美瑞健康国际产业集团
Meilleure Health International Industry Group

MEILLEURE HEALTH INTERNATIONAL INDUSTRY GROUP LIMITED

美瑞健康國際產業集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2327)

CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED CAPITAL OF THE TARGET COMPANY

THE ACQUISITION

On 21 September 2026 (after trading hours), the Company entered into the Agreement with the Vendor, pursuant to which the Vendor has agreed to sell, and the Company has agreed to acquire, through the Purchaser (a wholly-owned subsidiary of the Company), the Sale Shares, representing the entire issued share capital of the Target Company, for an aggregate Consideration of HK$35,200,000.

Upon Completion, the Company will indirectly hold the entire issued share capital of the Target Company through the Purchaser. As such, the Target Company will become an indirect wholly-owned subsidiary of the Company, and its financial results will therefore be consolidated into the Group's consolidated financial statements.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Vendor is indirectly wholly-owned by Mr. Zhou Xuzhou, a controlling shareholder of the Company. Accordingly, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is only subject to the reporting and announcement requirements and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE ACQUISITION

On 21 September 2026 (after trading hours), the Company entered into the Agreement with the Vendor, pursuant to which the Vendor has agreed to sell, and the Company has agreed to acquire, through the Purchaser (a wholly-owned subsidiary of the Company), the Sale Shares, representing the entire issued share capital of the Target Company, for an aggregate Consideration of HK$35,200,000.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date:	21 September 2026 (after trading hours)
Parties:	(1) the Company, as purchaser; and
	(2) Yee Sheng Enterprises Company Limited, as vendor

Assets to be acquired

The Sale Shares represent the entire issued share capital of the Target Company as at the Completion Date, together with all rights attaching or accruing thereto on and after the Completion Date, and which shall be acquired by the Company free from all encumbrances.

The Company has designated its wholly-owned subsidiary, the Purchaser, to be the transferee of the Sale Shares.

Consideration

The total Consideration for the Acquisition is HK$35,200,000, which was arrived at after arm's length negotiations between the Company and the Vendor with reference to, among others, the appraised value of 100% of the total issued share capital of the Target Company as at 31 August 2026 (the "**Valuation Date**") of approximately HK$35,410,000 performed by the Valuer using asset-based approach (the "**Valuation**").

As at the date of this announcement, the total outstanding principal and accrued interest of the bank loans and any other monies and liabilities owed by Mr. Zhou Xuzhou to Nanyang Bank is approximately HK$16,776,000 (the "**Outstanding Amount**"), which is secured by Property Mortgage and Assignment of Rentals. Prior to the Completion Date, the Company has the right to either (i) require the Vendor to procure the assignment and novation of the Outstanding Amount in full from Mr. Zhou Xuzhou to the Target Company, subject to the prior written consent of Nanyang Bank ("**Completion with Debt Assumption**"); or (ii) require the Vendor to procure the full settlement of the Outstanding Amount and release and discharge the Property Mortgage and Assignment of Rentals ("**Completion without Debt Assumption**").

If the Company elects the Completion with Debt Assumption, the amount of the Outstanding Amount as at Completion shall be deducted from the Consideration, and the Final Settlement Amount shall be adjusted and calculated as follows:

Final Settlement Amount =

HK$35,200,000 – HK$17,600,000 (as First Installment) – Outstanding Amount (if any)

If the Company elects the Completion without Debt Assumption, there will be no Outstanding Amount as at Completion, and hence the Final Settlement Amount does not have to be deducted by the Outstanding Amount.

The total consideration for the Acquisition shall be settled in cash by the Company in the following manners:

(i) a sum of HK$17,600,000 will be paid by the Company to the Vendor on a date within 3 months from the date of this Agreement (the "**First Installment**"); and

(ii) a sum of the Final Settlement Amount will be paid by the Company to the Vendor on the Completion Date.

