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Sanai Health Industry Group Company Limited

三愛健康產業集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1889)

**(1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED CAPITAL REDUCTION
OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES**

The Company proposes to implement the following capital reorganization involving the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division as follows:

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty-five (25) issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.25 each in the share capital of the Company.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,500 Existing Shares. Subject to the Share Consolidation becoming effective, it is proposed that the board lot size for trading in the Shares shall be changed from 2,500 Existing Shares to 5,000 Consolidated Shares.

PROPOSED CAPITAL REDUCTION AND SHARE SUB-DIVISION

The Board proposes that immediately following the Share Consolidation becoming effective, the Capital Reduction and the Share Sub-division will be implemented, pursuant to which:

- (i) the issued share capital of the Company will be reduced by cancelling the paid up capital to the extent of HK\$0.24 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.25 to HK\$0.01; and
- (ii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK\$0.25 each be sub-divided into twenty-five (25) New Shares of par value of HK\$0.01 each.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division. The Circular containing, among other matters, information regarding the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division together with a notice of the EGM will be despatched to the Shareholders on or before Wednesday, 24 July 2024.

As the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division are subject to the satisfaction of conditions, they may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty-five (25) issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.25 each in the share capital of the Company.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares with par value of HK\$0.01 each, of which 3,822,467,397 Existing Shares have been issued and are fully paid or credited as fully paid.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement until the date of the EGM, immediately upon the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 400,000,000 Consolidated Shares with par value of HK\$0.25 each, of which 152,898,695 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled. The Directors are of the view that the Share Consolidation will not have any material adverse effect on the financial position of the Group and are in the interest of the Company and the Shareholders as a whole.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Tuesday, 13 August 2024, being two clear Business Day immediately after the date of the EGM. As at the date of this announcement, none of the conditions above had been fulfilled.

Adjustments in relation to other securities of the Company

According to the rules of the Share Option Scheme, if there is any alteration in the capital structure of the Company whether by way of, among others, consolidation, subdivision or reduction of the share capital of the Company, while any options remain exercisable, corresponding alteration shall be made to the number/exercise price of the options. The aforementioned alteration is conditional on the confirmation in writing by the auditors of the Company or the independent financial adviser

appointed by the Company that the alteration is made on the basis that the proportion of the issued share capital of the Company to which a participant of the Share Option Scheme is entitled after such alteration shall remain the same as that to which he or she was entitled before such alteration. No such alteration shall be made to the effect of which would be to enable any Share to be issued at less than its nominal value or which would result in the aggregate amount payable on the exercise of any option in full being increased.

As at the date of this announcement, the Company has outstanding Share Options entitling the holders thereof to subscribe for an aggregate of 31,000,000 Existing Shares under the Share Option Scheme. Under the relevant terms and conditions of the Share Option Scheme, the Share Consolidation may lead to adjustments to the exercise price and the number of Shares falling to be issued upon exercise of the Share Options. As the adjustments to the outstanding options are subject to the Share Consolidation taking effect and the written confirmation by the auditors of the Company or the independent financial advisers appointed by the Company, the Company cannot determine the adjustments to be made as at the date of this announcement. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

As at the date of this announcement, save for the Share Options, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

Application for listing of the Consolidated Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective and the Consolidated Shares which may be issued pursuant to the exercise of the Share Options granted.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated 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 Consolidated 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated 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.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be allocated to the Shareholders otherwise entitled thereto, but will be aggregated and, if possible, sold for the benefit of the Company in accordance with the memorandum and articles of association of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Details of the odd lots arrangement will be set out in the Circular.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, Shareholders may during the period from Tuesday, 13 August 2024 to 4:30 p.m. on Thursday, 19 September 2024 (both days inclusive), submit share certificates for the Existing Shares (in yellow colour) to the Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in exchange, at the expense of the Company for new share certificates for the Consolidated Shares (in green colour). Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment

of a fee of HK\$2.50 (or such other amount as may be allowed by the Stock Exchange from time to time) for each share certificate for the Existing Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Monday, 16 September 2024, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of twenty-five (25) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in green colour in order to distinguish them from the share certificates for the Existing Shares which are in yellow colour.

