

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)

**ISSUE OF SENIOR NOTES
AND
DISCLOSURE PURSUANT TO RULE 13.17 OF THE LISTING RULES
AND
SHARE CHARGES AND GUARANTEES PROVIDED
BY CONTROLLING SHAREHOLDERS**

ISSUE OF SENIOR NOTES

On 13 September 2021, the Company entered into the Note Purchase Agreements with the Investors, pursuant to which the Company agreed to issue, and the Investors agreed to purchase, the Senior Notes in an aggregate principal amount of HK\$160,000,000. Investor I agreed to purchase Senior Notes in an aggregate principal amount up to HK\$55,000,000 whereas Investor II and Investor III agreed to purchase Senior Notes in an aggregate principal amount up to HK\$70,000,000 and HK\$35,000,000, respectively.

The Senior Note shall be due and payable upon the date that is the earlier of (i) the date on which written notice is given by the Noteholder to the Company upon occurrence of a Share Charge Event of Default; or (ii) the date falling on the last Business Day of 12 months from the date of the Senior Note.

In consideration of the respective Investor purchasing the Senior Notes from the Company, if the Resumption takes place, the respective Investor (or the transferee of the Senior Notes) shall have the right to convert the Outstanding Principal (which shall be in the minimum amount of HK\$1,000,000) under the Senior Notes into such number of Conversion Shares at the Conversion Price A (in the case of Investor I) or Conversion Price B (in the case of Investor II and Investor III) within the Conversion Period by delivering the conversion notice to the Company, subject to the satisfaction of the conditions set out in the sub-section headed “Notes Conversion” in this announcement.

Each of the Investors has confirmed that (i) it is not acting in concert (as defined in the Takeovers Code) with, or accustomed to take instruction from, other third parties in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered or to be registered in its name or otherwise held or to be held by it; and (ii) it is not acting in concert (as defined in the Takeovers Code) with any existing Shareholders or the connected persons (as defined in the Listing Rules) of the existing Shareholders.

In respect of Investor I, the conversion price (i.e. Conversion Price A) is HK\$0.08 per Ordinary Share, which represents: (i) a discount of approximately 23.1% over the last Closing Price of HK\$0.104 per Ordinary Share quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 22.2% to the average Closing Price of approximately HK\$0.1028 per Ordinary Share as quoted on the Stock Exchange for the five consecutive Trading Days up to and including the Last Trading Date; and (iii) a discount of approximately 23.1% to the average Closing Price of approximately HK\$0.104 per Ordinary Share as quoted on the Stock Exchange for the 10 consecutive Trading Days up to and including the Last Trading Date.

In respect of Investor II and Investor III, the conversion price (i.e. Conversion Price B) is HK\$0.1 per Ordinary Share, which represents: (i) a discount of approximately 3.8% over the last Closing Price of HK\$0.104 per Ordinary Share quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 2.7% to the average Closing Price of approximately HK\$0.1028 per Ordinary Share as quoted on the Stock Exchange for the five consecutive Trading Days up to and including the Last Trading Date; and (iii) a discount of approximately 3.8% to the average Closing Price of approximately HK\$0.104 per Ordinary Share as quoted on the Stock Exchange for the 10 consecutive Trading Days up to and including the Last Trading Date.

In respect of Investor I, assuming full conversion of the Senior Notes at Conversion Price A of HK\$0.08 per Ordinary Share, the Senior Notes will be convertible into approximately 687,500,000 Ordinary Shares, representing (i) approximately 22.8% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 14.4% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

In respect of Investor II and Investor III, assuming full conversion of the Senior Notes at Conversion Price B of HK\$0.1 per Ordinary Share, the Senior Notes will be convertible into approximately 700,000,000 Ordinary Shares and 350,000,000 Ordinary Shares, respectively, representing (i) approximately 23.2% and 11.6% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 14.7% and 7.4% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Assuming the Senior Notes of an aggregate principal amount up to HK\$160,000,000 are issued, the aggregate gross proceeds from the issue of the Senior Notes are expected to be HK\$160,000,000. The net proceeds from the issue of the Senior Notes, after deducting all related fees and expenses, are estimated to be approximately HK\$159,000,000. Based on the net proceeds of approximately HK\$159,000,000, the net price per Conversion Share is approximately HK\$0.092.

The Board intends to use the proceeds from the issue of the Senior Notes for raising (i) sufficient funds to implement a possible debt restructuring by way of a scheme of arrangement under the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong) and (ii) additional working capital to sustain the business operations of the Group.

SUPPLEMENTAL AGREEMENTS TO THE NOTE PURCHASE AGREEMENTS

On 5 October 2021, the Company entered into the Supplemental Agreements with the Investors, pursuant to which the Company and the Investors have agreed, among others, that payment for subscription of each Senior Note made by the respective Investor to the Company pursuant to the respective Note Purchase Agreement might be made in HK\$ or RMB and be made to the Company or any parties as directed by the Company in Hong Kong or the PRC as the Company and the respective Investor might elect and mutually agree, and if the payment for subscription of the Senior Note(s) is made in RMB, the principal amount as specified in the relevant Senior Note(s) (which is denominated in HK\$) shall be converted to RMB at the foreign currency exchange rate published by the People's Bank of China on the relevant day. All other terms and conditions of the Note Purchase Agreements shall remain unchanged and in full force and effect.