In the event that the calculation of the Final Settlement Amount (after deducting the Outstanding Amount) results in a negative figure, the Vendor shall compensate the Company an amount equivalent to the absolute value of the Final Settlement Amount.

The original cost of acquisition of the entire issued capital of the Target Company by the Vendor is HK$62,740,000, pursuant to the agreement dated 20 November 2020 entered into between (i) Meilleure Hemp International Holdings Limited, a direct wholly-owned subsidiary of the Company (as vendor) and (ii) the Vendor (as purchaser). For details, please refer to the announcement of the Company in relation to the connected transaction dated 20 November 2020.

The total consideration payable for the Acquisition will be funded by the internal resources of the Group.

Completion

The Completion shall take place on a date as mutually agreed between the Company and the Vendor, and in any event no later than the Long Stop Date.

Upon Completion, the Company will indirectly hold the entire issued share capital of the Target Company through the Purchaser. As such, the Target Company will become an indirect wholly-owned subsidiary of the Company, and its financial results will therefore be consolidated into the Group's consolidated financial statements.

DETAILS OF THE VALUATION

Qualification of the Valuer

The Company has engaged Roma Appraisals Limited (the "**Valuer**"), an independent third-party valuer which is a professional valuer firm which is a wholly-owned subsidiary of Langu Company Limited (Stock Code: 8072) listed on GEM of the Stock Exchange, to conduct an independent valuation of the entire issued share capital of the Target Company as at the Valuation Date.

With respect to the Valuer, Mr. Frank F. Wong, a managing director of the Valuer, is a Chartered Surveyor, Registered Valuer, with over 25 years of valuation, transaction advisory and project consultancy experience of properties in Hong Kong and over 15 years of experience in valuation of properties in the PRC as well as relevant experience in the Asia-Pacific region, Australia and Oceania-Papua New Guinea, Thailand, France, Germany, Austria, Czech Republic, Poland, United Kingdom, United States, Abu Dhabi (UAE), Ukraine and Jordan. The Valuer possesses the requisite qualifications for conducting valuation for the Property.

Valuation approach

In arriving at the appraised value of the Target Company, the Valuer applied the asset-based approach to determine the fair value of the entire issued share capital of the Target Company as at the Valuation Date. In selecting the valuation methodology, the Valuer considered 3 generally accepted valuation approaches, namely the market-based approach, the income-based approach, and the asset-based approach.

<u>Market-Based Approach</u>

The market-based approach values a business entity by comparing prices at which other business entities in a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. By adopting this approach, the valuer will first look for valuation indication of prices of other similar business entities that have been sold recently.

The right transactions employed in analyzing indications of values need to be sold at an arm's length basis, assuming that the buyers and sellers are well informed and have no special motivations or compulsions to buy or to sell.

<u>Income-Based Approach</u>

The income-based approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the income-based approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realizing those benefits.

Alternatively, this present value can be calculated by capitalizing the economic benefits to be received in the next period at an appropriate capitalization rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

Asset-Based Approach

The asset-based approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and equals to the value of its invested capital.

Under the asset-based approach, the market value of equity of a business entity/group refers to the market values of various assets and liabilities on the statement of financial position of the business entity/group as at the measurement date, in which the market value of each asset and liability was determined by reasonable valuation approaches based on its nature.

In the process of valuing the Target Company, the Valuer has taken into account the operations of the Target Company and the nature of the industries which the Target Company is engaged in.

The asset-based approach was adopted by the Valuer due to the reasons that:

(i) The market-based approach was not adopted since valuation multiples derived from guideline companies and transactions might not reflect the risk and return characteristics of the Target Company;

(ii) The income-based approach was not adopted as the valuation could be largely influenced by any inappropriate assumptions made; and

(iii) The asset-based approach was adopted as the market value of the Target Company is derived primarily from its existing assets on the statement of financial position of the Target Company as at the measurement date, and therefore the asset-based approach is considered to be suitable to derive the market value of the equity interest of the Target Company.

