



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)**

*Executive Directors:*

Mr. Zhou Xuzhou *(Co-chairman)*

Dr. Zeng Wentao *(Co-chairman)*

Ms. Zhou Wen Chuan *(Vice-chairman and  
chief executive officer)*

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*Non-executive Director:*

Dr. Mao Zhenhua

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*Independent Non-executive Directors:*

Professor Chau Chi Wai, Wilton

Mr. Chen Shi

Mr. Wu Peng

27 March 2026

*To the Shareholders*

Dear Sir or Madam,

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION  
EQUITY INTEREST TRANSFER AGREEMENT;  
(II) PROPOSED ADOPTION OF THE 2026 SHARE AWARD SCHEME;  
AND  
(III) NOTICE OF SPECIAL GENERAL MEETING**

**I. INTRODUCTION**

Reference is made to the announcements of the Company dated 8 January 2026 and 24 March 2026 in relation to the discloseable and connected transaction relating to the Equity Interest Transfer Agreement and the proposed adoption of the 2026 Share Award Scheme, respectively.

The purpose of this circular is to provide you with, among other matters, (i) further information on the Equity Interest Transfer Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the proposed adoption of the 2026 Share Award Scheme. A notice of the SGM containing the resolutions to be proposed at the SGM is set out in this circular.

## II. EQUITY INTEREST TRANSFER AGREEMENT

The principal terms of the Equity Interest Transfer Agreement are as follows:

Date: 8 January 2026 (after trading hours)

Parties: U-Home Group, as vendor 1;  
Ms. Tan Wensheng, as vendor 2; and The Company, as purchaser.

### Subject Matter

Pursuant to the Equity Interest Transfer Agreement, the Company as purchaser conditionally agreed to purchase, and the Vendors conditionally agreed to sell the entire equity interest in Jiangsu Yide, at an aggregate Consideration of RMB124,766,500 (equivalent to approximately HK\$137 million). As at the date of this circular, Jiangsu Yide holds 17 commercial properties, 3 residential properties and 34 car parking spaces with an aggregate gross floor area of 5,306.36 sq.m. (collectively but except the Excluded Property, the “**Yide Properties**”), all situated in Nanjing, the PRC. The Yide Properties collectively form a street-facing comprehensive commercial complex attached to a residential community which is the first property in Nanjing New Area’s central business district with seamless subway connection.

As confirmed by our PRC legal advisers, as at the Latest Practicable Date, (i) save for a mortgage executed in favour of China Zheshang Bank – Nanjing Branch (浙商银行股份有限公司南京分行) as security of a credit limit of RMB59,500,000 for Jiangsu Yide, there was no other liens, pledges or other encumbrances in connection with the Yide Properties; and (ii) there was no other notices, pending litigation, breaches of law or title defects relating to the Yide Properties.

### **Condition precedent**

The obligations of the Company and the Vendors under the Equity Interest Transfer Agreement are conditional upon the satisfaction (or otherwise waiver) of the following conditions precedent:

- (a) the passing by the Independent Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at the SGM of the necessary resolution(s) to approve the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including the Acquisition and the entering into of the formal agreement and related arrangements in respect of the Acquisition) (the date of passing such resolution(s), the “**SGM Approval Date**”);
- (b) the Subsidiary having been divested from Jiangsu Yide and transferred to an Independent Third Party, or having completed deregistration procedures in accordance with applicable laws, such that Jiangsu Yide ceases to hold, whether directly or indirectly, any equity interest or other interests in such Subsidiary (such Subsidiary has been fully impaired in the unaudited financial statements of Jiangsu Yide since 31 December 2024, and thus would not have any impact on the net asset value and the appraised value of the entire equity interest of Jiangsu Yide as at 29 December 2025);
- (c) the Directors having completed their assessment of the Vendors’ repayment ability, including but not limited to reviewing the Vendors’ financial statements and bank statements;
- (d) all Bank Loans having been fully settled by the Vendors;
- (e) Mr. Zhou having duly executed a personal guarantee agreement in favour of the Company in a form reasonably acceptable to the Company, which shall include (but not be limited to) the following terms: (1) the scope of the guarantee shall cover the Consideration (or the adjusted Consideration, as the case may be) to be refunded by the Vendors and the Liquidated Damages to be paid by the Vendors pursuant to the Equity Interest Transfer Agreement; and (2) the guarantee shall be unconditional and irrevocable; and
- (f) the Excluded Property having been divested from Jiangsu Yide, such that Jiangsu Yide ceases to hold, whether directly or indirectly, such property.

The Equity Interest Transfer Agreement will take effect on the Effective Date, being the date on which all conditions precedent set out above are satisfied, which, in any event, shall be no later than 31 December 2026 or such later date as may be agreed in writing by the Parties (the “**Long Stop Date**”). On the date on which conditions precedent (a), (b),

(c), (e) and (f) above have been fully satisfied, if condition precedent (d) is only partially satisfied (i.e. any Bank Loans remain outstanding (the “**Outstanding Amount**”), the Company shall be entitled to waive condition precedent (d) above in writing and treat such date as the Effective Date. In such event, the Outstanding Amount shall be deducted from the Consideration in accordance with the terms of the Equity Interest Transfer Agreement. If the conditions precedent set out above are not fully satisfied (or, as the case may be, waived by the Company in writing in respect of conditions precedent (b), (c), (d) and (e) only, provided that conditions precedent (a) and (f) shall not be waivable by any party in any circumstances) on or before the Long Stop Date, the Equity Interest Transfer Agreement and the obligations of the Parties thereunder shall, without prejudice to any liability of any party to any other party for any breach of any provision of the Equity Interest Transfer Agreement prior to termination (including the Vendors’ obligations to refund the Consideration (or the Adjusted Consideration (as defined below), as the case may be) and pay the Liquidated Damages (as defined below) in the event of termination as stated below), lapse and terminate with immediate effect from the Long Stop Date, and no party shall have any claim against any other party save for any antecedent breach.

As at the date of this circular, condition precedent (e) above has been satisfied.

### **Consideration**

The Consideration is RMB124,766,500 (equivalent to approximately HK\$137 million), which was arrived at after arm’s length negotiations between the Company and the Vendors with reference to the sum of (i) the preliminary appraised value of the entire equity interest of Jiangsu Yide (excluding the Subsidiary and the Excluded Property) of RMB59,700,000 as at 30 November 2025 adopting the asset-based approach which values a business based on its existing assets, equating its total value to invested capital by assessing market values of assets and liabilities on the financial statement. The market value then arrived by adjusting with the lack of marketability discount considered to be appropriate by the Valuer, details of the final valuation results are set out in the Valuation Report; and (ii) the Bank Loans of Jiangsu Yide to be fully settled and repaid by the Vendors pursuant to condition precedent (d) above in the total amount of RMB108,000,000, with an agreed discount of approximately 25% applied in order to support the growth of the Group.

The original cost of acquisition of the 40% equity interest in Jiangsu Yide to U-Home Group is RMB40,000,000, being the 40% registered capital of Jiangsu Yide subscribed by U-Home Group.

Pursuant to the Equity Interest Transfer Agreement, the Company and/or any of its designated subsidiaries shall pay the Consideration in full in cash to the Vendors in one lump sum within 90 calendar days from the SGM Approval Date.

On the date on which conditions precedent (a), (b), (c), (e) and (f) have been fully satisfied, if any Bank Loans remain outstanding as at the Effective Date, the Outstanding Amount shall be deducted from the Consideration, and the adjusted Consideration (the “**Adjusted Consideration**”) shall be calculated as follows:

Adjusted Consideration = Consideration – Outstanding Amount (if any)

The Consideration (or the Adjusted Consideration, as the case may be) payable to each Vendor shall be in proportion to its respective shareholding percentage in Jiangsu Yide. If the Company has paid the Consideration in full prior to the Effective Date, the Vendors shall refund the Outstanding Amount (if any) to the Company within 10 Business Days from the Effective Date.