DISCLOSURE PURSUANT TO RULE 13.17 OF THE LISTING RULES

Pursuant to the Note Purchase Agreements, Keen Luck (a wholly-owned subsidiary of Champ Origin Limited which in turn is owned as to 51% by Mr. Jiang JQ (being an executive Director and controlling Shareholder) and 49% by Mr. Jiang YX (the son of Mr. Jiang JQ and a controlling Shareholder)), being the controlling shareholder of the Company, shall enter into the Share Charges, pursuant to which Keen Luck will charge the Charged Shares in favor of Investor III in first priority, Investor II in second priority and Investor I in third priority.

SHARE CHARGES AND GUARANTEES PROVIDED BY CONTROLLING SHAREHOLDERS

As security for the obligations of the Company under the Note Purchase Agreements, the Senior Notes and any other Transaction Documents, (i) Keen Luck agreed to charge the Charges Shares under the Share Charges; and (ii) Mr. Jiang JQ (an executive Director and a controlling Shareholder) and Mr. Jiang YX (the son of Mr. Jiang JQ and a controlling Shareholder) has agreed to enter into Guarantee (JJQ) and Guarantee (JYX) respectively to provide a personal guarantee in favour of each of the Investors.

Keen Luck shall duly pay to the respective Investor and discharge all its obligation and liabilities with respect to the secured obligations under the respective Share Charge upon the occurrence of a Share Charge Event of Default which is continuing and with a written notice served from the respective Investor.

LISTING RULES IMPLICATIONS

As (i) Keen Luck is a controlling Shareholder; (ii) Mr. Jiang JQ is an executive Director and a controlling Shareholder and (iii) Mr. Jiang YX is a controlling Shareholder, the provision of the Shares Charges by Keen Luck, the Guarantee (JJQ) by Mr. Jiang JQ and Guarantee (JYX) by Mr. Jiang JX, respectively, constitutes connected transactions in the form of financial assistance in favour of the Company. However, as the Share Charges and the Guarantees are not secured by any assets of the Group, and as the Directors consider that the Share Charges and the Guarantees are on normal commercial terms or better, the Share Charges and the Guarantees are fully-exempted from the Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve, among other things, the Note Purchase Agreements, the Supplemental Agreements, the transactions contemplated thereunder (including the issue of the Senior Notes, the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate).

In light of the provision of (i) the Shares Charges by Keen Luck (a controlling Shareholder), (ii) the Guarantee (JJQ) by Mr. Jiang JQ (an executive Director and a controlling Shareholder) and (iii) Guarantee (JYX) by Mr. Jiang JX (the son of Mr. Jiang JQ and a controlling Shareholder), to avoid any actual or perceived conflict of interest, Mr. Jiang JQ and Keen Luck shall abstain from voting on the resolution(s) to approve the Note Purchase Agreements, the Supplemental Agreements and the transactions contemplated thereunder (including the issue of the Senior Notes, the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate) at the EGM.

To the best of the knowledge, information and belief of the Directors, (i) save for Mr. Jiang JQ holding 42,202,000 Ordinary Shares and Keen Luck holding 1,020,000,000 Ordinary Shares, no Shareholder has a material interest in the transactions contemplated under the Note Purchase Agreements and the Supplemental Agreements (including the issue of the Senior Notes, the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate) and will be required to abstain from voting on the resolution(s) to approve the Note Purchase Agreements, the Supplemental Agreements and the transactions contemplated thereunder (including the issue of the Senior Notes and the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate) at the EGM and (ii) save for Mr. Jiang JQ, none of the Directors has material interest in the Note Purchase Agreements, the Supplemental Agreements and the transactions contemplated thereunder (including the issue of the Senior Notes, the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate) and is required to abstain from voting on the relevant resolutions passed by the Board.

A circular containing, among other things, (i) further information of the Note Purchase Agreements, the Supplemental Agreements, the transactions contemplated thereunder (including the issue of the Senior Notes, the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate); and (ii) notice of the EGM, will be despatched to the Shareholders in due course in accordance with the Listing Rules.

WARNING

According to a letter from the Stock Exchange dated 21 July 2020 to the Company, the Stock Exchange specifies that it will not consider granting listing approval for new shares to the Company in light of its suspension of trading unless and until the Company has satisfied the Stock Exchange its fulfillment of the resumption guidance and re-compliance with the Listing Rules. Closing of the Note Purchase Agreements is subject to the satisfaction and/or waiver of the Closing Conditions under the Note Purchase Agreements. Completion of Notes Conversion (assuming such right is exercised by the Investors pursuant to the Note Purchase Agreements) is subject to the satisfaction of the conditions set out in the sub-section headed “Notes Conversion” in this announcement (one of which being the Listing Committee granting the approval for the listing of, and permission to deal in the Conversion Shares (with or without conditions), and the Stock Exchange not having withdrawn or revoked such approval). As the purchase of the Senior Notes may or may not be completed, the Senior Notes may or may not be issued, the listing approval of the Conversion Shares may or may not be granted, and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Ordinary Shares.

