

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Modern Chinese Medicine Group Co., Ltd.**

**現代中藥集團有限公司**

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

**(Stock Code: 1643)**

### **MAJOR TRANSACTION ACQUISITION OF SALE SHARES**

#### **THE ACQUISITION**

The Board is pleased to announce that on 19 January 2026 (after trading hours), the Company entered into the SPA with the Vendor, pursuant to which the Company conditionally agreed to purchase, and the Vendor agreed to sell, the Sale Shares for the Consideration of HK\$41,820,000.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable Percentage Ratios of the transaction contemplated under the SPA is higher than 25% but lower than 100%, the entering into of the SPA constitute a major transaction of the Company and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for such approval. Modern Biotechnology Group Holdings Co., Ltd., being a controlling Shareholder holding 402,000,000 Shares, representing approximately 55.83% of the issued Shares as at the date of this announcement, has given its written approval for the SPA and the transaction contemplated thereunder and such written approval can be accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting of the Company will be convened for the purpose of approving the SPA pursuant to Rule 14.44 of the Listing Rules. A circular containing, amongst others, details of the SPA and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 9 February 2026. If additional time is required for preparing the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and thereafter publish an announcement in accordance with the Listing Rules.

**Completion is subject to the fulfilment of the Conditions Precedent set out in the SPA and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **THE ACQUISITION**

The Board is pleased to announce that on 19 January 2026 (after trading hours), the Company entered into the SPA with the Vendor, pursuant to which the Company conditionally agreed to purchase, and the Vendor agreed to sell, the Sale Shares for the Consideration of HK\$41,820,000.

The principal terms of the SPA are set out below:

- Date: 19 January 2026
- Parties: (1) The Vendor as vendor  
(2) The Company as purchaser

### **Assets to be acquired**

Pursuant to the SPA, the Company has conditionally agreed to purchase, and the Vendor has agreed to sell, the Sale Shares subject to fulfilment of the Conditions Precedent.

### **Consideration and payment terms**

The Consideration for the Sale Shares is HK\$41,820,000, which shall be paid in cash by the Company to the Vendor in the following manner:

- (i) A sum of HK\$10,000,000, being a deposit, shall be paid by the Company to the Vendor upon the signing of the SPA and such amount of deposit shall constitute part payment of the Consideration; and
- (ii) The remaining balance of the Consideration in the sum of HK\$31,820,000 shall be settled within three (3) Business Days after the Completion.

The Consideration was determined after arm's length negotiations between the Company and the Vendor after taking into account 30% of the fair value of the Target Group, i.e. HK\$41.82 million, valued by an independent valuer, Flagship Appraisal Consulting Limited, under market approach.

### **Conditions Precedent**

Completion is conditional upon each of the following conditions being satisfied:

- (a) the Company having informed the Vendor in writing that it is satisfied with the due diligence results in relation to financial, legal, tax and business aspects of the Target Group;

- (b) the Company having obtained a legal opinion on the legality of Allways and Wing Ming from a qualified legal adviser and the Company is satisfied with such legal opinion;
- (c) there has been no improper or negative impact or material adverse change in the business, prospects, operations or finance of the Target Group from the date of the SPA to the date of Completion;
- (d) the SPA and the transaction contemplated thereunder having been complied with the Articles of Association of the Company and the requirements under the applicable laws, rules and regulations (including the Listing Rules);
- (e) the SPA and the transaction contemplated thereunder having been approved by a Shareholder or the Shareholders (as the case may be) in accordance with the Listing Rules;
- (f) the Company having received a certificate of incumbency and a certificate of good standing in relation to each of the Target Company and Rebound, which shall be dated within 30 days prior to the date of the SPA and the contents of which shall be in line with the SPA; and
- (g) all representations and warranties given by the Vendor shall remain true, accurate and not misleading from the date of the SPA to the date of Completion.