Upon the full payment of the Consideration by the Company, all rental income from the Yide Properties (the “**Rental Income**”) shall accrue to the Company. Without prejudice to any rights and remedies of any party under the Equity Interest Transfer Agreement arising from any breach of any provision of the Equity Interest Transfer Agreement by any other party prior to termination, if the Equity Interest Transfer Agreement is terminated due to (i) the failure to satisfy (except those being waived by the Company) the conditions precedent set out above by the Long Stop Date, or (ii) the Vendors’ default under the Equity Interest Transfer Agreement, the Vendors shall, within 10 Business Days after such termination, refund to the Company the Consideration less any Rental Income already received by the Company, together with liquidated damages (the “**Liquidated Damages**”) calculated as follows:  $\text{Consideration} \times 8\% \times (\text{actual number of days the Consideration was held}/365)$ .

The 8% used in calculating the Liquidated Damages (the “**Liquidated Damages Rate**”) was determined after arm’s length negotiation among the parties to the Equity Interest Transfer Agreement with reference to the market lending rates in the PRC (the loan prime rate being 3.00% for a term of one year) and Hong Kong (the loan prime rate in the range of 5.00% to 5.125%) over the past one year, taking into account the risk premium for potential default. Given that the Liquidated Damages Rate is higher than the said market lending rates, the Board is therefore of the view that the Liquidated Damages Rate is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

In addition, Mr. Zhou has provided the Personal Guarantee in favour of the Company in respect of the Vendors’ obligations to refund the Consideration (or the Adjusted Consideration, as the case may be) and pay the Liquidated Damages in the event of termination due to (i) the failure to satisfy (except those being waived by the Company) the conditions precedent by the Long Stop Date; or (ii) the Vendors’ default under the Equity Interest Transfer Agreement. Such Personal Guarantee shall be unconditional and irrevocable.

The Consideration will be funded by the internal resources of the Group.

## **Valuation**

The appraised value of the entire equity interest of Jiangsu Yide of RMB59.5 million was derived from the net asset value of Jiangsu Yide as at 29 December 2025 of approximately RMB70.6 million times the lack of marketability discount of approximately 15.66%.

The Board had reviewed the Valuation Report which is set out in Appendix I (comprising Appendix IA and Appendix IB setting out the business valuation and property valuation, respectively, on the entire equity interest of Jiangsu Yide and its investment property, namely the Yide Properties, respectively) to this circular.

## **Competence and Independence of the Valuer**

The Board assessed the competence of the Valuer by reviewing its credentials as follows:

### ***Professional qualifications and expertise***

The Valuer is a professional valuer firm which is a wholly-owned subsidiary of Roma (Meta) Group Limited (together with its subsidiaries, “**ROMA**”) (stock code: 8072) a company listed on GEM of the Stock Exchange. ROMA provides a wide array of appraisal services, including business and intangible assets valuation, financial instruments valuation, property valuation, purchase price allocation, machinery and equipment valuation, work of art valuation, biological assets valuation and natural resources valuation. ROMA’s valuation reports are widely accepted by stock exchanges, financial advisors, lawyers, auditors and investors. The company has extensive experience working with listed companies across multiple exchanges including the Stock Exchange, Singapore Exchange, Australian Securities Exchange, and Toronto Stock Exchange; and

### ***Track record of project experiences***

The Valuer has over 20 years of experience in the valuation, surveying and advisory fields. Its recent disclosed exchange project experience includes valuations for major Hong Kong listed companies, such as Country Garden Holdings Company Limited (stock code: 2007), Nissin Foods Company Limited (stock code: 1475), XD Inc. (stock code: 2400) and China Star Entertainment Limited (stock code: 326).

In terms of independence of the Valuer, as confirmed by the Valuer, (i) it does not and did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) the Valuer does not and did not have any direct or indirect interest in any assets which

had been acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up; and (iii) it is not connected with the Company or any of its connected persons (as defined under the Listing Rules).

Based on the foregoing, the Board is satisfied that the Valuer possesses the requisite independence and competence to prepare the Valuation Report.

### ***Valuation approach***

The Valuer had considered the three generally accepted approaches to appraise the fair value of the entire equity interest in Jiangsu Yide, namely the market-based Approach, the income-based approach and the asset-based Approach. The asset-based approach was adopted by the Valuer for the reasons that:

- (i) the market-based approach was not adopted as most of the important assumptions of the comparable transactions, such as discount or premium on the transaction prices or considerations, were not available in the public domain;
- (ii) the income-based approach was not adopted as financial forecast with concrete business plan of Jiangsu Yide was unavailable and the management currently has no concrete plan for resuming operation of Jiangsu Yide. In addition, such approach depends heavily on assumptions to be made, which could be largely affected by any inappropriate assumptions made; and
- (iii) the asset-based approach is based on the general concept that the earning power of a business entity refers entity is derived primarily from its existing assets, and the market value of equity of a business to the market values of various assets and liabilities on the statement of financial position of the business entity as at the measurement date, and therefore, the asset-based approach is considered to be suitable to derive the market value of the equity interest of Jiangsu Yide.

### ***Valuation methodology***

Under the asset-based approach, the Valuer valued the assets and liabilities of Jiangsu Yide as at 29 December 2025 as follows: (i) cash and bank balances, prepayment, long-term deferred expenses, fixed assets, intangible assets, short-term borrowing, accrued payables, salaries payable, taxes payable, other payables and long-term borrowing were valued at their book values; (ii) trade receivables and other receivables were valued at the present value of the amounts to be received, determined at appropriate current interest rates, less allowance for the uncollectible and collection costs, if necessary, provided that discounting is not required for short-term receivables when the difference between the nominal and discounted amounts is not material; (iii) investment property (namely, the Yide Properties)

was valued with reference to the income approach and direct comparison approach; and (iv) trade payables were valued at the present value of amounts to be disbursed in settling the liabilities determined at appropriate current interest rates, provided that discounting is not required for short-term liabilities when the difference between the nominal and discounted amounts is not material. Based on the above, the Valuer arrived at a net asset value of Jiangsu Yide of approximately RMB70.6 million as at 29 December 2025.

In particular, in appraising the Yide Properties which are located in Nanjing, the Valuer had contemplated three recognised and accepted approaches to value the Yide Properties, namely market or direct comparison approach, income or earnings approach, and cost approach (depreciated replacement cost approach). The income approach and direct comparison approach were adopted in arriving at the appraised value of the Yide Properties. Among the Yide Properties:

- (a) for the commercial properties (collectively, the “**Yide Commercial Properties**”), the Valuer valued the Yide Commercial Properties by adopting investment approach, taking into account the rental income of the Yide Commercial Properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary rental income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate. There may be no reliable comparable market data available. There are no readily identifiable or similar market commercial comparables, therefore, direct comparison approach is not appropriate in the circumstances and investment approach has been used to reflect the value of the property from the rental income.
- (b) for the residential and car parking properties (collectively, the “**Yide Other Properties**”), the Valuer adopted the direct comparison approach to appraise the Yide Other Properties by assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market. Direct comparison approach is the most commonly used valuation methodology when an amount of transactions/asking data could be found in the market. It reflects the market value directly when the property is not held for generating rental income.

The investment approach for property valuation determines the value of an income-producing property by capitalising its current market rent using an appropriate market yield (capitalisation rate). This approach assumes a stable, fully let property generating consistent income. In contrast, the income approach focuses on the property’s ability to generate varying income over time, valuing it by discounting future cash flows to their present value using a discount rate that reflects the investor’s required rate of return. The income

approach accounts for changing factors such as rent increases, vacancies, operating expenses and reversion value, making it more suitable for properties with uncertain or variable income streams.