PROPOSED CHANGE IN BOARD LOT SIZE

The Shares are currently traded on the Stock Exchange in board lot size of 2,500 Shares. Conditional upon the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading in the shares on the Stock Exchange from 2,500 Existing Shares to 5,000 Consolidated Shares.

Based on the closing price of HK\$0.02 per Share (equivalent to the theoretical closing price of HK\$0.50 per Consolidated Share upon the Share Consolidation becoming effective) as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 2,500 Existing Shares is HK\$1,250; and (ii) the estimated value per board lot of 5,000 Consolidated Shares would be HK\$2,500.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

Reasons for the Share Consolidation and the Change in Board Lot Size

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated Rule reference on 10 May 2024 has further stated that (i) market price of the Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

For the past 6 months, the share price of the Company has been trading at or below HK\$0.10, and the closing price of the Existing Shares as of the date of this announcement was HK\$0.02 per Share. The value of each existing board lot has been less than HK\$2,000. Based on the closing price of HK\$0.02 per Share as of the date of this announcement and the existing board lot size of 2,500 Shares, the Board resolved to propose the Share Consolidation and the Change in Board Lot Size, resulting in HK\$0.50 per Consolidated Share and HK\$2,500 per board lot of 5,000 Consolidated Shares with the view to complying with the trading requirements under the Listing Rules.

The Board considers that the proposed Share Consolidation and the Change in Board Lot Size would enable the share price of the Company and the value of the board lot to comply with the trading requirements under the Listing Rules. The proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge minimum transaction costs for each securities trade. In view of the above reasons, the Board considers that the Share Consolidation and the Change in Board Lot Size are justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size, and the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund-raising exercises when suitable fund-raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

The Board believes that the Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Group nor result in a change in the relative rights of the Shareholders.

PROPOSED CAPITAL REDUCTION AND SHARE SUB-DIVISION

The Board proposes that immediately following the Share Consolidation becoming effective, the Capital Reduction and the Share Sub-division will be implemented, pursuant to which:

- (i) the issued share capital of the Company will be reduced by cancelling the paid up capital to the extent of HK\$0.24 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.25 to HK\$0.01; and
- (ii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK\$0.25 each be sub-divided into twenty-five (25) New Shares of par value of HK\$0.01 each.

Each of the New Shares arising from the Capital Reduction and the Share Sub-division shall rank pari passu in all respects with each other each in accordance with the memorandum and articles of association of the Company and have rights and privileges and be subject to the restrictions as contained in the memorandum and the articles of association of the Company.

Effect of the Capital Reduction and the Share Sub-division

Immediately upon the Share Consolidation, the Capital Reduction and the Share Sub-division becoming effective and assuming no further change in the issued share capital of the Company from the date of this announcement up to and including the date on which the Capital Reduction and the Share Sub-division shall become effective, the authorised share capital of the Company shall be HK\$100,000,000 divided into 10,000,000,000 New Shares with par value of HK\$0.01 each, of which 152,898,695 New Shares will be in issue and fully paid or credited as fully paid.

Based on the 3,822,467,397 Shares in issue as at the date of this announcement or (as the case may be) 152,898,695 Consolidated Shares in issue as at the date on which the Share Consolidation becoming effective, and assuming no further Shares or (as the case may be) Consolidated Shares will be issued or repurchased prior to the date of which the Capital Reduction and the Share Sub-division shall become effective, a credit amounting to HK\$36,695,686.80 will arise as a result of the Capital Reduction. It is proposed that the credit arising from the Capital Reduction will be credited to the distributable reserve account of the Company, which will be utilised by the Company in such manner as the Board may deem fit and permitted under all applicable laws, the Memorandum and Articles.