Pursuant to the SPA, the parties shall use their best endeavours to fulfil the Conditions Precedent. If any of the Conditions Precedent has not been fulfilled before the Long Stop Date, the Company shall not be obliged to complete the purchase of the Sale Shares and the SPA shall immediately cease and determined and any party to the SPA shall have the right to claim against the other for any antecedent breaches of the terms thereof. However, the Company may choose to continue to complete the purchase of the Sale Shares and request the Vendor to fulfil any of the outstanding Conditions Precedent after Completion. In addition, any party to the SPA shall have the right to claim against the other for loss and damage as a result of not using their best endeavours to fulfil any of the Conditions Precedent.

## **Completion**

Completion shall take place on the third Business Days (or such other later date as to be agreed between the parties) upon the Conditions Precedent being satisfied.

## **INFORMATION OF THE COMPANY**

The Company is an investment holding company and its subsidiaries are principally engaged in the production of proprietary Chinese medicine (PCM), in particular, over-the-counter and prescribed medicines intended for use by the middle-aged and the elderly in the PRC.

## **INFORMATION OF THE VENDOR**

The Vendor is an investment holding company incorporated in the Cayman Islands. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner, namely Ms. Guo Bing (郭冰) are Independent Third Parties.

The Vendor is a substantial shareholder of Universal Health holding 30,640,263 shares, representing approximately 27.72% of the entire issued share capital of Universal Health.

During the period from December 2015 to March 2018, the Vendor was wholly-owned by the late Mr. Xie Wei (謝偉) (“**Mr. Xie**”), who was a controlling Shareholder and a former executive Director. In April 2018, Mr. Xie sold to Universal Health 11% of the issued shares of the Vendor. Mr. Xie, through the Vendor, held the remaining 89% of the issued shares of the Target Company until June 2019 when he disposed of all his interests in the Vendor to a legal entity ultimately wholly-owned by Ms. Guo Bing (郭冰), a substantial shareholder of Universal Health, in order to focus on the business in the PRC.

## **INFORMATION OF THE TARGET GROUP**

Each of the Target Company and Rebound is an investment holding company with limited liability. As at the date of this announcement, Wing Ming is wholly-owned by Rebound, while Rebound is wholly-owned by Allways, which is in turn wholly-owned by the Target Company. The Target Company is owned as to 89% by the Vendor and 11% by Universal Health.

Allways is principally engaged in manufacturing of registered traditional Chinese medicines, which include a series of exceptional products, such as “Shen Dun Strong Seal Pills” (神盾海狗丸) and “Wing Ming Pai Feng Pill” (永明烏雞白鳳丸). Allways is licensed under the Chinese Medicine Ordinance (Cap. 549 of the laws of Hong Kong) to manufacture proprietary Chinese medicine, which possesses manufacturing facilities in Hong Kong. As at the date of this announcement, Allways has registered 184 proprietary Chinese medicine in Hong Kong.

Wing Ming is principally engaged in online sales of proprietary Chinese medicine manufactured by Allways. The Target Group has, through Wing Ming, established different official flagship stores across major e-commerce platforms.

## **Financial Impacts of the Acquisition**

Upon completion of the Acquisition, the Company will hold 30% interest in the issued share capital of the Target Company, and the Target Company is expected to be accounted for as an associate of the Group.

## **Financial information of Target Group**

Set out below is the unaudited consolidated financial information of the Target Group for (i) the period from 1 July 2022 to 31 December 2023; and (ii) the year ended 31 December 2024, prepared in accordance with HKFRS.

	<b>For the year ended 31 December 2024</b> (unaudited) <i>HK\$'000</i>	<b>For the period from 1 July 2022 to 31 December 2023</b> (unaudited) <sup>(Note)</sup> <i>HK\$'000</i>
Revenue	66,868	86,345
Profit before tax	17,435	13,358
Profit after tax	15,102	11,577

*Note: The financial year end of each of Allways and Wing Ming has been changed from 30 June to 31 December.*

As at 31 December 2024, the unaudited consolidated total asset value and net asset value of the Target Group were approximately HK\$52.6 million and HK\$45.3 million respectively.

