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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)

INSIDE INFORMATION UPDATE ON LITIGATION AND RECEIPT OF FINAL JUDGEMENT

This announcement is made by Sanai Health Industry Group Company Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the paragraph headed “Litigation” of the Directors’ Report in the annual report of the Company for the year ended 31 December 2025, and the announcements of the Company dated 18 January 2021, 4 February 2021, 1 June 2023, 19 December 2023, 12 May 2025 and 23 May 2025 respectively (collectively the “**Announcements**”) in relation to the Litigation, the Appeal and the Second Appeal. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

PROGRESS OF THE LITIGATION

As disclosed in the Announcements, the case regarding the Litigation has been returned to 北京市高級人民法院 (the High People’s Court of Beijing) for the Second Appeal. The Board wishes to inform the Shareholders and potential investors of the Company that the Company has received a 民事判決書 (civil judgement) (the “**Final Judgement**”) regarding the Second Appeal from 北京市高級人民法院 (the High People’s Court of Beijing). Pursuant to the Final Judgement, among other things:

- (i) the judgement of 北京市第四中級人民法院 (the No. 4 Intermediate People’s Court of Beijing) was dismissed;

- (ii) the payment obligation including the outstanding principal under the Finance Lease Agreement in the amount of RMB59,321,569.17, the interest in the amount of RMB3,115,736.04, the outstanding default interest in the amount of RMB53,981,238.73, the default payment in the amount of RMB2,781,526.77, the legal fees in the amount of RMB800,000 and preservation insurance fees in the amount of RMB175,636.06 (collectively the “**Litigation Amount**”) owed by Fujian Sanai to the Plaintiff is affirmed and the Plaintiff shall lawfully declare the aforementioned claim during the winding-up procedures of Fujian Sanai given separate settlement is not permitted;
- (iii) the Company, Lin Ouwen and Lin Min shall be jointly liable for the Litigation Amount, and they are entitled to claim against Fujian Sanai during the winding-up procedures of Fujian Sanai after discharging of such joint liabilities;
- (iv) any other claims made by the Plaintiff were dismissed; and
- (v) the decisions stated in the Final Judgement are final.

OTHER UNDISCLOSED LITIGATIONS AND ARBITRATIONS

As of the date of this announcement, the Group does not have any other major litigation or arbitration matters that are required to be disclosed but have not been disclosed.

POSSIBLE IMPACT OF THE LITIGATION ON THE COMPANY’S PROFITS FOR THE CURRENT YEAR OR THEREAFTER

Based on the Final Judgement, the Litigation Amount is expected to reduce the cash and cash equivalents and net assets of the Company. As of the date of this announcement, the Company would have sufficient cash for settlement of the Litigation Amount. Prior to the date of the Final Judgement, the Company has not made any provision for the estimated liabilities in respect of the Litigation for which a qualified opinion was issued by the Company’s auditor in prior years since the Company’s auditor was unable to obtain sufficient appropriate audit evidence to assess whether any provision should be provided. The Company is in the process of assessing the impact of the Litigation on the Company’s consolidated financial statements for the year ending 31 December 2026.

After discharging the joint liability of the Litigation, the Company shall be entitled to seek compensation from the other defendants and relevant parties in accordance with the law, and may take other remedial measures to minimize losses to the Company to the greatest extent possible. The Company will closely monitor subsequent developments, take proactive measures, and safeguard the legitimate rights and interests of the Company and all its shareholders.

The Company will perform its information disclosure obligations in respect of updates on the Litigation, in compliance with the Listing Rules as and when appropriate.

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
Xie Haijing
Executive Director

Hong Kong, 14 May 2026

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Yuan Chaoyang, Mr. She Hao and Mr. Xie Haijing, and three independent non-executive directors, namely, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Ms. Tsui Yuen Tan.