On 13 September 2021, the Company entered into the Note Purchase Agreements with the Investors, pursuant to which the Company agreed to issue, and the Investors agreed to purchase, the Senior Notes in an aggregate principal amount of HK\$160,000,000.

THE NOTE PURCHASE AGREEMENTS

The principal terms of each of the Note Purchase Agreements are substantially the same and are set out below.

Date

13 September 2021

Parties

Note Purchase Agreement I: (1) the Company, as issuer; and
(2) Investor I, as investor

Note Purchase Agreement II: (1) the Company, as issuer; and
(2) Investor II, as investor

Note Purchase Agreement III: (1) the Company, as issuer; and
(2) Investor III, as investor

Subject matter

Subject to the terms and conditions of the Note Purchase Agreement I, the Company agreed to issue to Investor I, and Investor I agreed to purchase, the Senior Notes in an aggregate principal amount up to HK\$55,000,000.

Subject to the terms and conditions of the Note Purchase Agreement II, the Company agreed to issue to Investor II, and Investor II agreed to purchase, the Senior Notes in an aggregate principal amount up to HK\$70,000,000.

Subject to the terms and conditions of the Note Purchase Agreement III, the Company agreed to issue to Investor III, and Investor III agreed to purchase, the Senior Notes in an aggregate principal amount up to HK\$35,000,000.

The amount of each note purchase shall be in the equivalent amount of the principal as specified in each Senior Note and shall be subject to a minimum of HK\$1,000,000.

Closing

Closing shall take place on a date no later than five (5) Business Days after the fulfillment or waiver of the Closing Conditions (other than those conditions which can be satisfied only at the Closing or with respect to actions the relevant party shall take at the Closing itself) or at such other place and time as the Company and the respective Investor may mutually agree upon.

Closing Conditions

The obligation of the respective Investor to purchase the Senior Notes is subject to the fulfillment of each of the following Closing Conditions (any or all of such Closing Conditions may be waived and with or without conditions by the respective Investor in its absolute discretion without prejudicing its right to require fulfilment of any such other conditions at any time thereafter) at or prior to the Closing:

- (a) the representations and warranties under the respective Note Purchase Agreement shall be true, correct, accurate, complete and not misleading in any material respects when made, and shall continue to be true, correct, accurate, complete and not misleading in any material respects up to each Closing Date with the same force and effect as if they had been repeated throughout the period between the signing hereof and the Closing Date and on and as of each Closing Date, or as of another date if any representations and warranties are made with respect to such other date;
- (b) the Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in the Transaction Documents to which it is a party that are required to be performed or complied with by it on or before the Closing and shall have obtained and delivered to the respective Investor all approvals necessary to complete the transactions contemplated hereby and under the other Transaction Documents (other than the Guarantees) to which it is a party;
- (c) all corporate and other proceedings in connection with the transactions contemplated hereby and under the other Transaction Documents on the Closing and all documents and instruments incidental to such transactions shall be reasonably satisfactory in substance and form to the respective Investor, and the respective Investor shall have received all copies of such documents as it may request;
- (d) at the first Closing, the Company shall have delivered to the respective Investor a compliance certificate;
- (e) the Company shall have delivered to the respective Investor a copy of each of the Transaction Documents (other than those Transaction Documents stated as post-closing matters under the Note Purchase Agreement and for the Closing(s) subsequent to the first Closing, those Transaction Documents which has/have been delivered at the first Closing), which shall have been duly executed by the parties thereto (other than the respective Investor);
- (f) the Company shall have obtained any and all approvals or other document, opinion or assurance which the respective Investor considers to be necessary for consummation of the transactions contemplated by the respective Note Purchase Agreement and the other Transaction Documents to which it is a party, on or prior to the Closing that are required to be obtained on or prior to the Closing;
- (g) there shall not have been injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having been issued or made by any court of competent jurisdiction or governmental authority in effect precluding or prohibiting consummation of any part of the transactions contemplated under the Transaction Documents;

- (h) there shall not have occurred (i) any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls, (ii) a general moratorium on commercial banking activities in Hong Kong, the Cayman Islands by any governmental authority, or (iii) an outbreak or escalation of hostilities or act of terrorism, in each case that has had a Material Adverse Effect;
- (i) save as any information contained in press releases or public announcements of the Company and to the knowledge of the Company, there shall not, since the date of the respective Note Purchase Agreement, have been any adverse change to the condition (financial or otherwise), results of operations, assets, regulatory status, business and prospects of the Company, any other Obligor or the Group taken as a whole or the financial markets or economic conditions in general that has had a Material Adverse Effect;
- (j) there shall not have occurred any event that would (had the Senior Notes already been issued) constitute an Event of Default which is continuing by the Company;
- (k) the Investor shall have received a written notice from the Company at least three (3) Business Days prior to each Closing Date requesting for the completion of the issue of the Senior Notes in accordance with the terms and conditions of the respective Note Purchase Agreement; and
- (l) all conditions precedent under the other Transaction Documents (other than those Transaction Documents stated as post-closing matters) shall have been satisfied or waived in accordance with the terms thereof.