Unlike the valuation methodology adopted in appraising the Yide Other Properties, recent asking prices of comparable properties have been used in investment approach instead of referencing to the transaction price of completed transactions as there are no readily identifiable or similar market commercial comparables, and thus no reliable comparable market data available. As discussed with the Valuer, the information on the transaction price of completed transactions of comparable properties in the PRC available in the public domain is relatively limited and outdated, with the relevant information in this regard being last updated in or around 2022. Accordingly, the Valuer has used the asking prices of the comparable properties for the Yide Other Properties. In order to address the variances between the asking prices and final transaction prices, the Valuer has negotiated with the local real estate agents and conducted site visits to verify the achievable price discounts and applied relevant adjustment in terms of transaction nature to the asking prices. As advised by the Valuer, it is a common industry practice to consider comparable asking prices for valuation of properties. In order to assess the fairness and reasonableness of using asking prices in valuation, the Directors have reviewed recent market precedents and noted that it is not uncommon to use asking prices instead of final transaction prices as input for valuation purpose as four other companies listed on the Stock Exchange also applied the same valuation methodology by using asking prices in appraising properties under the market approach with the relevant circulars issued from 1 November 2025 to 31 January 2026. In addition, the Directors also noted that the range of discount adopted in these valuation reports for adjusting the differences between the asking prices and final transaction prices is between 5% to 10%, and the transaction nature adjustment of 5% adopted by the Valuer for the appraising the Yide Other Properties is within the range. Based on the foregoing, the Directors are of the view that the adoption of comparable asking prices and the relevant adjustment is fair and reasonable for valuation purpose. Given that most of the Yide Commercial Properties have been leased out as at the Valuation Date, the Directors consider it appropriate to make reference to comparable properties' recent asking prices when conducting the investment approach to better reflect the value of the Yide Commercial Properties from its rental income as such data is more readily available and thus reliable, instead of referencing to the transaction prices of completed transactions.

The total appraised value of the Yide Properties was RMB131,230,000 as at 29 December 2025, comprising (i) 52 properties (namely, 14 commercial units located at the 1st floor, a commercial unit located at the 2nd floor, a commercial unit located at the 3rd floor, 2 residential units located at the 2nd floor in an 18-storey residential building and 34 car parking spaces located in basement level) located in He Fu Ao Yuan, Jian Ye District, Nanjing City with a total gross floor area of approximately 4,699.07 sq.m. and an appraised

value of RMB129,730,000; and (ii) a residential unit located at the 3rd floor of a 7-storey residential building at No. 22 Hua Yuan Road, with a gross floor area of approximately 62.51 sq.m. and an appraised value of RMB1,500,000.

A marketability discount of approximately 15.66% was applied to the net asset value of Jiangsu Yide to arrive at the market value of 100% equity interest in Jiangsu Yide. The marketability discount was adopted with reference to the result of the restricted stock study published in “Stout Restricted Stock Study 2025” by Stout Risius Ross, on LLC, the basis that ownership interest is not readily marketable for closely held companies compared to similar interest in public companies.

In view of the above, the Board considers that the valuation approach and methodologies adopted by the Valuer are fair and reasonable.

The Board has discussed with the Valuer on the Valuation Report and has reviewed the Valuation Report, and is of the view that:

- (a) adopting separate valuation methods for appraising the entire equity interest of Jiangsu Yide and the Yide Properties held by Jiangsu Yide could better reflect the appraised value of Jiangsu Yide in a holistic manner given the difference in the nature of the subject asset and the underlying asset underpinning the subject asset, such approach is also in line with the market practice to the best knowledge and information of the Directors, which represents an objective measure of the value of the entire equity interest of Jiangsu Yide and the Yide Properties;
- (b) the assumptions adopted in preparing the Valuation Report are in line with the circumstances of the business and operation of Jiangsu Yide and the industry and macroenvironment where Jiangsu Yide operates in;
- (c) the key parameter adopted for conducting the business valuation of Jiangsu Yide is marketability discount, while the key parameters adopted for conducting the property valuation of the Yide Properties include capitalisation rate, rental income and comparable sales transactions, all of which are common key inputs used for conducting business valuation and property valuation, respectively; and
- (d) in respect of the property valuation of the Yide Other Properties, the Board has also reviewed the selection basis of those comparables and noted that the comparable properties are (i) the recent asking prices as at the Valuation Date; (ii) in the same region of each of the Yide Properties; and (iii) of a similar size to the Yide Properties. Accordingly, the Board concurs with the Valuer that the market comparables selected by the Valuer are comparable to the Yide Properties and are therefore fair, representative and reasonable samples for comparison purpose.

Accordingly, the Board concurs with the Valuer that the valuation methods, bases and assumptions and parameters adopted by the Valuer are appropriate, fair and reasonable. Therefore, the Board is of the view that the valuation conclusions stated in the Valuation Report are therefore fair and reasonable.

### **Completion**

The completion of the Acquisition shall take place on a date as mutually agreed between the Company and the Vendors upon satisfaction or waiver of the condition precedent set out above by the Company, save and except for the condition precedents (a) and (f) above, which is not waivable by any parties to the Equity Interest Transfer Agreement in any event. Based on the best estimate of the Directors with reference to the current status of the satisfaction of the conditions precedent of the Equity Interest Transfer Agreement as at the Latest Practicable Date, the expected completion date of the Acquisition shall be 30 July 2026.

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

The Group is principally engaged in the business of residential and commercial real estate. As at the Latest Practicable Date, the Group holds in excess of RMB500 million in cash and cash equivalents, providing a solid foundation for new investments. The current domestic economic environment is characterised by significant uncertainty, with market volatility intensifying the risks associated with cross-sector expansion and challenging the stability of returns in traditional investment areas. Against this backdrop, the Group has identified a pressing need to pursue investment opportunities with controllable risks and stable returns that can efficiently utilise its existing cash resources while continuously enhancing shareholder returns and achieving capital preservation and appreciation.

Based on the Group's research of market trends, the Group has identified commercial property as a key investment sector, with the core rationale focusing on its stable cash flow attributes and long-term value potential:

- (a) **Stable cash flow:** The majority of the Yide Properties held by Jiangsu Yide have been successfully leased to Independent Third Parties, with lease terms extending up to 2034. This long-term locked-in lease structure will provide the Group with continuous and predictable rental income over the coming years, effectively hedging against market volatility risks and providing solid cash flow support for the Group's operations. For leases that are set to expire in 2026, the Company will liaise with the relevant parties for the renewal of such leases in due course closer to the respective lease expiry dates;
- (b) **Asset security and strong risk resistance:** Commercial properties, as quality physical assets, possess strong inflation-hedging attributes and demonstrate higher stability during economic cycles. Compared to other high-volatility investment areas, rental properties exhibit a smoother return curve, enabling the Group to build a robust asset portfolio;

- (c) **Discounted acquisition price:** The Group's completion of the Acquisition at a discount further amplifies the cost-effectiveness and profit potential of such investment. In the short term, the Acquisition to be conducted at a discount reduces initial investment costs and enhances rental yield, making cash flow returns more advantageous. In the long term, with the steady development of the real estate market and the preservation and appreciation of the properties themselves, should the Group choose to dispose of the Yide Properties in the future, it is expected to realise significant asset appreciation gains, bringing additional potential long-term investment returns to the Group. This dual-return model of stable short-term cash flow combined with long-term asset appreciation aligns with the Group's core objectives of utilising its cash resources and enhancing Shareholder returns.

To conclude, the Group's investment in the property leasing business through the Acquisition represents a prudent decision based on its sufficient cash reserves, thorough assessment of the prevailing market environment and the inherent advantages of the business itself. The Acquisition ensures the stability of short-term returns while securing long-term growth potential, thereby providing strong momentum for the Group's sustainable development.

With respect to the historical losses of Jiangsu Yide in 2023 and 2024, the Board noted that such losses were primarily attributable to impairment provisions of RMB42 million on the properties held by Jiangsu Yide and a full impairment provision of RMB18 million on Jiangsu Yide's investment in its subsidiary, as well as substantial interest expenses accrued under the Bank Loans and staff overhead. In view of the aforesaid reasons for the historical losses of Jiangsu Yide, it is further respectfully submitted that following the Acquisition and the settlement of the Bank Loans by the Vendors pursuant to the Equity Interest Transfer Agreement, Jiangsu Yide's financial position will be significantly improved as it will no longer bear the interest expenses associated with such borrowings. Upon Completion, the Group intends to continue operating Jiangsu Yide as a property holding and leasing vehicle, with the Yide Properties generating stable rental income as described above. The Group does not intend to resume any other business operations of Jiangsu Yide beyond property leasing.