Assuming no further change in the issued share capital of the Company from the date of this announcement up to and including the date on which the Share Consolidation, the Capital Reduction and the Share Sub-division becoming effective, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Sub-division becoming effective	Immediately upon the Capital Reduction and the Share Sub-division becoming effective
Par value	HK\$0.01	HK\$0.25	HK\$0.01
Number of authorised Shares of the Company	10,000,000,000 Existing Shares	400,000,000 Consolidated Shares	10,000,000,000 New Shares
Amount of authorised share capital of the Company	HK\$100,000,000	HK\$100,000,000	HK\$100,000,000
Number of issued Shares of the Company	3,822,467,397 Existing Shares	152,898,695 Consolidated Shares	152,898,695 New Shares
Amount of the issued share capital of the Company	HK\$38,224,673.97	HK\$38,224,673.75	HK\$1,528,986.95

Other than the expenses to be incurred in relation to the Capital Reduction and Share Sub-division, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled. The Directors are of the view that the Capital Reduction and the Share Sub-division will not have any material adverse effect on the financial position of the Group and are in the interest of the Company and the Shareholders as a whole.

Conditions of the Capital Reduction and the Share Sub-division

The Capital Reduction and the Share Sub-division are conditional upon the following conditions:

- (i) the Share Consolidation has become effective;
- (ii) the passing of a special resolution by the Shareholders at the EGM to approve the Capital Reduction and the Share Sub-division;
- (iii) the Court granting an order confirming the Capital Reduction;
- (iv) compliance with any terms and conditions which the Court may impose in relation to the Capital Reduction;
- (v) registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction;
- (vi) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares upon the Capital Reduction and the Share Sub-division becoming effective; and
- (vii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reduction and Share Sub-division.

The Capital Reduction and the Share Sub-division will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Share Consolidation, the Capital Reduction and the Share Sub-division at the EGM, the legal advisors to the Company (as to Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company on the preliminary timetable as soon as the Court hearing dates are confirmed.

As at the date of this announcement, none of the above conditions have been fulfilled.

Application for listing of the New Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reduction and the Share Sub-division becoming effective and the New Shares which may be issued pursuant to the exercise of the Share Options granted.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange upon the Capital Reduction and the Share Sub-division becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the New 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 New 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Capital Reduction and the Share Sub-division becoming effective, the New 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.

Exchange of share certificates for the New Shares

As the Court hearing dates have yet to be fixed, the effective date of the Capital Reduction and the Share Sub-division is not ascertainable at present. Should the Capital Reduction and the Share Sub-division becoming effective, Shareholders may submit share certificates for the Consolidated Shares (in green colour) to the Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to exchange for new share certificates for the New Shares (in blue colour) at the expense of the Company within the relevant free exchange period from the date of which the Capital Reduction and the Share Sub-division shall become effective. Details of such free exchange of share certificates will be announced as soon as the date of which the Capital Reduction and the Share Sub-division shall become effective is ascertained.

The Company will publish announcement(s) to update the Shareholders when the Court hearing dates, the effective date of the Capital Reduction and the Share Sub-division, and the period when the Shareholders can submit share certificates for the Consolidated Shares to exchange for new share certificates for the New Shares is/are ascertained and/or updated.

All existing certificates of the Shares will continue to be evidence of title to such Shares but all existing certificate of Shares will cease to be valid for trading and settlement purpose.

Reasons for the Capital Reduction and Share Sub-division

Under the Companies Act and the memorandum and articles of association of the Company, the Company may not issue shares at a discount to the nominal value of such shares. Immediately after completion of the Share Consolidation but before implementation of the Capital Reduction and the Share Sub-division, the nominal value of the Consolidated Shares will be HK\$0.25 per Consolidated Share. The Capital Reduction and the Share Sub-division will keep the nominal value of the New Shares at a lower level of HK\$0.01 per New Share, which allows greater flexibility in the pricing for any issue of new Shares in the future. The credit in the distributable reserve account arising from the Capital Reduction will enable the Company to set off its accumulated loss and may be applied in future for distribution to the Shareholders or in any manner permitted by applicable laws, the Memorandum and Articles. The Board considers that the Capital Reduction and the Share Sub-division are beneficial to and in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

	Time and date
Expected date of despatch of Circular, the notice of the EGM and the form of proxy of the EGM	on or before Wednesday, 24 July 2024
Latest date and time for lodging transfer documents in order to qualify for attending and voting at EGM	4:30 p.m. on Friday, 2 August 2024
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	Monday, 5 August 2024 to Friday, 9 August 2024
Latest date and time for lodging the proxy form for the EGM	3:00 p.m. on Wednesday, 7 August 2024
Record date for EGM	Friday, 9 August 2024

	Time and date
Expected date and time of the EGM	3:00 p.m. on Friday, 9 August 2024
Publication of announcement of poll results of the EGM	Friday, 9 August 2024

The following events are conditional upon the results of the EGM and conditions for the implementation of the Share Consolidation and therefore the dates are tentative only.

