

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



## CHINA SAITE GROUP COMPANY LIMITED

中國賽特集團有限公司

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

**(Stock Code: 153)**

### INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED INVESTMENT

This announcement is made by China Saite Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 2 June 2021, 安徽大禹實業集團有限公司 (Anhui Dayu Shiye Group Co. Ltd.\*) (“**Anhui Dayu**”), 福建省康靖鋼材貿易有限公司 (Fujian Kangjing Steel Trading Co. Ltd.\*) (“**Fujian Kangjing**”) and the Company entered into a memorandum of understanding (the “**MOU**”) in relation to the proposed investment (the “**Proposed Investment**”) in the Company. Details of the MOU are set out below:

#### THE MOU

Date: 2 June 2021

Parties: (1) The Company;  
(2) Anhui Dayu; and  
(3) Fujian Kangjing.

Anhui Dayu is a wholly owned subsidiary of 懷遠投資集團有限公司 (Huaiyuan Investment Group Co., Ltd.\*), a state-owned company established in the People's Republic of China (the “**PRC**”) with limited liability. It is principally engaged in urban construction and infrastructure, financing investment, asset management and financial services.

Fujian Kangjing is a company established in the PRC with limited liability. It is principally engaged in the sales of metal materials, metal structures, light construction materials and non-residential real estate leasing.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Anhui Dayu and Fujian Kangjing and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## **THE PROPOSED INVESTMENT**

Pursuant to the MOU, Fujian Kangjing intends to cooperate with the Company and Anhui Dayu in relation to the possible subscription of shares of the Company (the “**Possible Subscription**”) and/or the repayment of debts of the Company (the “**Repayment of Debts**”). The Proposed Investment is expected to be not less than HK\$55 million.

The total investment amount of the Proposed Investment shall be satisfied in the following manner:

- (a) as to HK\$16 million shall be paid by Fujian Kangjing to 賽特集團(安徽)有限公司 (Saite Group (Anhui) Co., Ltd.\*) (“**Saite Group**”), a wholly-owned subsidiary of the Company on the next day upon the signing of the MOU as the deposit (the “**Deposit**”);
- (b) as to HK\$25 million shall be paid by Fujian Kangjing to Saite Group and the Deposit shall form part of the Proposed Investment on the next day upon the signing of the investment agreement in relation to the Proposed Investment; and
- (c) as to the remaining balance shall be paid by Fujian Kangjing to Saite Group on the next day upon obtaining the necessary approvals from the relevant regulatory authorities.

If the parties have not reached a consensus on the matters in relation to the Proposed Investment, the Company shall refund the Deposit to Fujian Kangjing.

## **CONDITIONS PRECEDENT**

The Proposed Investment shall be conditional upon and subject to the following conditions precedent:

- (a) upon signing of the MOU, Fujian Kangjing shall conduct a legal and financial due diligence review (the “**Due Diligence Review**”) on the Company;
- (b) the Due Diligence Review shall last for eight weeks and within two weeks from the completion of the Due Diligence Review, Fujian Kangjing shall decide or adjust the plan for the Proposed Investment based on the results of the Due Diligence Review;

- (c) the Possible Subscription and/or the Repayment of Debts shall comply with the memorandum and articles of association of the Company, the regulatory requirements of the Stock Exchange and the Securities and Futures Commission and relevant applicable laws of Hong Kong and the PRC, including regulations relating to foreign exchange control;
- (d) the representations and warranties given by the Company under the MOU shall remain true and accurate (unless as expressly confirmed or accepted in writing by Fujian Kangjing).

## **REASONS FOR THE PROPOSED INVESTMENT**

The Group is an integrated steel structure and prefabricated construction solution service provider. The Group's integrated construction solution services are customised to meet the quality, technical specifications and requirements of different projects, and span from design plan, including fabrication and assembly of steel structure parts and prefabricated construction, transportation, and to the installation of materials onsite and after-sales services.

Pursuant to the MOU, Fujian Kangjing intends to cooperate with the Company and Anhui Dayu in relation to the Possible Subscription and/or the Repayment of Debts. The Company believes that the cooperation with Fujian Kangjing will also be conducive to leveraging the advantageous resources of both parties and significantly enhance the Group's competitiveness in obtaining steel structure projects and prefabricated building projects, which will have a positive impact on the Group's strategies and market development, thereby further enhancing the overall operation and profitability of the Company.

The Directors considered that the Proposed Investment represents a valuable opportunity to improve the financial position and strengthen the business operation of the Group as a whole.

In view of the above, the Directors considered that the terms of the MOU are fair and reasonable and the Proposed Investment is in the best interests of the Company and the shareholders of the Company as a whole.

**The Board wishes to emphasise that the MOU and the Proposed Investment may or may not proceed. Further announcement in respect of the Proposed Investment will be made by the Company as and when appropriate in compliance with the Listing Rules. Shareholders and investors of the Company are urged to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**China Saite Group Company Limited**  
**Jiang Jianqiang**  
*Chairman*

Hong Kong, 6 June 2021

*As at the date of this announcement, the executive Directors are Mr. Jiang Jianqiang, Mr. Shao Xiaoqiang, Mr. Xu Fanghua, Mr. Liu Zhibo and Mr. Hua Gang; and the independent non-executive Directors are Mr. Xu Jiaming, Mr. Yan Hualin, Mr. Wu Zhongxian, Mr. Choi Ho Yan and Mr. Siu Siu Ling, Robert.*

*\* For identification purpose only*