Termination

Termination by the Investor

If the Closing Conditions are not fulfilled or waived by the respective Investor on or before the date falling six (6) months from the date of the respective Note Purchase Agreement, the respective Investor may, at its option, without prejudice to the rights of the respective Investor hereunder and under applicable laws:

- (a) defer the Closing to a later date;
- (b) proceed to the Closing in respect of purchase of the Senior Notes so far as practicable but subject to such conditions as the respective Investor may determine at its sole discretion; or
- (c) terminate the respective Note Purchase Agreement.

The Company agrees to indemnify and hold harmless the respective Investor and the respective Investor's employees, Affiliates, agents and assigns from and against any and all Indemnifiable Losses reasonably suffered by the respective Investor, or the respective Investor's employees, Affiliates, agents and assigns, as a result of, or based upon or arising from an Event of Default which is continuing or any breach or non-performance of any of

the certificates, representations, warranties, covenants or agreements made or given by the Company and/or the Obligors in any material respect in or pursuant to the respective Note Purchase Agreement or any of the other Transaction Documents.

Termination by the Company

If any Event of Default which is continuing by the respective Investor occurs on or before Closing, the Company may, at its option, without prejudice to the rights of the respective Investor hereunder and under applicable laws:

- (i) defer the Closing to a later date;
- (ii) proceed to the Closing in respect of purchase of the Senior Notes so far as practicable but subject to such conditions as the respective Investor may determine at its sole discretion; or
- (iii) terminate the respective Note Purchase Agreement.

If the respective Note Purchase Agreement is terminated in accordance with the terms above, it shall forthwith become null and void, and there shall be no liability or obligation on the part of the respective Investor (or any of their respective officers, directors, employees, agents or Affiliates) under the respective Note Purchase Agreement, the other Transaction Documents or in connection with the transactions contemplated hereby.

Successors and Assigns

The respective Note Purchase Agreement and the rights thereof, shall not be assigned, and the obligations hereunder shall not be transferred, without the mutual written consent of the parties provided that the respective Investor may at any time, without the consent of any other party, assign its rights and transfer its obligations hereunder to a transferee of the Senior Notes provided that (i) such transferee who is a connected person (as defined in the Listing Rules) of the Company shall first be notified in writing by the respective Investor to the Company and subject to compliance with the applicable requirements of the Listing Rules prior to any such assignment or transfer and (ii) such transferee shall be a wholly-owned subsidiary (whether direct or indirect) of the respective Investor.

Notes Conversion

In consideration of the respective Investor purchasing the Senior Notes from the Company, if the Resumption takes place, the respective Investor (or the transferee of the Senior Notes) shall have the right to convert the Outstanding Principal (which shall be in the minimum amount of HK\$1,000,000) under the Senior Notes into such number of Conversion Shares at the Conversion Price A (in the case of Investor I) or Conversion Price B (in the case of Investor II and Investor III) within the Conversion Period by delivering the conversion notice to the Company. The maximum possible number of the Ordinary Shares to be converted shall be 687,500,000 (in the case of Investor I), 700,000,000 (in the case of Investor II), and 350,000,000 (in the case of Investor III).

Completion of the Notes Conversion is conditional to the satisfaction of the following conditions precedents:

- (a) the passing of resolutions approving the Notes Conversion by the shareholders of the Company (other than those who are required by the Listing Rules to abstain from voting in respect of each resolution) in an extraordinary general meeting;
- (b) all licence, permit, consent, authorisation, permission, clearance, warrant, confirmation, certificate or approval of any competent governmental, administrative, supervisory, regulatory, judicial, determinative disciplinary, enforcement or tax raising body, authority, agency, board, department, court or tribunal of any jurisdiction (including the Stock Exchange, SFC or any relevant securities exchange) and whether supranational, national, regional or local or any other person which are required for the Notes Conversion and all matters contemplated thereunder having been obtained or made, if any;
- (c) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Notes Conversion void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Notes Conversion (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company and/or the Investor to proceed with the Notes Conversion); and
- (d) the Listing Committee granting the approval for the listing of, and permission to deal in the Conversion Shares (with or without conditions), and the Stock Exchange not having withdrawn or revoked such approval.

SUPPLEMENTAL AGREEMENTS TO THE NOTE PURCHASE AGREEMENTS

On 5 October 2021, the Company entered into the Supplemental Agreements with the Investors, pursuant to which the Company and each of the Investors have agreed to supplement the respective Note Purchase Agreement.

The principal terms of each of the Supplemental Agreements are substantially the same and are set out below.