In view of the prime location of the Yide Properties, the Board intends to hold the Yide Properties through Jiangsu Yide for investment purposes and obtaining rental income therefrom. While the Excluded Property is part of the same commercial complex as the Yide Properties, it has been excluded from the Acquisition as it has already been sold at the time when the Equity Interest Transfer Agreement was signed. The Board believes that the exclusion of the Excluded Property, which is a separate building in the same commercial complex, would not have adverse impact on the Company, given that the property management of the entire commercial complex is done by an independent professional property management company. The Board is of the view that it would be advantageous for the Group to acquire the Yide Properties at a relatively competitive price for the purposes of potential capital appreciation and future sources of rental income. As at the date of this

circular, most of the Yide Properties have been leased out to Independent Third Parties. The total annual rental income from the leases of the Yide Properties is approximately RMB7.8 million per annum, representing a rental yield of approximately 5.97% therefrom. Considering the Yide Properties' prime location, the Group believes that the Acquisition, i. e. acquiring the Yide Properties through the acquisition of the entire equity interest of Jiangsu Yide, has the potential to optimise the Group's income base and asset structure. The Group also believes the Acquisition offers the prospect of better cash flow, potential capital appreciation, and higher returns in the future.

The terms of the Equity Interest Transfer Agreement have been arrived at after arm's length negotiations between the Parties. Based on the foregoing, the Directors (excluding the independent non-executive Directors whose views will be set forth in the circular after taking into account the recommendation of the Independent Financial Adviser) are of the view that the terms of the Equity Interest Transfer Agreement, which have been entered into after arm's length negotiation between the Company and the Parties (other than the Company) with reference to the prevailing commercial practices, are on normal commercial terms or better, fair and reasonable, in the ordinary and usual course of business of the Company and in the interest of the Company and the Shareholders as a whole.

Mr. Zhou, an executive Director and a controlling shareholder of the Company, and Ms. Zhou, an executive Director, the chief executive officer of the Company and an associate of Mr. Zhou, have material interests in the Equity Interest Transfer Agreement and have abstained from voting on the resolutions of the Board to approve the Equity Interest Transfer Agreement, and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interests in the Equity Interest Transfer Agreement and hence no other Director has abstained from voting on such Board resolutions.

## **INFORMATION ON THE PARTIES**

### **(a) The Company**

The Company is a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the business of residential and commercial real estate, healthcare-related, trading and equity investment.

### **(b) Jiangsu Yide**

Jiangsu Yide is a company established in the PRC with limited liability, which is principally engaged in equity investment and property leasing in the PRC. Jiangsu Yide is held as to 40% by U-Home Group and 60% by Ms. Tan Wensheng.

### ***Financial information of Jiangsu Yide***

Set out below is the financial information extracted from the unaudited financial statements of Jiangsu Yide, prepared in accordance with the generally accepted accounting principles in the PRC:

	<b>For the two years ended 31 December</b>	
	<b>2023</b>	<b>2024</b>
	<i>(Approximately RMB'000) (unaudited)</i>	<i>(Approximately RMB'000) (unaudited)</i>
Loss before taxation	3,789	64,560
Loss after taxation	3,789	64,560
Loss before taxation (excluding the Subsidiary and the Excluded Property)	4,283	39,196
Loss after taxation (excluding the Subsidiary and the Excluded Property)	4,283	39,196

The unaudited net asset value of Jiangsu Yide was approximately RMB118,072,000 and RMB53,519,000 as at 31 December 2023 and 2024, respectively. For illustration purpose, the unaudited net asset value of Jiangsu Yide (excluding the Subsidiary and the Excluded Property) were approximately RMB89,363,000 and RMB45,731,000 as at 31 December 2023 and 2024, respectively.

The significant increase in loss before tax of Jiangsu Yide in 2024 as compared to 2023 was primarily attributable to (i) an impairment provision of RMB42 million on the properties held by Jiangsu Yide in 2024 as Jiangsu Yide re-valued the market value of such properties based on the prevailing market condition in 2024 during the process of review of the Bank Loans; and (ii) a full impairment provision of RMB18 million on Jiangsu Yide's investment in its subsidiary, which accounted for an increase of approximately RMB60 million in losses in aggregate as compared to 2023, given that Jiangsu Yide decided not to continue the business of such subsidiary in 2024, considering the declining operating performance and the lawsuit facing such subsidiary.

In addition, the sustained loss-position of Jiangsu Yide was also attributable to the substantial interest expenses accrued under the Bank Loans and staff overhead. For the two years ended 31 December 2024, Jiangsu Yide recorded (a) interest expenses accrued on the Bank Loans of approximately RMB9.05 million and RMB8.23 million, respectively; and (b) the staff overheads of approximately

RMB514,000 and RMB1.09 million, respectively. Following the settlement of the Bank Loans upon Completion and the integration of existing human resources of the Group with that of Jiangsu Yide, the existing organization structure within Jiangsu Yide will be streamlined with redundant personnel being laid off, it is therefore expected that Jiangsu Yide, upon consolidation into the Group's financial statements, will record a profit.

Upon completion of the Acquisition, the Company will hold the entire equity interest of Jiangsu Yide. As such, Jiangsu Yide will become a wholly-owned subsidiary of the Company, and its financial results will therefore be consolidated into the Group's consolidated financial statements.

### ***The Vendors***

U-Home Group is a company established in the PRC with limited liability, which is principally engaged in investment holding. U-Home Group is ultimately wholly and beneficially owned by Mr. Zhou. Mr. Zhou is an executive Director and a controlling shareholder of the Company.

Ms. Tan Wensheng is a PRC resident who is a businesswoman principally engaged in real estate development business in the PRC and an Independent Third Party.

### **LISTING RULES IMPLICATIONS**

As at the date of this circular, Jiangsu Yide is held as to 40% by U-Home Group, a company ultimately wholly and beneficially owned by Mr. Zhou, and 60% by Ms. Tan Wensheng, an Independent Third Party, respectively. Mr. Zhou is an executive Director and a controlling shareholder of the Company. As such, each of U-Home Group and Jiangsu Yide is regarded as an associate of Mr. Zhou, and hence a connected person of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition pursuant to the Equity Interest Transfer Agreement constitutes a discloseable and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules, respectively, and the entering into of the Equity Interest Transfer Agreement and the transactions contemplated thereunder are therefore subject to the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

As the provision of the Personal Guarantee by Mr. Zhou is conducted on normal commercial terms or better and is not secured by the assets of the Group, such provision of the Personal Guarantee to the Company, despite constituting a financial assistance received by the Group, is fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

## **DIRECTORS' INTERESTS IN THE EQUITY INTEREST TRANSFER AGREEMENT**

Mr. Zhou, an executive Director and a controlling shareholder of the Company, and Ms. Zhou, an executive Director, the chief executive officer of the Company and an associate of Mr. Zhou, are considered to have material interests in the Equity Interest Transfer Agreement and have therefore abstained from voting on the resolutions of the Board to approve the Equity Interest Transfer Agreement and the transactions contemplated thereunder pursuant to the Bye-laws and the Listing Rules. Save as disclosed above, none of the Directors has any material interests in the Equity Interest Transfer Agreement and the transactions contemplated thereunder, and hence no other Director has abstained from voting on such Board resolutions approving the aforesaid connected transaction.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been formed to advise the Independent Shareholders in respect of the transactions. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### III. PROPOSED ADOPTION OF THE 2026 SHARE AWARD SCHEME

The Company adopted the 2019 Share Option Scheme on 28 June 2019. As at the Latest Practicable Date, the 2019 Share Option Scheme has 16,969,500 outstanding share options and 11,965,500 shares available for grant under the scheme mandate limit. Set forth below is the details of the outstanding Share Options granted under the 2019 Share Option Scheme as at the Latest Practicable Date:

Category of grantee	Date of grant	Exercisable period		Exercise price HK\$ per share	Outstanding as at the Latest Practicable Date
		From	To		
<b>Director</b>					
Dr. Zeng Wentao <sup>(note 2)</sup>	12/5/2020	12/5/2021	11/5/2030	0.33	2,500,500
Ms. Zhou <sup>(note 1)</sup>	24/6/2020	24/6/2021	23/6/2030	0.33	4,500,000
					7,000,500
<b>Employees</b>					
In aggregate <sup>(note 2)</sup>	12/5/2020	12/5/2021	11/5/2030	0.33	501,000
In aggregate <sup>(note 3)</sup>	12/5/2020	12/5/2021	11/5/2030	0.33	3,210,000
					3,711,000
<b>Others – Directors of invested entity and management consultant</b>					
In aggregate <sup>(note 2)</sup>	12/5/2020	12/5/2021	11/5/2030	0.33	750,000
In aggregate <sup>(note 4)</sup>	12/5/2020	12/5/2022	11/5/2030	0.33	504,000
In aggregate <sup>(note 5)</sup>	12/5/2020	12/5/2020	11/5/2030	0.33	5,004,000
					6,258,000
					16,969,500

Note:

- Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be exercisable during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months after the date of approval of granting the options to Ms. Zhou Wen Chuan by independent shareholders of the Company in special general meeting held on 24 June 2020 (the “**Date of SGM**”); (ii) another 25% of which shall be vested after 24 months of the Date of SGM; (iii) another 25% of which shall be vested after 36 months of the Date of SGM; and (iv) the remaining 25% of which shall be vested after 48 months of the Date of SGM.