The above unaudited consolidated financial information was prepared based on the respective audited financial statements of Allways and Wing Ming, and the respective unaudited balance sheets of the Target Company and Rebound.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

As disclosed in the announcement of the Company in relation to subscription of new shares under general mandate (the “**Subscription**”) dated 8 April 2025, among other things, the Company intends to apply 50% of the net proceeds raised under the Subscription for new business opportunities relating to Chinese medicine, including investment in Chinese medicine manufacturer.

The Company considers that making investment in a traditional Chinese medicine (TCM) manufacturer located in Hong Kong with production line and sales location in Hong Kong will enable the Group to extend its sales locations to Hong Kong and overseas.

Given the fact that Allways is a licensed Chinese medicine manufacturer in Hong Kong and its geographical presence covers Hong Kong and Macau, the Board considers the Acquisition is in line with the Group’s development strategy.

In view of the foregoing, the Directors consider that the terms of the SPA are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATION UNDER THE LISTING RULES**

As one or more of the applicable Percentage Ratios of the transaction contemplated under the SPA is higher than 25% but lower than 100%, the entering into of the SPA constitute a major transaction of the Company and is subject to reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for such approval. Modern Biotechnology Group Holdings Co., Ltd., being a controlling

Shareholder holding 402,000,000 Shares, representing approximately 55.83% of the issued Shares as at the date of this announcement, has given its written approval for the SPA and the transaction contemplated thereunder and such written approval can be accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting of the Company will be convened for the purpose of approving the SPA pursuant to Rule 14.44 of the Listing Rules. A circular containing, amongst others, details of the SPA and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 9 February 2026. If additional time is required for preparing the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and thereafter publish an announcement in accordance with the Listing Rules.

**Completion is subject to the fulfilment of the Conditions Precedent set out in the SPA and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

“Acquisition”	the purchase of the Sale Shares by the Company in accordance with the terms of the SPA
“Allways”	Allways Health-Care Corporation Limited (永盛國際企業有限公司), a company incorporated in Hong Kong with limited liability on 4 April 1995
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday and a public holiday) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“Company”	Modern Chinese Medicine Group Co., Ltd. (現代中藥集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 15 January 2021, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition contemplated under the SPA
“Conditions Precedent”	the conditions precedent to Completion
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	HK\$41,820,000 payable by the Company to the Vendor for the Acquisition

“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountant
“Independent Third-Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Long Stop Day”	30 June 2026
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Rebound”	Rebound Global Limited (復興環球有限公司), a company incorporated in BVI with limited liability on 11 June 2014
“Sale Shares”	3,000,000 ordinary shares (representing 30% of the entire issued share capital of the Target Company)
“Shareholder(s)”	holder(s) of the Shares from time to time
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“SPA”	the sale and purchase agreement dated 19 January 2026 entered into between the Vendor as vendor and the Company as purchaser relating to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	AI Health Global Holdings Limited (數智健康全球控股有限公司), a company incorporated in Cayman Islands with limited liability on 15 January 2018
“Target Group”	the Target Company, Always, Rebound and Wing Ming

“Universal Health”	Universal Health International Group Holding Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange (Stock Code: 2211)
“Vendor”	Huang Yu Holdings Limited (皇御控股有限公司), a company incorporated in BVI with limited liability on 10 July 2015
“Wing Ming”	Hong Kong Wing Ming Medical Limited (香港永明藥業有限公司), a company incorporated in Hong Kong with limited liability on 25 July 2014
“%”	per cent

By Order of the Board  
**Modern Chinese Medicine Group Co., Ltd.**  
**Zhang Hongli**  
*Executive Director*

Hong Kong, 19 January 2026

*As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Sun Xinlei, Ms. Zhang Hongli and Ms. Jia Yanru; and three independent non-executive Directors, namely Ms. Liu Ling, Mr. Leung Tsz Wing and Mr. Wong Chi Kin.*