	Time and date
Effective date of the Share Consolidation	Tuesday, 13 August 2024
First day for free exchange of existing share certificates for new share certificates of the Consolidated Shares	Tuesday, 13 August 2024
Dealings in the Consolidated Shares commence	9:00 a.m. on Tuesday, 13 August 2024
Original counter for trading in Existing Shares in board lots of 2,500 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 13 August 2024
Temporary counter for trading in Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 13 August 2024
Effective date of the Change in Board Lot Size	Tuesday, 27 August 2024
Original counter for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens	9:00 a.m. on Tuesday, 27 August 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Tuesday, 27 August 2024
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 27 August 2024

	Time and date
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Monday, 16 September 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends Existing share certificates cease to be valid for delivery, trading and settlement purposes but will remain effective as document of title Temporary counter for trading in Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 16 September 2024
Last day for free exchange of existing share certificates for new share certificates	Thursday, 19 September 2024

The following events are conditional upon the results of the EGM and fulfillment of the conditions for the implementation of the Capital Reduction and Share Sub-division, including the confirmation of the Court on the Capital Reduction, and therefore the dates are tentative only.

	Time and date
Effective date and time of the Capital Reduction and the Share Sub-division	Before 9:00 a.m. on Monday, 18 November 2024
Commencement of dealing in the New Shares	9:00 a.m. on Monday, 18 November 2024
First day of free exchange of existing share certificates for the Consolidated Shares into new share certificates for New Shares	Monday, 18 November 2024
Last day of free exchange of existing share certificates for the Consolidated Shares into new share certificates for New Shares	Monday, 23 December 2024

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division. The Circular containing, among other matters, information regarding the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division together with a notice of the EGM will be despatched to the Shareholders on or before Wednesday, 24 July 2024.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division and no Shareholders are required to abstain from voting at the EGM.

As the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division are subject to the satisfaction of conditions, they may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the meanings set out below in this announcement:

“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“Capital Reduction”	the proposed reduction of the issued share capital of the Company whereby the nominal value of each of the issued Consolidated Shares will be reduced from HK\$0.25 each to HK\$0.01 each by cancelling the paid up capital to the extent of HK\$0.24 on each issued Consolidated Share
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the change in board lot size of Shares for trading on the Stock Exchange from 2,500 Existing Shares to 5,000 Consolidated Shares (or 5,000 New Shares subject to the Capital Reduction and the Share Sub-division becoming effective)

“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation, the Change in Board Lot Size, the Capital Reduction, the Share Sub-division and the notice of the EGM
“Company”	Sanai Health Industry Group Company Limited 三愛健康產業集團有限公司, an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1889)
“Companies Act”	The Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$0.25 each in the share capital of the Company upon the Share Consolidation becoming effective
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division
“Existing Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the share capital of the Company before the Share Consolidation, the Change in Board Lot Size, the Capital Reduction and the Share Sub-division becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and all of its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited
“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
“Memorandum and Articles”	the memorandum and articles of association of the Company, as amended from time to time
“New Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the share capital of the Company upon the Capital Reduction and the Share Sub-division becoming effective
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the New Share(s)
“Share Consolidation”	the proposed consolidation of every twenty-five (25) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value HK\$0.25 each
“Share Sub-division”	the proposed sub-division of each of the authorised but unissued Consolidated Share of par value HK\$0.25 each into twenty-five (25) New Shares of par value HK\$0.01 each
“Share Option(s)”	the option(s) to subscribe for new Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 16 June 2017

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, 4 July 2024

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