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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)**

**CONTINUING CONNECTED TRANSACTIONS  
FRAMEWORK AGREEMENT – SUPPLY OF SERVICES AND PRODUCTS**

**THE FRAMEWORK AGREEMENT**

On 19 November 2021 (after trading hours of the Stock Exchange), the Company entered into the Framework Agreement with Mr. Zhou Xuzhou, a co-chairman of the Board, an executive Director and a controlling shareholder of the Company, pursuant to which the Group will provide the Health Services and supply the Health Products to ZXZ Group for a term commencing from the date of the Framework Agreement to 31 December 2023.

**LISTING RULES IMPLICATIONS**

Mr. Zhou Xuzhou, a co-chairman of the Board, an executive Director and a controlling shareholding of the Company, and Ms. Zhou Wen Chuan, an executive Director and the chief executive officer of the Company, are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the proposed annual caps under Chapter 14A of the Listing Rules are, on an annual basis, expected to be higher than 0.1% but less than 5%, the Framework Agreement and the transactions contemplated thereunder will be subject to the reporting and announcement requirements but will be exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 19 November 2021 (after trading hours of the Stock Exchange), the Company entered into the Framework Agreement with Mr. Zhou Xuzhou, a co-chairman of the Board, an executive Director and a controlling shareholder of the Company, pursuant to which the Group will provide the Health Services and supply the Health Products to ZXZ Group for a term commencing from the date of the Framework Agreement to 31 December 2023. Details of the Framework Agreement are set out below:

## **THE FRAMEWORK AGREEMENT**

- Date: 19 November 2021 (after trading hours of the Stock Exchange)
- Parties: (1) Mr. Zhou Xuzhou  
(2) the Company
- Term: A term commencing from the date of the Framework Agreement to 31 December 2023.
- Mr. Zhou Xuzhou and the Company may extend the term of the Framework Agreement at any time within the twelve-month period prior to the expiry of the Framework Agreement or at such other time as Mr. Zhou Xuzhou and the Company may agree subject to the entering into of a new agreement and on the condition that all applicable disclosure and/or Shareholders' approval requirement under the Listing Rules having been complied with by the Company.
- Subject matter: Pursuant to the Framework Agreement, the Group shall provide the Health Services and supply the Health Products to ZXZ Group.

Pricing principles: The prices of the Health Services and Health Products shall be determined with reference to the market price. The market price refers to the prevailing price charged by the Group for the provision and supply of similar health services and products to Independent Third Parties under normal commercial transaction conditions.

The provision and supply of the Health Services and Health Products shall in any case be on terms no less favourable than the terms at which the Group offers to its Independent Third Parties for the same or similar services and products. The specific payment terms shall be contained in individual separate agreements to be entered into in respect of the provision and supply of the Health Services and Health Products.

## **ANNUAL CAPS AND BASIS OF DETERMINATION**

The historical transaction amount for provision and supply of the Health Services and Health Products by the Group to ZXZ Group for the ten months ended 31 October 2021 amounted to approximately HK\$1,835,000.

The annual cap for the total amount payable by ZXZ Group to the Group in respect of the provision and supply of the Health Services and Health Products as contemplated under the Framework Agreement will not exceed HK\$8,000,000, HK\$13,000,000 and HK\$13,000,000 for the three years ending 31 December 2023, respectively.

The proposed annual caps for the provision and supply of the Health Services and Health Products have been determined after taking into account: (i) the historical transaction amount for the provision and supply of the Health Services and Health Products by the Group to ZXZ Group; (ii) the estimated demand for the provision and supply of the Health Services and Health Products by the Group to ZXZ Group during the term of the Framework Agreement; and (iii) a buffer required for the expected demand for the Health Services and Health Products to be provided by the Group.

## **REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT**

The Group has been providing and supply the Health Services and Health Products to ZXZ Group as part of its ordinary and usual course of business and has been generating revenue from such sales. The Group expects to continue to provide and supply such Health Service and Health Products to ZXZ Group and therefore has entered into the Framework Agreement with Mr. Zhou Xuzhou. The Directors consider that entering into the Framework Agreement would be conducive to the Group's revenue growth, increasing the Group's total revenue and profits as a result.

The Board (including the independent non-executive Directors) are of the view that the transactions contemplated under the Framework Agreement are entered into in the ordinary and usual course of business of the Company, on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and its shareholders as a whole, and that the proposed annual caps are fair and reasonable.

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

## **INTERNAL CONTROL MEASURES**

In order to ensure that the terms (including the pricing principles and the annual caps) contained in the Framework Agreement are fair and reasonable and will be complied with, the Company has adopted the following measures:

- (a) the finance department of the Company will closely monitor and record the actual transaction amounts of the continuing connected transactions under the Framework Agreement to ensure that the annual caps will not be exceeded;
- (b) the relevant personnel of the business department of the Company will conduct regular checks to review and assess that the transactions contemplated under the Framework Agreement are conducted in accordance with the terms of the agreement and will also regularly compare the prices and terms with the market prices or standards of similar transactions to consider whether the prices charged on specific transactions are fair and reasonable and in compliance with the above pricing policies;
- (c) the independent non-executive Directors shall review annually the transactions contemplated under the Framework Agreement and confirm in the Company's annual report for the year in question whether such transactions have been entered into (i) in the usual and ordinary course of business of the Company; (ii) either on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and

- (d) the auditors of the Company shall review annually the transactions contemplated under the Framework Agreement and confirm in a letter to the Directors in respect of each relevant financial year, that the transactions contemplated under the Framework Agreement (i) are in accordance with the pricing principles as stated in the relevant agreements; (ii) have been entered into in accordance with the relevant agreements governing the transactions contemplated under the Framework Agreement; and (iii) have not exceeded the relevant proposed annual caps as set out above.

## **INFORMATION OF THE GROUP**

The Company is principally engaged in investment holding. The Group is principally engaged in industrial hemp business, healthcare related business, trading business, real estate agency business, properties investment and leasing business as well as residential properties development business.

## **LISTING RULES IMPLICATIONS**

Mr. Zhou Xuzhou, a co-chairman of the Board, an executive Director and a controlling shareholding of the Company, and Ms. Zhou Wen Chuan, an executive Director and the chief executive officer of the Company, are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the proposed annual caps under Chapter 14A of the Listing Rules are, on an annual basis, expected to be higher than 0.1% but less than 5%, the Framework Agreement and the transactions contemplated thereunder will be subject to the reporting and announcement requirements but will be exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Meilleure Health International Industry Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the framework agreement dated 19 November 2021 entered into between Mr. Zhou Xuzhou and the Company pursuant to which the Group will provide the Health Services and supply the Health Products to ZXZ Group
“Group”	the Company and its subsidiaries
“Health Products”	healthcare products including but not limited to electronic atomizers and skincare products
“Health Services”	healthcare management services, including but not limited to healthcare consultation services, anti-aging health management services and aesthetic medical services
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Share(s)”	the existing ordinary share(s) at par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZXZ Group”	Mr. Zhou Xuzhou and his associates (including but not limited to Ms. Zhou Wen Chuan) and the companies respectively controlled by each of them
“%”	per cent

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

Hong Kong, 19 November 2021

*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 Mr. Gao Guanjiang, Professor Chau Chi Wai, Wilton and Mr. Wu Peng as independent non-executive Directors.*