Parties

Supplemental Agreement I: (1) the Company; and
 (2) Investor I

Supplemental Agreement II: (1) the Company; and
 (2) Investor II

Supplemental Agreement III: (1) the Company; and
 (2) Investor III

Subject Matter

The Company and the respective Investor have agreed that, among others,

- (a) payment for subscription of each Senior Note made by the respective Investor to the Company pursuant to the respective Note Purchase Agreement might be made in HK\$ or RMB and be made to the Company or any parties as directed by the Company in Hong Kong or the PRC as the Company and the respective Investor might elect and mutually agree;
- (b) if the payment for subscription of the Senior Note(s) is made in RMB, the principal amount as specified in the relevant Senior Note(s) (which is denominated in HK\$) shall be converted to RMB at the foreign currency exchange rate published by the People's Bank of China on the relevant day;
- (c) the aggregate principal amount of the Senior Notes and the maximum possible number of the Ordinary Shares to be converted upon exercise of the note conversion right by the respective Investor pursuant to the respective Note Purchase Agreement shall remain unchanged; and
- (d) other terms and conditions of the respective Note Purchase Agreement shall remain unchanged and in full force and effect.

WARNING

According to a letter from the Stock Exchange dated 21 July 2020 to the Company, the Stock Exchange specifies that it will not consider granting listing approval for new shares to the Company in light of its suspension of trading unless and until the Company has satisfied the Stock Exchange its fulfillment of the resumption guidance and re-compliance with the Listing Rules. Closing of the Note Purchase Agreements is subject to the satisfaction and/or waiver of the Closing Conditions under the Note Purchase Agreements. Completion of Notes Conversion (assuming such right is exercised by the Investors pursuant to the Note Purchase Agreements) is subject to the satisfaction of the conditions set out in the sub-section headed "Notes Conversion" in this announcement (one of which being the Listing Committee granting the approval for the listing of, and permission to deal in the Conversion Shares (with or without conditions), and the Stock Exchange not having withdrawn or revoked such approval). As the purchase of the Senior Notes may or may not be completed, the Senior Notes may or may not be issued, the listing approval of the Conversion Shares may or may not be granted, and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Ordinary Shares.

SHARE CHARGES AND GUARANTEES PROVIDED BY CONTROLLING SHAREHOLDERS

As security for the obligations of the Company under the Note Purchase Agreements, the Senior Notes and any other Transaction Documents, (i) Keen Luck agreed to charge the Charges Shares under the Share Charges; and (ii) Mr. Jiang JQ (an executive Director and a controlling Shareholder) and Mr. Jiang YX (the son of Mr. Jiang JQ and a controlling Shareholder) has agreed to enter into Guarantee (JJQ) and Guarantee (JYX) respectively to provide a personal guarantee in favour of each of the Investors.

LISTING RULES IMPLICATIONS

As (i) Keen Luck is a controlling Shareholder; (ii) Mr. Jiang JQ is an executive Director and a controlling Shareholder and (iii) Mr. Jiang YX (being the son of Mr. Jiang JQ) is a controlling Shareholder, the provision of the Shares Charges by Keen Luck, the Guarantee (JJQ) by Mr. Jiang JQ and Guarantee (JYX) by Mr. Jiang JX, respectively, constitutes connected transactions in the form of financial assistance in favour of the Company. However, as the Share Charges and the Guarantees are not secured by any assets of the Group, and as the Directors consider that the Share Charges and the Guarantees are on normal commercial terms or better, the Share Charges and the Guarantees are fully-exempted from the Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

PRINCIPAL TERMS OF THE SENIOR NOTES

The principal terms of the Senior Notes are summarised as follows:

Issuer:	The Company
Principal amount:	In respect of Investor I: up to HK\$55,000,000 In respect of Investor II: up to HK\$70,000,000 In respect of Investor III: up to HK\$35,000,000
Maturity Date:	The Senior Note shall be due and payable upon the date that is the earlier of (i) the date on which written notice is given by the Noteholder to the Company upon occurrence of a Share Charge Event of Default; or (ii) the date falling on the last Business Day of 12 months from the date of the Senior Note. The maturity date can be extended by mutual agreement between the Company and the Noteholder.
Interest:	Interest shall accrue on the Senior Note from and including the issue date of the Senior Notes until and including the date on which the total outstanding principal amount under the Senior Note is redeemed or converted in accordance with the terms and conditions of the respective Note Purchase Agreement at the rate of 5% per annum.

Transferability:

The Senior Note is freely transferrable (in whole or in part) by the Noteholder or the Company to any person provided that (i) any person who is a connected person (as defined in the Listing Rules) of the Company shall first be notified in writing by the Noteholder to the Company and subject to compliance with the applicable requirements of the Listing Rules prior to any such assignment or transfer and (ii) such transferee shall be a wholly-owned subsidiary (whether direct or indirect) of the Noteholder, subject to (i) the prior written consent of the other party and (ii) compliance with all applicable law and any transfer of the Senior Note may be in respect of the whole or any part (in multiples of HK\$1,000,000) of the outstanding principal amount of the Senior Note.