Valuation methodology

Under the asset-based approach, the Valuer valued the assets and liabilities of the Target Company as at the Valuation Date as follows:

(i) leasehold land and building (including the Property) were valued with reference to the income approach by taking into account the net income of the property derived from the existing leases and/or achievable in the existing market, which have been then capitalized to determine the market value at an appropriate capitalization rate by comparing to the relevant published research reports with yield data. The Valuer has adopted a yield of 4% which falls between the yield range 3% to 4.25% from the market research of Grade A office in core location in Hong Kong. The Valuer have also made reference to the official data from the Hong Kong Rating and Valuation Department that the market yield for Grade A private non-domestic offices reached 3.6%. The valuation is prepared in compliance with the requirements set out in accordance with the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council; (ii) other deposit, rental receivable and bank balance were valued at book values at the Valuation Date; and (iii) rental deposit, rental received in advance and accrued changes were valued at the book values at the Valuation Date.

After discussion with the management of the Target Company and analyzing their natures, other deposit and bank balance were considered as cash equivalents, the book value was then adopted as their fair value as at the Valuation Date.

The book value of rental receivable reflects the expected cash flows, making it a reasonable estimate of its fair value. After discussion with the management of the Target Company and analyzing their natures, the book value of rental receivable was adopted as the fair values as at the Valuation Date.

The book value of the rental deposit, rental received in advance and accrued changes reflects the actual amount paid or received by the Target Company, which was a reliable estimate of their fair value. Following discussion with the management of the Target Company and analysis of their natures, the book values were adopted as the fair values as at the Valuation Date.

Based on the above, the total fair value of the entire issued share capital of the Target Company (before adjustment of marketability discount) was approximately HK$41,980,000. A marketability discount of approximately 15.66% was applied to arrive at the fair value of the entire issued share capital of the Target Company. The marketability discount was adopted with reference to the 2025 edition of the Stout Restricted Stock Study, on the basis that ownership interest is not readily marketable for closely held companies compared to similar interest in public companies.

Accordingly, the Valuer arrived at the fair value of the Target Company of approximately HK$35,410,000 as at the Valuation Date.

Key Assumptions adopted in the Valuation

The Valuation was based on the following valuation assumptions for adopting the asset-based approach:

- The unaudited financial statements of the Target Company as at 31 August 2026 can reasonably represent the financial situation as at the Valuation Date since audited financial statements of the Target Company as at the Valuation Date were unavailable;

- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Company operates or intends to operate would be officially obtained and renewable upon expiry;

- There will be sufficient supply of technical staff in the industry in which the Target Company operates, and the Target Company will retain competent management, key personnel and technical staff to support their ongoing operations and developments;

- There will be no major change in the current taxation laws in the localities in which the Target Company operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

- There will be no major change in the political, legal, economic or financial conditions in the localities in which the Target Company operate or intend to operate, which would adversely affect the revenues attributable to and profitability of the Target Company; and

- Interest rates and exchange rates in the localities for the operations of the Target Company will not differ materially from those presently prevailing.

- For the leasehold land and building, the Valuation have been made on the assumption that the owner sells the properties in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such properties. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the property to be sold in one lot or to a single purchaser.

View of the Board on the Valuation

The Board has discussed with the Valuer on the valuation report and has reviewed the valuation Report, and is of the view that:

(i) the assumptions adopted in preparing the valuation report are in line with the circumstances of the business and operation of the Target Company and the industry where the Target Company operates in; and

(ii) the key parameter adopted for conducting the business valuation and property valuation of Target Company is marketability discount, while the key parameters adopted for conducting the property valuation of the leasehold land and building include capitalisation rate and rental income, all of which are common key inputs used for conducting business valuation and property valuation, respectively.