2. Subject to the fulfilment of certain annual performance targets as determined by the Board, the share option granted shall be exercisable during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months of the date of acceptance of the offer of share option (the “**Date of Acceptance**”); (ii) another 25% of which shall be vested after 24 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 36 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 48 months of the Date of Acceptance.
3. The share option granted shall be exercisable during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 12 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 24 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 36 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 48 months of the Date of Acceptance.
4. The share option granted shall be exercisable during the relevant periods in 4 tranches: (i) 25% of which shall be vested after 24 months of the Date of Acceptance; (ii) another 25% of which shall be vested after 36 months of the Date of Acceptance; (iii) another 25% of which shall be vested after 48 months of the Date of Acceptance; and (iv) the remaining 25% of which shall be vested after 60 months of the Date of Acceptance.
5. The share option granted shall be vested and exercisable immediately upon the fulfilment of certain vesting conditions including the achievement of certain research and development milestones for certain pharmaceutical products, completion of designated tasks and satisfactory business performance of the relevant entities (subject to the Board’s opinion).

Accordingly, the number of Share Options available for future grant under the 2019 Share Option Scheme mandate as at the Latest Practicable Date was 11,965,500. As at the Latest Practicable Date, the Company had no plan or intention to grant any Share Options under the 2019 Share Option Scheme.

The Board proposes to adopt the 2026 Share Award Scheme which will be valid for a period of 10 years from the date of adoption, subject to approval by the Shareholders at the SGM. The 2026 Share Award Scheme will constitute a share scheme under Chapter 17 of the Listing Rules.

The adoption of the 2026 Share Award Scheme is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to be set out in the notice of the SGM to approve and adopt the 2026 Share Award Scheme and to authorise the Directors to grant awards thereunder and to allot, issue or otherwise deal with Shares which may fall to be issued pursuant to the grant of awards thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to any awards that may be granted under the 2026 Share Award Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the grant of Share Awards under the 2026 Share Award Scheme.

As at the Latest Practicable Date, none of the conditions precedent to the adoption of the 2026 Share Award Scheme set out above was satisfied.

### **Explanation of the terms of the 2026 Share Award Scheme**

A summary of the principal terms of the 2026 Share Award Scheme is set out in Appendix II to this circular.

#### ***Purposes***

The purposes of the 2026 Share Award Scheme are to encourage or facilitate the holding of Shares by Selected Participants whom the Board considers, in its sole discretion, to have contributed or will contribute to the Group; to encourage and retain such individuals to work with the Group; and to provide additional incentive for them to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of Selected Participants with the Shareholders through ownership of Shares.

#### ***Administration***

The 2026 Share Award Scheme shall be subject to the administration of the Board in accordance with the rules of the 2026 Share Award Scheme.

The Board may delegate the authority to administer the 2026 Share Award Scheme to any committee of the Board to assist in the administration of the 2026 Share Award Scheme and delegate such powers and/or functions relating to the administration of the 2026 Share Award Scheme as the Board thinks fit.

#### ***Eligible Participants***

Eligible Participants of the 2026 Share Award Scheme include Employee Participants, Related Entity Participants and Service Providers.

When considering the eligibility of each of the Selected Participants, the Board shall consider all relevant factors as appropriate from time to time. In particular,

- (i) with respect to Employee Participants, the Board will consider, among others, the experience of the Employee Participant on the Group's business, the length of service of the Employee Participant with the Group;

- (ii) with respect to Related Entity Participants, the Board will mainly consider the experience of the Related Entity Participant on the Related Entity's business, the length of service of the Related Entity Participant with the Related Entity, the amount of contribution the Related Entity Participant has made or is likely to make towards the success of the Group through his involvement and participation at the Related Entity, the benefits and synergies provided by the Related Entity to the Group and such other factors as the Board may at its discretion consider appropriate; and
- (iii) with respect to Service Providers, the Board will consider, among others, the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Service Provider has established with the Group.

The Board is of the view that the independent non-executive Directors should be included as Eligible Participants on the basis of the following: (i) the non-executive Directors (including the independent non-executive Directors) play a vital role in shaping and overseeing the strategic direction and governance of the Group by contributing their expertise, objective insights and independent judgement. (ii) The involvement of non-executive Directors (including the independent non-executive Directors) enhances decision-making, governance and accountability of the Board, which are essential for the Group's sustainable development, long-term growth and stability; the objectivity and independence of the independent non-executive Directors shall not be impaired by any potential grant of the Share Awards under the 2026 Share Award Scheme based on the following reasons: (i) the independent non-executive Directors will be required to continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; and (ii) approval by independent Shareholders will be required if any Share Award is to be granted to independent non-executive Directors or any of their respective associates which would result in the Shares issued and to be issued in respect of all options and awards granted to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding Treasury Shares); (iii) the inclusion of independent non-executive Directors as Eligible Participants would provide the Group with flexibility to offer non-cash incentives to the independent non-executive Directors for their continuous contributions to the Group's growth and development without compromising their objectivity and independence; and (iv) it is common to include independent non-executive directors as eligible persons of share schemes among public companies. The Board is of the view that the criteria of selection of the Eligible Participants and the inclusion of the independent non-executive Directors as Eligible Participants are fair and reasonable and align with the purpose of the 2026 Share Award Scheme to recognise contributions made and to be made to the growth and development of the Group and the long-term interests of the Company and the Shareholders. The Board believes the inclusion of such participants in the 2026 Share Award Scheme fits the purpose of the 2026 Share Award Scheme and is fair and reasonable and in the interests of the Company and the Shareholders because (i) equity-based remuneration continues to be an

important means of (a) ensuring alignment between the interests of Shareholders and Board members (including the independent non-executive Directors) in promoting the development of the Group and (b) incentivising and promoting the future contributions of the independent non-executive Directors as explained above; and (ii) it is common to include independent non-executive directors as eligible persons of share schemes among public companies.

In assessing the amount of contribution the Related Entity Participant has made or is likely to make to the Group, the Board will consider the nature of services rendered and to be rendered to the Group, as well as whether the Related Entity Participant has historically fulfilled the services required under relevant service contracts to the Group's satisfaction, and the extent of their past exceptional performance. Specifically, the Board will evaluate whether the Related Entity Participant possesses substantial experience or has developed particular skills or expertise through servicing the Related Entity that are equally relevant and important to the development of the Group's businesses.

It is expected that the Group may have increasing collaborative relationships with Related Entities and with their personnel who possess specialised expertise, operational capabilities and network connections relevant to the Group's existing day-to-day business operations or strategic initiatives, including the adoption of emerging technologies to optimize its business processes. Such Related Entity Participants may be involved in projects or other business engagements relating to or having connection with the Group from time to time.

