which shall take effect on the date of registration of the solvency statement made under section 14A and the minute as required by the Companies Act (as revised) of the Cayman Islands;
 - (b) immediately following the Capital Reduction becoming effective, each of the authorised but unissued Existing Shares of par value of US\$0.10 each in the authorised share capital of the Company will be subdivided into ten (10) authorised but unissued Adjusted Shares of par value of US\$0.01 each (the “**Share Subdivision**”);
 - (c) immediately following the Capital Reduction and the Share Subdivision (collectively, the “**Capital Reorganisation**”), the authorised share capital of the Company be changed from US\$50,000,000 divided into 500,000,000 Existing Shares of par value of US\$0.10 each, to US\$50,000,000 divided into 5,000,000,000 Adjusted Shares of par value of US\$0.01 each;

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- (d) the credit arising from the Capital Reduction be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction and the balance of such credit remaining after offsetting the accumulated losses (if any) be transferred to a distributable reserve account of the Company or other reserve account of the Company which may be applied by the Company in any manner as permitted under the applicable laws and the memorandum and articles of association of the Company; and
- (e) any one of the Directors be and is hereby authorised to do all such acts and things and execute (under hand or as a deed and where appropriate, under the common seal of the Company) all such documents on behalf of the Company, including under seal where applicable, as he/she may consider necessary or expedient to give effect to or in connection with the implementation of the Capital Reorganisation.”

ORDINARY RESOLUTION

- 2. **“RESOLVED THAT** subject to the fulfilment of all conditions as set out in the paragraph headed “Letter from the Board – Proposed Rights Issue – Conditions of the Rights Issue” in the Circular:
 - (a) the issue of up to 442,184,872 Rights Shares (assuming full subscription under the Rights Issue and there is no change in the total number of issued Shares up to and including the Record Date other than as a result of the Capital Reorganisation) pursuant to an offer by way of rights to the Shareholders of the Company on the basis of four (4) Rights Shares for every one (1) Adjusted Share held by the Qualifying Shareholders as at the Record Date at the Subscription Price of HK\$0.40 per Rights Share, save for the Non-Qualifying Shareholders, and on and subject to such terms and conditions as may be determined by the Directors (the **“Rights Issue”**), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
 - (b) the placing agreement dated 17 July 2026 (the **“Placing Agreement”**) entered into between the Company and Yuet Sheung International Securities Limited (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the meeting for the purpose of identification), in relation to the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares at the placing price of not less than the Subscription Price on a best effort basis, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
 - (c) the Board or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the Rights Shares may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, any Director be and is hereby authorised to make such exclusions or other arrangements in relation to any Non-Qualifying Shareholders, and to do all such acts and things or make such arrangements as he/she considers necessary, desirable or expedient having regard to any restrictions under the Memorandum and Articles of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong to give effect to any or all other transactions contemplated in this resolution; and

NOTICE OF EGM

- (d) any one of the Directors be and is hereby authorised to do all such acts and things and execute and deliver all such documents, which are ancillary to the Rights Issue and the Placing Agreement, on behalf of the Company, including under common seal where applicable, as he/she may consider necessary, desirable or expedient to implement or give effect to any matters in connection with the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder.”

By Order of the Board
Universal Health International Group Holding Limited
CHU Chuanfu
Chairman and Executive Director

Hong Kong, 27 August 2026

Notes:

- (i) A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies (if holding two or more shares) to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. Holders of treasury Shares of the Company, if any, shall abstain from voting at the Company’s general meeting in connection to such treasury Shares.
- (ii) In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company’s 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, for registration not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude a member from attending and voting in person at the EGM or any adjournment thereof (as the case may be), should he/she so wishes and in such event, the form of proxy shall be deemed to be revoked.
- (iii) Shareholders whose names appear on the register of members of the Company on Tuesday, 15 September 2026 are entitled to attend and vote at the EGM. In order to qualify for attending and voting at the EGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s 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 for registration not later than 4:30 p.m. on Wednesday, 9 September 2026.
- (iv) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (v) In case of joint shareholdings, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.