Share Charge Events of Default:

Without prejudice to any other provisions under the Note Purchase Agreement, the occurrence of any of the following shall constitute an Share Charge Event of Default:

- (1) the Company fails to pay any sum payable when and as the same shall become due and payable in accordance with the provisions hereof unless its failure to pay is caused by administrative or technical error due to a default not caused by the Company or a market disruption event and payment is made within five (5) Business Days of its due date;
- (2) the Company fails to or observe, comply or perform any of its obligations, covenants or agreement under the Senior Note;
- (3) any representation or warranty or covenants made by the Company in the Note Purchase Agreement proves to have been incorrect or misleading in any material respect; and/or
- (4) a creditor takes possession of all or substantially all of the assets of the Company, as the case may be, or any execution or other legal process is enforced against all or substantially all of the assets of the Company and such possession or enforcement is not discharged within fifteen (15) Business Days such that there is a material adverse impact on the Company's ability to perform its obligations under the respective Note Purchase Agreement and all the exhibits thereto.

Successors and Assigns:

The terms and conditions of the Senior Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties whose rights or obligations hereunder are affected by such terms and conditions except that any party may not assign or transfer any of its rights or obligations under the Senior Note without the prior written consent of the other party and provided that such assignment or transfer shall be in accordance with the terms and conditions provided in the Senior Note.

CONVERSION PRICE AND CONVERSION SHARES

In respect of Investor I, the conversion price (i.e. Conversion Price A) is HK\$0.08 per Ordinary Share, which represents:

- (i) a discount of approximately 23.1% over the last Closing Price of HK\$0.104 per Ordinary Share quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 22.2% to the average Closing Price of approximately HK\$0.1028 per Ordinary Share as quoted on the Stock Exchange for the five consecutive Trading Days up to and including the Last Trading Date; and
- (iii) a discount of approximately 23.1% to the average Closing Price of approximately HK\$0.104 per Ordinary Share as quoted on the Stock Exchange for the 10 consecutive Trading Days up to and including the Last Trading Date.

In respect of Investor II and Investor III, the conversion price (i.e. Conversion Price B) is HK\$0.1 per Ordinary Share, which represents:

- (i) a discount of approximately 3.8% over the last Closing Price of HK\$0.104 per Ordinary Share quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 2.7% to the average Closing Price of approximately HK\$0.1028 per Ordinary Share as quoted on the Stock Exchange for the five consecutive Trading Days up to and including the Last Trading Date; and
- (iii) a discount of approximately 3.8% to the average Closing Price of approximately HK\$0.104 per Ordinary Share as quoted on the Stock Exchange for the 10 consecutive Trading Days up to and including the Last Trading Date.

Both Conversion Price A and Conversion Price B were determined after arm's length negotiation between the Company and the Investors with reference to the latest trading prices of the Ordinary Shares on the Stock Exchange and the results and prospects of the Company. The Directors (including the independent non-executive Directors) are of the view that both Conversion Price A and Conversion Price B are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In respect of Investor I, assuming full conversion of the Senior Notes at Conversion Price A of HK\$0.08 per Ordinary Share, the Senior Notes will be convertible into approximately 687,500,000 Ordinary Shares, representing (i) approximately 22.8% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 14.4% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

In respect of Investor II and Investor III, assuming full conversion of the Senior Notes at Conversion Price B of HK\$0.1 per Ordinary Share, the Senior Notes will be convertible into approximately 700,000,000 Ordinary Shares and 350,000,000 Ordinary Shares, respectively, representing (i) approximately 23.2% and 11.6% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 14.7% and 7.4% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Shares will rank pari passu in all respects with the Ordinary Shares then in issue on the relevant conversion date.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below set out a summary of the shareholding structure of the Company (i) as at the date of this announcement and (ii) upon full conversion of the Senior Notes:

Shareholders	As at the date of this announcement		Immediately after the issue of the Shares upon full conversion of the Senior Notes at Conversion Price A (in the case of Investor I) and Conversion Price B (in the case of Investor II and Investor III)	
	Number of Shares	%	Number of Shares	%
Director				
Mr. Jiang JQ	42,202,000	1.40	42,202,000	0.89
Substantial Shareholders				
Keen Luck ^{Note 1}	1,020,000,000	33.77	1,020,000,000	21.44
Five Seasons XIV Limited ^{Note 2} 江蘇凱盟投資有限公司 (Jiangsu Kaimeng Investments Co., Ltd.)* ^{Note 3}	190,120,000	6.29	190,120,000	4.00
江蘇華米企業管理有限公司 (Jiangsu Huami Business Management Co., Ltd.)* ^{Note 4}	260,000,000	8.61	260,000,000	5.46
Wenjia International Limited ^{Note 5}	230,000,000	7.61	230,000,000	4.83
Investor I	—	—	687,500,000	14.45
Investor II	—	—	700,000,000	14.71
Investor III	—	—	350,000,000	7.36
Other public Shareholders	1,078,425,935	35.70	1,078,425,935	22.66
Total Issued Shares	<u>3,020,747,935</u>	<u>100.00</u>	<u>4,758,247,935</u>	<u>100.00</u>

Notes:

1. Keen Luck is wholly-owned by Champ Origin Limited which in turn is owned as to 51% by Mr. Jiang JQ and 49% by Mr. Jiang YX.
2. Five Seasons XIV Limited is wholly-owned by Five Seasons XVII Limited which in turn is wholly owned by Fullshare Holdings Limited (“**Fullshare**”). Fullshare is owned as to 44.73% by Magnolia Wealth International Limited, which in turn is wholly-owned by Mr. Ji Changqun.
3. 江蘇凱盟投資有限公司 (Jiangsu Kaimeng Investments Co., Ltd.*) is owned as to 60% by Mr. Li Xiaofei and 40% by Ms. Quan Zhu, respectively.
4. 江蘇華米企業管理有限公司 (Jiangsu Huami Business Management Co., Ltd.*) is owned as to 99% by Mr. Zhu Hong.
5. Wenjia International Limited is wholly-owned by Mr. Li Xiang.