Accordingly, the Directors (including the independent non-executive Directors but excluding (i) Mr. Zhou Xuzhou and (ii) Ms. Zhou Wen Chuan (an executive Director and the chief executive officer of the Company and an associate of Mr. Zhou Xuzhou) who had abstained from voting on the resolutions of the Board in view of his material interest in the Acquisition) concurs with the Valuer that the valuation methods, bases and assumptions and parameters adopted by the Valuer are appropriate, fair and reasonable. Therefore, the Board is of the view that the valuation conclusions stated in the valuation report are therefore fair and reasonable.

INFORMATION OF THE PARTIES

The Company

The Company is a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the healthcare-related business, trading of construction materials and renewable energy products, provision of real estate agency services, property investment and leasing, development of residential properties and provision of procurement services of renewable energy products.

The Purchaser is a direct wholly-owned subsidiary of the Company and is an investment holding company.

The Vendor

The Vendor is an investment holding company incorporated in Hong Kong with limited liability on 9 July 1999. As at the date of this announcement, the Vendor is indirectly wholly-owned by Mr. Zhou Xuzhou, who is a controlling shareholder of the Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability on 27 August 1991 and is principally engaged in property investment and leasing. As at the date of this announcement, the Target Company owns a property located at Office 6, 29th Floor, Tower 1, Lippo Centre, 89 Queensway, Central, Hong Kong (the "**Property**"), which is subject to the Property Mortgage and Assignment of Rentals.

Financial information of the Target Company

Set out below is the management financial information of the Target Company for the two financial years ended 31 December 2024 and 2025, and the period from 1 January 2026 to 31 August 2026 which are prepared in accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants:

	For the year ended 31 December 2024 (unaudited) *(HK$'000)*	**For the year ended 31 December 2025** (unaudited) *(HK$'000)*	**For the period from 1 January to 31 August 2026** (unaudited) *(HK$'000)*
Net (loss)/profit before taxation	(262)	290	36,330
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	As at 31 December 2024 (unaudited) *(HK$'000)*	**As at 31 December 2025** (unaudited) *(HK$'000)*	**As at 31 August 2026** (unaudited) *(HK$'000)*
Net (liabilities)/asset value	(14,292)	(14,003)	22,328

REASONS FOR AND BENEFITS OF THE ACQUISITION

As at the date of this announcement, the core asset of the Target Company is the Property, which is a Grade A commercial premises situated in Admiralty, Hong Kong, a prime commercial district in the central business area of Hong Kong with well-established transportation networks and proximity to major financial institutions. The Board considers that Grade A office premises in prime locations in Hong Kong have demonstrated long-term value preservation and appreciation potential, and the

Acquisition presents a strategic opportunity for the Group to strengthen its asset base with a quality commercial property. The Group intends to use part of the Property as its own office premises, which will enable the Group to reduce its ongoing rental expenses for office space and provide greater operational stability, whilst the leasing of the remaining areas of the Property to tenants will provide the Group with a stable and recurring source of rental income. The Directors consider that the Acquisition is consistent with the Group's existing principal business of property investment and leasing, and will complement the Group's existing property portfolio, thereby enhancing the Group's revenue diversification and long-term earnings visibility.

In addition, the Directors note that the Consideration of the Acquisition under the Agreement is HK$35,200,000, which represents a discount of approximately 43.9% to the consideration of HK$62,740,000 at which the Target Company was previously disposed of by the Group in 2020 as disclosed in the announcement of the Company dated 20 November 2020. Having considered the prevailing market conditions of the commercial property market in Hong Kong and the current valuation of the Property, the Directors are of the view that the Consideration represents a favourable re-entry price for the Group to re-acquire the Target Company and the Property at a significant discount to the historical disposal price, thereby enabling the Group to capture the value of the Property at an attractive cost basis.