Related Entity Participants are expected to provide the Group with specialised expertise, operational capabilities and network connections in areas that are relevant to the Group's business operations and strategic development. Specifically:

*(a) Specialised expertise and operational capabilities*

Related Entity Participants may possess in-depth knowledge and experience in sectors relevant to the Group's principal activities. According to the 2025 Interim Report, the Group is principally engaged in healthcare-related business (including health management services, aesthetic medical services and sale of healthcare-related and CBD downstream products), trading business (including trading of construction materials and renewable energy products, provision of procurement services of renewable energy products and healthcare-related products sale agency services), property-related business (including real estate agency services, leasing of investment properties and development and selling of residential properties) and equity investment business. Related Entity Participants may possess expertise in areas such as (1) healthcare and life sciences, such as clinical trial management and regulatory compliance for pharmaceutical products, (2) real estate and property management, such as property management, market analysis for real estate market and real estate

investment strategies, (3) trading and supply chain, such as procurement management and supply chain optimisation, (4) investment management, such as portfolio management capabilities and strategic investment planning.

Such expertise can be leveraged by the Group to enhance its business operations, improve operational efficiency, and strengthen its competitive positioning in the markets in which it operates.

*(b) Network connections*

Related Entity Participants may have established relationships with key stakeholders in the industries in which the Group operates, including (1) healthcare sector, (2) real estate sector, (3) trading and distribution, and (4) investment and capital markets.

These network connections can facilitate the Group's access to new business opportunities, strategic partnerships, quality service providers and market intelligence.

*(c) Strategic advice and guidance*

Related Entity Participants may provide strategic input on the Group's business planning, market positioning, risk management and growth initiatives. Given the Group's diverse business portfolio spanning healthcare, property, trading and investment sectors, Related Entity Participants with experience in Related Entities operating in complementary or adjacent business areas can offer valuable perspectives on (1) market trends and competitive dynamics, (2) business development strategies, (3) operational optimisation, (4) risk management, and (5) technology adoption.

*(d) Shared resources*

Through their roles at Related Entities, Related Entity Participants may facilitate resource sharing arrangements that benefit the Group, including (1) research and development capabilities, (2) infrastructure and facilities, (3) technology platforms and systems, and (4) human resources and talent.

The contributions of Related Entity Participants are expected to support the Group's existing day-to-day business operations and strategic initiatives in the aspects including:

- (i) **Healthcare-related business:** Related Entity Participants with relevant expertise can provide technical guidance, facilitate clinical collaborations, and enhance service delivery across the Group's healthcare operations, including cell treatment, health management and skin health management businesses;

- (ii) **Property-related business:** Related Entity Participants with real estate expertise can provide strategic advice on property acquisition, development, leasing and asset management for the Group's investment properties and development projects;
- (iii) **Trading business:** Related Entity Participants with expertise in international trade and supply chain management can provide guidance on supplier selection, logistics, market expansion and customer relationships to support the Group's trading operations;
- (iv) **Equity investment business:** Related Entity Participants with investment expertise can provide strategic advice on investment selection, due diligence, portfolio management and exit strategies to support the Group's investment activities; and
- (v) **Cross-functional support:** Related Entity Participants may also provide support in areas such as legal and regulatory compliance, financial management, corporate governance, risk management, information technology and human resources management.

By leveraging the specialised expertise, operational capabilities, network connections, strategic advice, shared resources and tailored guidance provided by Related Entity Participants, the Group can gain deeper insights into the markets in which it operates, better understand its market competitiveness relative to peers, identify and capture new opportunities for business development and expansion, enhance operational efficiency and service quality, manage risks more effectively, and ultimately achieve sustainable development and long-term value creation for the benefit of the Company and its Shareholders.

Accordingly, the Group benefits from these Related Entity Participants as they provide strategic advice, shared resources and tailored guidance, allowing the Group to gain insights, better understand its market competitiveness, and capture new opportunities for business development. The inclusion of these Related Entity Participants in the 2026 Share Award Scheme enables the Group to attract, retain and incentivise talents outside of the Group who may play an increasingly prominent role in the Group's operations, thereby fostering sustainable development and long-term value creation.

The below table sets out each category of Service Providers, their scope of services, and the additional criteria the Board will take into consideration when assessing their eligibility:

Category	Scope of services	Eligibility criteria for Service Providers
(i) suppliers, agents and service providers of any member of the Group	<p>(i) supply of agency, intermediary and/or professional services in relation to business and sales growth of the Group's business provided by service providers, including (a) agents and agency leaders (excluding those who are employees of the Group), (b) sales agents and representatives, (c) business development agents, (d) marketing and promotional service providers, and (e) customer service providers</p> <p>(ii) supply of important services in furtherance of product and system initiatives that are material or essential to the growth and development of the Group's businesses provided by service providers, including (a) information technology service providers, (b) software development service providers, (c) data management and analytics service providers, (d) system integration service providers, and (e) cybersecurity service providers</p>	those that (A) operate in the industries in which the Group operates from time to time; (B) engage with the Group on a regular or recurring basis; and (C) provide significant contribution to the Group and its business

Category	Scope of services	Eligibility criteria for Service Providers
(ii) advisors (professional or otherwise) or consultants to any member of the Group	<p data-bbox="639 378 991 927">(iii) supply of professional services in relation to the Group's business provided by service providers, including (a) clinical research service providers, (b) laboratory testing and analysis service providers, (c) medical and healthcare professionals, (d) product formulation and development service providers, and (e) quality control and regulatory compliance service providers</p> <p data-bbox="639 970 991 1636">(i) advisory and consultancy services in respect of the Group's businesses in key areas, e.g., legal compliance, resources management, sales and marketing, strategic or commercial planning on corporate image and investor relations provided by service providers, including (a) legal compliance advisors, (b) human resources management consultants, (c) sales and marketing consultants, (d) strategic planning consultants, and (e) corporate image and public relations consultants</p>	those with specialties or expertise in areas that supplement the Group or with which the Group would consider important to maintain a close business relationship on an ongoing basis, and that bring benefits and strategic value to the Group's development and future prospects

Category	Scope of services	Eligibility criteria for Service Providers
	<p>(ii) research and development in relation to market trends, project development and business expansion plans of the Group conducted by service providers, including</p> <p>(a) market research consultants, (b) healthcare industry consultants, (c) real estate market consultants, (d) international trade consultants, and (e) investment research consultants</p>	
	<p>(iii) development and implementation of product and project plans that are material or essential to the growth and development of the Group's businesses undertaken by service providers, including</p> <p>(a) product development consultants, (b) project management consultants, (c) business model innovation consultants, and (d) clinical development consultants</p>	

Category	Scope of services	Eligibility criteria for Service Providers
(iii) independent contractors	<p>(i) supply of important services in furtherance of product and system initiatives that are material or essential to the growth and development of the Group's businesses provided by service providers, including (a) independent IT contractors, (b) independent project contractors, (c) independent quality assurance contractors, and (d) independent regulatory affairs contractors</p> <p>(ii) supply of professional services in relation to the Group's business provided by service providers including (a) independent medical and scientific contractors, (b) independent property and construction contractors, (c) independent business development contractors, and (d) independent training and education contractors</p>	<p>those that provide advisory services, consultancy services, sales and marketing services and/or other professional services, taking into account (A) the reliability and quality of the services supplied; (B) the materiality and nature of the business relationship with the Group; and (C) the background, reputation and track record of the independent contractors</p>

Currently, the Group also engages, on a continuing and recurring basis, the services of the abovementioned Service Providers who have substantial expertise and experience in their respective fields that are relevant to the ordinary course of business of the Group, which provide support to the Group's daily operations at all levels spanning across technology, legal and secretarial functions, and business administration as well as the Group's principal activities in healthcare-related business, trading business, property-related business and equity investment business.

In particular, with respect to the Group's healthcare-related business, the Group engages Service Providers who possess specialized knowledge and experience in cell therapy research and development, clinical trial management, stem cell cultivation and preparation technologies, pharmaceutical product development and regulatory approval processes, health management service delivery, aesthetic medical service operations, skincare product formulation and development, and CBD product development and distribution. These Service Providers support the Group's ongoing initiatives in advancing cell therapy products such as Wingor Bio's WG103 stem cell injection and other investigational new drugs, conducting clinical research programs through Mei Ai Kang, developing and marketing skincare products under the "Jixiaojian" brand, and distributing CBD products under the "AlpReleaf" brand in European markets.