USE OF PROCEEDS

Assuming the Senior Notes of an aggregate principal amount up to HK\$160,000,000 are issued, the aggregate gross proceeds from the issue of the Senior Notes are expected to be HK\$160,000,000. The net proceeds from the issue of the Senior Notes, after deducting all related fees and expenses, are estimated to be approximately HK\$159,000,000. Based on the net proceeds of approximately HK\$159,000,000, the net price per Conversion Share is approximately HK\$0.092.

The Board intends to use the proceeds from the issue of the Senior Notes for raising (i) sufficient funds to implement a possible debt restructuring by way of a scheme of arrangement under the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong) and (ii) additional working capital to sustain the business operations of the Group.

DISCLOSURE PURSUANT TO RULE 13.17 OF THE LISTING RULES

Pursuant to the Note Purchase Agreement, Keen Luck (a wholly-owned subsidiary of Champ Origin Limited which in turn is owned as to 51% by Mr. Jiang JQ (being an executive Director and controlling Shareholder) and 49% by Mr. Jiang YX (the son of Mr. Jiang JQ and a controlling Shareholder)), being the controlling Shareholder of the Company, shall enter into the Share Charges, pursuant to which Keen Luck will charge the Charged Shares in favor of Investor III in first priority, Investor II in second priority and Investor I in third priority.

Pursuant to the First Share Charge, in consideration of Investor III agreeing to enter into the Note Purchase Agreement III and as a security for the obligations of the Company under the Note Purchase Agreement III, the Senior Notes and any other Transaction Documents, Keen Luck charges the Charged Shares in favor of Investor III by way of a first priority charge.

Pursuant to the Second Share Charge, in consideration of Investor II agreeing to enter into the Note Purchase Agreement II and as a security for the obligations of the Company under the Note Purchase Agreement II, the Senior Notes and any other Transaction Documents, Keen Luck charges the Charged Shares in favor of Investor II by way of a second priority charge.

Pursuant to the Third Share Charge, in consideration of Investor I agreeing to enter into the Note Purchase Agreement I and as a security for the obligations of the Company under the Note Purchase Agreement I, the Senior Notes and any other Transaction Documents, Keen Luck charges the Charged Shares in favor of Investor I by way of a third priority charge.

Keen Luck shall duly pay to the respective Investor and discharge all its obligation and liabilities with respect to the secured obligations under the respective Share Charge upon the occurrence of a Share Charge Event of Default which is continuing and with a written notice served from the respective Investor.

FUND-RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not raised any funds by issuing equity securities during the 12 months immediately before the date of this announcement.

APPLICATION FOR LISTING

No application will be made by the Company to the Listing Committee for listing of the Senior Notes. An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

REASONS FOR AND BENEFITS OF THE ISSUE OF SENIOR NOTES

In light of the indebtedness and financial condition of the Company based on the information currently available to the Board, the Board considers that the Company is required to raise funds to facilitate it in discharging all liabilities of and claims against the Company by way of implementing a possible debt restructuring, alleviating its cash flow burden as well as raising additional working capital to sustain the Group's continuing operation and the entering into of the Note Purchase Agreements (as supplemented by the Supplemental Agreements) allows the Company to achieve such purposes.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Note Purchase Agreements, the Supplemental Agreements and the transactions contemplated thereunder (including the issue of the Senior Notes and the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate), which are determined after arm's length negotiations between the Company and the Investors are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reference is made to the quarterly update announcement of the Company dated 21 September 2021 (the "**Quarterly Update Announcement**").

The Board also wishes to draw the attention of the Shareholders and potential investors of the Company that, in light of the notes purchase under the Note Purchase Agreements, the Company shall not proceed with the Proposed Investment as referred to under the section headed “Business Update” in the Quarterly Update Announcement.

SPECIFIC MANDATE

The Company will seek the approval of the Shareholders at the EGM to grant the Specific Mandate to the Board to allot and issue the Conversion Shares upon the exercise of the conversion right under the Note Purchase Agreements.

GENERAL

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve, among other things, the Note Purchase Agreements, the Supplemental Agreements and the transactions contemplated thereunder (including the issue of the Senior Notes and the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate).