In view of the above, the Directors (including the independent non-executive Directors but excluding (i) Mr. Zhou Xuzhou and (ii) Ms. Zhou Wen Chuan (an executive Director and the chief executive officer of the Company and an associate of Mr. Zhou Xuzhou) who had abstained from voting on the resolutions of the Board in view of his material interest in the Acquisition) are of the view that the terms of the Acquisition were entered into on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Vendor is indirectly wholly-owned by Mr. Zhou Xuzhou, a controlling shareholder of the Company. Accordingly, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is only subject to the reporting and announcement requirements and is exempt from the circular, independent financial advice and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Mr. Zhou Xuzhou, an executive Director and a controlling shareholder of the Company, and Ms. Zhou Wen Chuan, an executive Director, the chief executive officer of the Company and an associate of Mr. Zhou Xuzhou, have material interests in the Agreement and have abstained from voting on the resolutions of the Board to approve the Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interests in the Agreement and hence no other Director has abstained from voting on such Board resolutions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisition”	the acquisition of the Sale Shares pursuant to the Agreement
“Agreement”	the agreement dated 21 September 2026 entered into between the Vendor and the Company in relation to the Acquisition
“Assignment of Rentals”	the assignment of rentals dated 21 December 2021 and executed by the Target Company (as assignor) in favour of Nanyang Bank (as assignee), pursuant to which the Target Company has, among others, assigned absolutely all the Target Company’s present and future rights, title, interest, benefit and claim of the rental proceeds (in the capacity as a lessor, landlord or licensor) arising out of the use of the Property to Nanyang Bank as security for the Outstanding Amount
“Board”	the board of Directors
“Company”	Meilleure Health International Industry Group Limited, a company incorporated in Bermuda with limited liability and whose issued Shares are listed on the Main Board of the Stock Exchange (stock code: 2327)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the date on which the Completion takes place (which in any event no later than the Long Stop Date)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	HK$35,200,000, being the aggregate base consideration for the Acquisition payable by the Company to the Vendor pursuant to the Agreement
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
"Final Settlement Amount"	the final settlement amount payable by the Company to the Vendor on the Completion Date, calculated in accordance with the formula set out in the section headed "Consideration" in this announcement
“First Installment”	the sum of HK$17,600,000 payable by the Company to the Vendor within 3 months from the date of the Agreement

"First Installment Date"	the date on which the Vendor has received the First Installment in relation to the Acquisition
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	a date falling on 12 months after the First Installment Date (or such other date as the parties to the Agreement may agree in writing)
"Nanyang Bank"	Nanyang Commercial Bank, Limited, a banking corporation incorporated under the laws of Hong Kong
"Property"	the property located at Office 6, 29th Floor, Tower 1, Lippo Centre, 89 Queensway, Central, Hong Kong, owned by the Target Company
"Purchaser"	Meilleure Group Development Company Limited, a company incorporated in the British Virgin Island and a direct wholly-owned subsidiary of the Company
"Property Mortgage"	the all-monies mortgage dated 21 December 2021 and executed by (i) the Target Company (as mortgagor) and (ii) Mr. Zhou Xuzhou (as borrower) in favour of Nanyang Bank (as mortgagee), pursuant to which the Target Company has, among others, (i) charged the Property and (ii) assigned the full benefit and rights of the agreement or undertaking relating to the Property to Nanyang Bank as security for the Outstanding Amount
"Sale Shares"	200 issued shares of the Target Company, representing the entire issued share capital of the Target Company
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Tech-Medi Development Limited (德馨醫藥開發有限公司), a company incorporated in Hong Kong with limited liability
"Vendor"	Yee Sheng Enterprises Company Limited (宇城實業有 限公司), a company incorporated in Hong Kong with limited liability

"%"	per cent

By Order of the Board
Meilleure Health International Industry Group Limited
Zhou Wen Chuan
Executive Director and Chief Executive Officer

Hong Kong, 21 September 2026

As at the date of this announcement, the Board comprises Mr. Zhou Xuzhou, Dr. Zeng Wentao and Ms. Zhou Wen Chuan as executive Directors, Dr. Mao Zhenhua as non-executive Director and Professor Chau Chi Wai, Wilton, Mr. Chen Shi and Mr. Wu Peng as independent non-executive Directors