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## **Sanai Health Industry Group Company Limited**

**三愛健康產業集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1889)**

### **UPDATE ON SUSPENSION OF TRADING AND QUARTERLY UPDATE**

This announcement is made by Sanai Health Industry Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.10(2) and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 26 May 2019, 28 May 2019, 4 June 2019, 9 September 2019, 16 September 2019, 24 January 2020, 12 February 2020, 7 April 2020, 23 April 2020, 24 July 2020, 23 October 2020, 8 January 2021 and 22 January 2021 respectively (the “**Announcements**”) in relation to, among others, the suspension of trading in the shares of the Company on the Stock Exchange. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements. The board of directors of the Company (the “**Board**”) wishes to provide the shareholders of the Company (the “**Shareholders**”) further update as follows:

#### **RESUMPTION CONDITIONS**

As disclosed in the announcement of the Company dated 8 January 2021, the Stock Exchange requested the Company to (i) demonstrate its compliance with Rule 13.24 of the Listing Rules; (ii) publish all outstanding financial results and address any audit modifications; and (iii) re-comply with Rules 3.10, 3.10A, 3.21 and 3.25 of the Listing Rules (the “**Resumption Conditions**”).

Under Rule 6.01A of the Listing Rules, the Stock Exchange may cancel the Company’s listing if trading in the Company’s shares has been suspended for 18 continuous months, expiring on 23 July 2021 (the “**Period**”). The Stock Exchange requests the Company to fulfill the Resumption Conditions before the expiry of the Period to avoid delisting.

## LATEST DEVELOPMENT

The Board wishes to inform the Shareholders that due to the outbreak of Coronavirus Disease 2019 (the “**COVID-19 outbreak**”) in January 2020, a series of precautionary and control measures have been and continued to be implemented across the People’s Republic of China (the “**PRC**”). Although the suspension of offices and factory operation of the Group in Fujian and other provinces of the PRC is gradually lifted, it is still uncertain as to when the business of the Group, in particular its manufacturing operation, will be able to resume to its full extent in the future. The Group will pay close attention to the development of the COVID-19 outbreak and continue to evaluate its impact on the financial position and operating results of the Group.

Following the change of auditors with effect from 23 February 2021, the audit process of the Group’s consolidated financial statements for the year ended 31 December 2019 and 31 December 2020 is currently ongoing. The Company is in active liaison with our newly appointed auditors from time to time for the audit process. If there are any material development in the completion of the audit process, further announcement will be made by the Company as and when necessary. Following the completion of the audit process, the Company will publish the 2019 and 2020 audited annual results announcement as agreed by the Company’s auditors and the annual reports for the years ended 31 December 2019 and 31 December 2020 respectively as soon as practicable. The Company will also publish the 2020 interim results announcement and the interim report for the six months ended 30 June 2020.

The Group is principally engaged in (i) pharmaceutical products business, which include development, manufacturing, marketing and sales of pharmaceutical products and sales of health care products; (ii) provision of finance leasing services; (iii) other general trading, which include trading of goods other than pharmaceutical products; and (iv) provision of genetic testing and molecular diagnostic services.

In relation to the Resumption Conditions, the Company is exploring different ways to satisfy the Resumption Conditions including but not limited to adoption of measures to improve and strengthen the business capabilities of the Group as well as exploration of new business opportunities to expand and diversify the business of the Group with an aim to enhance its long-term growth potential and the value of the Shares.

The Company will appoint legal advisers and financial advisers to devise a plan to remedy the issues causing its trading suspension and in assistance with the resumption exercise and to prepare for the submission to the Stock Exchange, which will include details of its business development plan, and other material information of the Company, with an aim to fulfill the Resumption Conditions to the satisfaction of the Stock Exchange. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

**Please note that the above-mentioned development does not necessarily indicate that trading in the Company’s shares will be resumed. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Company’s shares.**

## **CONTINUED SUSPENSION OF TRADING**

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

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

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

Hong Kong, 22 April 2021

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