With respect to the Group's property-related business, the Group engages Service Providers who possess expertise in property development, construction management, property leasing and management, real estate market analysis, and property investment strategies. These Service Providers support the Group's property investment and leasing operations in the PRC and the development of the residential property project in Australia.

With respect to the Group's trading business, the Group engages Service Providers who possess knowledge and experience in international trade operations, procurement management, supply chain optimization, logistics and distribution, and customer relationship management for construction materials, renewable energy products and healthcare-related products.

It is also expected that these Service Providers will be engaged in connection with highly specialised areas, such as investment and strategic planning, technology infrastructure, risk management and regulatory compliance, in support of the Group's pilot projects and new initiatives based on the Group's business needs from time to time in the future.

By engaging Service Providers with specialized expertise and experience in the above areas, the Group can access high-quality professional services on a flexible and cost-effective basis, enhance its operational capabilities, strengthen its competitive positioning, and support its strategic objectives of sustainable development and long-term value creation. The inclusion of Service Providers as Eligible Participants under the 2026 Share

Award Scheme enables the Group to align the interests of these Service Providers with those of the Company and its Shareholders, incentivize continued high-quality service delivery and significant contributions, and maintain stable long-term relationships with Service Providers who are integral to the Group's business operations and growth.

The inclusion of Related Entity Participants and Service Providers as Eligible Participants under the 2026 Share Award Scheme is in line with the Group's hiring practice, organizational structures and business needs for the following reasons:

- (a) the Group's business model involves engaging both employees and non-employees to support its operations across multiple business segments. As disclosed in the 2025 Interim Report, the Group had 49 employees as at 30 June 2025. Given the specialized nature of the Group's businesses in healthcare, property development, international trading and equity investment, the Group regularly engages external specialists, consultants and service providers who possess expertise and experience that complement the Group's internal capabilities. The inclusion of Related Entity Participants and Service Providers as Eligible Participants reflects this established practice of engaging both internal and external talent to support the Group's business operations and growth;
- (b) the Group operates through multiple subsidiaries and maintains investments in associates and joint ventures across different jurisdictions including the PRC, Hong Kong, Australia and Switzerland. The Group's organizational structure involves collaboration with Related Entities whose personnel (Related Entity Participants) may be involved in projects or business engagements relating to the Group. The Group also engages Service Providers on a continuing or recurring basis to provide specialized services across technology, legal, business administration and the Group's principal business activities. The 2026 Share Award Scheme's inclusion of Related Entity Participants and Service Providers aligns with this multi-entity organizational structure and the Group's practice of leveraging both internal and external resources; and
- (c) The Group's diverse business portfolio requires access to specialized expertise in areas such as cell therapy research and development, clinical trial management, pharmaceutical regulatory compliance, property development and management, international trade operations, and investment management. As disclosed in the Company's 2025 interim report, the Group is actively pursuing strategic initiatives including advancing cell therapy products through Wingor Bio (with investigational new drugs in clinical trials), developing the "Jixiaojian" skin health management brand, expanding the "AlpReleaf" CBD products in European markets, and developing residential properties in Australia. These initiatives require specialized knowledge and capabilities that may not be

available within the Group's existing employee base. By including Related Entity Participants and Service Providers as Eligible Participants, the Group can incentivize and retain individuals with critical expertise and experience who contribute to these strategic initiatives and long-term business growth, while preserving cash resources by using equity incentives rather than monetary compensation solely.

The Directors (including the independent non-executive Directors) recognise that apart from the contributions from the Group's directors and employees, the success of the Group rests equally upon the efforts and contributions of non-employees (including Related Entity Participants and Service Providers). The grant of Share Awards to Related Entity Participants and Service Providers not only aligns the interests of the Related Entity Participants and Service Providers with those of the Group, but also provides incentive for a higher degree of participation and involvement in promoting the business of the Group and maintaining a stable and long-term relationship with the Group, thus, in turn, aligning with the purposes of the 2026 Share Award Scheme.

The adoption of the 2026 Share Award Scheme with such scope of Eligible Participants further enables the Group to preserve its cash resources and use equity incentives to attract high-calibre talents and encourage persons within and outside the Group to continue to contribute to the growth and development of the Group's business.

More specifically, the Directors (including the independent non-executive Directors) consider that:

- (i) the Related Entity Participants have close working relationship with the Group and are valuable human resources who regularly offer support on the Group's business projects or strategic initiatives from time to time and have significant influence on the business operations, financial performance and long-term growth of the Group; and
- (ii) the collaboration and long-term working relationship with the Service Providers who possess industry-specific knowledge and expertise on areas that form part of, or are directly ancillary to, the Group's operations are integral to the Group's business development and play a significant role in driving the Group's continued success.

For the reasons above, the Board (including the independent non-executive Directors) considers that the inclusion of Related Entity Participants and Service Providers accords with the purpose of the 2026 Share Award Scheme and the long term interests of the Company and the Shareholders, the proposed categories of Related Entity Participants and Service Providers to be in line with the Group's business needs and that the criteria for the selection of Eligible Participants align with the purpose of the 2026 Share Award Scheme. The Board believes that by giving the Eligible Participants incentive through their

participation in the 2026 Share Award Scheme, such Eligible Participants and the Group will have a common goal in the growth and development of the Group's business, and they could participate in the future prospect of the Group and share the additional reward through their sustainable contribution, which cannot be achieved through pure monetary compensation.

***Scheme Mandate Limit and Service Provider Sublimit***

As at the Latest Practicable Date, there were 4,088,428,636 Shares in issue (excluding treasury shares). Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of adoption of the 2026 Share Award Scheme, the total number of Shares which may be issued in respect of all the Share Awards to be granted under the 2026 Share Award Scheme together with the number of Shares which may be issued in respect of all options and awards granted under any other share schemes of the Company shall not exceed 408,842,863, representing 10% of the total number of Shares in issue (excluding any treasury shares of the Company) on the Effective Date (i.e. the Scheme Mandate Limit). Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all the Share Awards to be granted under the 2026 Share Award Scheme together with the number of Shares which may be issued under in respect of all options and awards granted under any other share schemes of the Company to Service Providers shall not exceed 40,884,286, representing 1% of the total number of Shares in issue (excluding any treasury shares of the Company) as at the Effective Date (i.e. the Service Provider Sublimit).

The Service Provider Sublimit is determined based on, among others, (i) the rationale behind the scope and the eligibility criteria of the Service Providers; (ii) the flexibility of the Group to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward the Service Providers who have made or may make valuable contributions to the Group's business operations and long-term growth in ways substantively comparable to other Eligible Participants (including the directors and employees of the Group); (iii) the fact that the Service Provider Sublimit represents a maximum limit and that the Company retains the flexibility to allocate Shares from this sublimit to satisfy Share Awards to other Eligible Participants depending on the Group's business growth and needs in the future as and when appropriate; and (iv) the minimal potential dilution effect on the shareholding of other Shareholders following the vesting of all Share Awards which may be granted to Service Providers under the Service Provider Sublimit.

While the Company had not made any grants of Share Awards to Service Providers historically, taking into account the above and in view of the anticipated number of Share Awards to be granted to the Service Providers based on the expected level of cooperation of the Service Providers with the Group and the Service Provider Sublimit set by other listed issuers in the same or similar industries, the Board considers the Service Provider Sublimit

to be appropriate and reasonable given the current and expected contributions of the Service Providers to the Group's development and growth and the Group's current and future business needs.

### ***Vesting***

The Vesting Period in respect of any Share Awards must not be less than 12 months from the Grant Date, provided that the Board may at its discretion grant a shorter Vesting Period to an Employee Participant in certain specified circumstances under the rules of the 2026 Share Award Scheme as described in the paragraph headed "8. Vesting Conditions and Period" in Appendix II to this circular.

The Board considers that such minimum Vesting Period serves to incentivise the Selected Participants to remain with and/or continue contributing to the Group's business. At the same time, it provides the Company with the flexibility to allow accelerated vesting of Share Awards under specified circumstances where justified, aligning with the purpose of the 2026 Share Award Scheme.

### ***Performance targets***

Unless otherwise determined by the Board and specified in the Grant Letter, vesting of Share Awards is not subject to any performance target that needs to be achieved by a Selected Participant. However, the 2026 Share Award Scheme affords the Board flexibility to determine and impose in the Grant Letter vesting criteria or conditions (including performance targets) in respect of each grant of Share Awards where it considers in its discretion appropriate.

No performance target will be imposed on grants to independent non-executive Directors, if any.

The Board considers that the absence of performance targets aligns with the purpose of the 2026 Share Award Scheme for the following reasons:

- (i) it may not always be appropriate to impose performance targets or conditions particularly when the purpose of granting Share Awards is to remunerate or compensate the Eligible Participants for past contributions to the Group and to incentivise them to continue serving the Group;
- (ii) it is more beneficial to the Company to retain the flexibility to determine when such conditions are appropriate on a case-by-case basis, taking into account the then prevailing market conditions, financial performance results of the Group and the individual circumstances of the Selected Participants; and

- (iii) each Selected Participant plays a different role and contributes in diverse ways to the Group and will be assessed against different parameters, thus not setting out a generic set of performance targets in the rules of the 2026 Share Award Scheme will place the Company in a better position to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group.

#### ***Purchase price of the Awarded Shares***

Unless otherwise determined by the Board and specified in the Grant Letter, a Selected Participant is not required to pay any purchase price or make any other payment on vesting of the Share Award. Such flexibility to not stipulate a purchase price provides the Company with a different tool in rewarding Eligible Participants (distinct from granting options under the Company's share option schemes, which is subject to a minimum exercise price as required by the Listing Rules) and driving their contributions to the Group, which is in line with the purpose of the 2026 Share Award Scheme.

#### ***Clawback mechanism***

Unless otherwise determined by the Board, all unvested Share Awards granted to the Selected Participants shall automatically lapse under certain circumstances specified in the rules of the 2026 Share Award Scheme as set out in the paragraph headed "9. Lapse of Share Awards" in Appendix II to this circular, such as the Selected Participants having been guilty of misconduct, or having been in breach of material term of the relevant employment, service, agency or engagement contract, becoming bankrupt or insolvent or having been convicted of any criminal offence involving his integrity or honesty, or having made attempts or taken actions to sell, transfer, encumber or create any security or adverse interest in favour of any third party over or in relation to the Share Awards.

The Board may also in its discretion determine that the number of Awarded Shares underlying any Share Awards shall be reduced to such number (including to nil) as the Board considers appropriate in the circumstances prescribed in the rules of the 2026 Share Award Scheme as set out in the paragraph headed "13. Vesting Upon a Clawback Event" in Appendix II to this circular, such as in the event of a material misstatement or restatement in the audited financial accounts of the Company, the Subsidiary or the Related Entity.

The Directors believe that this arrangement allows the Company to claw back the Share Awards granted to Selected Participants in specific circumstances where providing equity-based compensation to them would no longer be in the best interests of the Company and the Shareholders, and is therefore in line with the purpose of the 2026 Share Award Scheme.

## **General**

A copy of the rules of the 2026 Share Award Scheme will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the SGM and will be made available for inspection at the SGM.

No trustee will be appointed under the 2026 Share Award Scheme. None of the Directors is and will be trustee of the 2026 Share Award Scheme or has a direct or indirect interest in the trustee (if any). With respect to the operation of the 2026 Share Award Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

The Company may issue new Shares and/or use treasury shares (if any) to satisfy the Share Awards under the 2026 Share Award Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Bye-laws. As at the Latest Practicable Date, the Company held 5,328,000 Shares as treasury shares.

As at the Latest Practicable Date, the Company did not have plans to grant Share Awards under the 2026 Share Award Scheme.

The Company understands that whilst the 2026 Share Award Scheme is not restricted to executives and employees of the Group, the adoption of the 2026 Share Award Scheme would not constitute an offer to public and be subject to prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

## **IV. THE SGM**

The SGM will be held by the Company at Portion 2, 12/F., The Center, 99 Queen's Road Central, Central, Hong Kong, on Tuesday, 21 April 2026 at 11:00 a.m.. A notice convening the SGM is set forth on pages 143 to 146 of this circular.

Mr. Zhou, Ms. Zhou and their respective associates (namely, U-Home Group International Limited, U-Home Group Investment Limited and Zhongjia U-Home Investment Limited) will abstain from voting at the SGM with respect to the resolution approving the Equity Interest Transfer Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, to the best knowledge of the Directors, Mr. Zhou, Ms. Zhou and their respective associates hold a total of 2,583,007,761 Shares, representing approximately 63.18% of the issued share capital of the Company in aggregate. Save as disclosed above, no other Shareholder has a material interest in the transactions contemplated under the Equity Interest Transfer Agreement who would be required to abstain from voting on the resolutions to approve the Equity Interest Transfer Agreement and the transactions contemplated thereunder at the SGM.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief and having made all reasonable inquiries, no Shareholders had any material interest in the proposed adoption of the 2026 Share Award Scheme. As such, no Shareholder is required to abstain from voting on the resolution(s) in relation thereto.

For the purpose of the SGM, the Board has established the Independent Board Committee to consider and advise the Independent Shareholders with respect to the Equity Interest Transfer Agreement and the transactions contemplated thereunder. The Company has also appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the aforesaid continuing connected transactions.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

## **V. VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders taken at the SGM to approve the resolutions proposed must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the proposed resolutions will be put to vote by way of poll at the SGM. An announcement on the poll vote results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Holders of treasury shares (if any) shall abstain from voting on matters that require Shareholders' approval at the Company's general meeting.

## **VI. CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company for the SGM will be closed from Thursday, 16 April 2026 to Tuesday, 21 April 2026 (both days inclusive) for the purpose of determining entitlement of the shareholders of the Company to attend and vote at the aforesaid meeting, during which period no transfer of the Shares will be registered. In order to qualify for attending and voting at the aforesaid meeting, all transfers of the Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Wednesday, 15 April 2026. The record date of the attending and voting at the SGM is Tuesday, 21 April 2026.

## **VII. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## **VIII. RECOMMENDATIONS**

### **Equity Interest Transfer Agreement**

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 47 to 48 of this circular which contains its advice to the Independent Shareholders in connection with the Equity Interest Transfer Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser set out on pages 49 to 83 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Equity Interest Transfer Agreement and the transactions contemplated thereunder; and (iii) the additional information set out in Appendix I to this circular. The Board (excluding Mr. Zhou and Ms. Zhou, who have abstained from voting on the relevant board resolution(s) of the Company, but including the independent non-executive Directors whose views are set out in the Letter from the Independent Board Committee contained in this circular) after reviewing and considering the advice of the Independent Financial Adviser in this circular, considers that the Equity Interest Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders (including the Independent Shareholders) as a whole.

Accordingly, the Board (excluding Mr. Zhou and Ms. Zhou, who have abstained from voting on the relevant board resolution(s) of the Company, but including the independent non-executive Directors whose views are set out in the Letter from the Independent Board Committee contained in this circular) recommends the Independent Shareholders to vote in favor of the proposed resolutions in relation to the Equity Interest Transfer Agreement and the transactions contemplated thereunder at the SGM as set out in the enclosed notice of the SGM.

## **2026 Share Award Scheme**

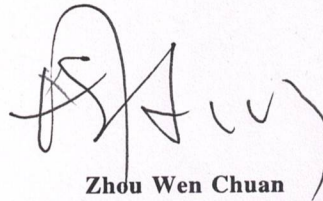
The Board considers that the ordinary resolutions in relation to the adoption of the 2026 Share Award Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors (including all independent non-executive Directors) recommend the Shareholders vote in favor of the relevant resolutions at the SGM as set out in the enclosed notice of the SGM.

## **IX. ADDITIONAL INFORMATION**

Your attention is also drawn to the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

By order of the Board

**Meilleure Health International Industry Group Limited**

A handwritten signature in black ink, appearing to be 'Zhou Wen Chuan', written in a cursive style.

**Zhou Wen Chuan**

*Executive Director and Chief Executive Officer*