In light of the provision of (i) the Shares Charges by Keen Luck (a controlling Shareholder), (ii) the Guarantee (JJQ) by Mr. Jiang JQ (an executive Director and a controlling Shareholder) and (iii) Guarantee (JYX) by Mr. Jiang JX (the son of Mr. Jiang JQ and a controlling Shareholder), to avoid any actual or perceived conflict of interest, Mr. Jiang JQ and Keen Luck shall abstain from voting on the resolution(s) to approve the Note Purchase Agreement, the Supplemental Agreements and the transactions contemplated thereunder (including the issue of the Senior Notes and the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate) at the EGM.

To the best of the knowledge, information and belief of the Directors, (i) save for Mr. Jiang JQ holding 42,202,000 Ordinary Shares and Keen Luck holding 1,020,000,000 Ordinary Shares, no Shareholder has a material interest in the transactions contemplated under the Note Purchase Agreements (including the issue of the Senior Notes and the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate) and will be required to abstain from voting on the resolution(s) to approve the Note Purchase Agreements, the Supplemental Agreements and the transactions contemplated thereunder (including the issue of the Senior Notes and the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate) at the EGM and (ii) save for Mr. Jiang JQ, none of the Directors has material interest in the Note Purchase Agreements and is required to abstain from voting on the relevant resolutions passed by the Board.

A circular containing, among other things, (i) further information of the Note Purchase Agreements, the Supplemental Agreements and the transactions contemplated thereunder (including the issue of the Senior Notes and the allotment and issue of the Conversion Shares upon the Notes Conversion and the grant of the Specific Mandate); and (ii) notice of the EGM, will be despatched to the Shareholders in due course in accordance with the Listing Rules.

WARNING

According to a letter from the Stock Exchange dated 21 July 2020 to the Company, the Stock Exchange specifies that it will not consider granting listing approval for new shares to the Company in light of its suspension of trading unless and until the Company has satisfied the Stock Exchange its fulfillment of the resumption guidance and re-compliance with the Listing Rules. Closing of the Note Purchase Agreements is subject to the satisfaction and/or waiver of the Closing Conditions under the Note Purchase Agreements. Completion of Notes Conversion (assuming such right is exercised by the Investors pursuant to the Note Purchase Agreements) is subject to the satisfaction of the conditions set out in the sub-section headed “Notes Conversion” in this announcement (one of which being the Listing Committee granting the approval for the listing of, and permission to deal in the Conversion Shares (with or without conditions), and the Stock Exchange not having withdrawn or revoked such approval). As the purchase of the Senior Notes may or may not be completed, the Senior Notes may or may not be issued, the listing approval of the Conversion Shares may or may not be granted, and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Ordinary Shares.

INFORMATION ON THE GROUP

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.

INFORMATION ON THE INVESTORS

Investor I

Investor I is a company incorporated in the PRC with limited liability and is owned as to 65% by 安徽天鴻新型鋼結構材料有限公司 (Anhui Tianhong New Type Steel Structural Material Co., Ltd.*) 35% by 福建省康靖鋼材貿易有限公司 (Fujian Kangjing Steel Trading Co. Ltd.*), respectively. Investor I is principally engaged in sale and manufacturing of metallic materials, metallic products, metallic structure, sale of non-metallic mineral and product processing and heat processing of metallic surface, sale of construction use steel bar product, and manufacturing of metallic packaging container and material.

Investor II

Investor II is a wholly-owned subsidiary of 懷遠縣大禹股權投資有限公司 (Huaiyuan County Dayu Equity Investment Ltd.*), which is in turn 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 PRC with limited liability. Investor II is principally engaged in manufacturing of metallic and plastic products, mechanical parts, electric parts, electric products, production, processing and sale of vehicle parts, industrial project development, internet of things technology and services, transportation, biology and medicine, real estate, cultural industry, new energy, new material investment and management.

Investor III

Investor III is a sole proprietorship registered under the Business Registration Ordinance (Cap. 310 of the Laws of Hong Kong) in Hong Kong which is principally engaged in financial consulting services and equity investment. The sole proprietor controlling Investor III is Mr. Che Kean Tat (徐建達).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Investors and its ultimate beneficial owner(s) are (a) third parties independent of the Company and its connected persons (as defined in the Listing Rules) and (b) are not acting in concert (as defined in the Takeovers Code) with, or accustomed to take instruction from, other third parties in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered or to be registered in its name or otherwise held or to be held by it; and (ii) each of the Investors is not acting in concert (as defined in the Takeovers Code) with any existing Shareholders or the connected persons (as defined in the Listing Rules) of the existing Shareholders.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect since 22 June 2020 and will continue to be suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless otherwise specified:

“Affiliate(s)”	with respect to a person, any other person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such person
“Board”	the board of Directors

“Business Day”	a day on which banks in Hong Kong are open for business other than (i) a Saturday or (ii) a “general holiday” as defined in Section 2 of the General Holidays Ordinance Cap. 149, or one of the days specified from time to time in the schedule to that Ordinance as being “general holidays” under Section 3 thereof or (iii) a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong or announcement on extreme conditions is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. and “Business Days” shall be construed accordingly
“Charged Shares”	(i) 1,020,000,000 Shares beneficially owned by Keen Luck (ii) any additional Ordinary Shares which may from time to time be transferred to the Securities Account or otherwise become subject to the Share Charge; and (iii) other interest in the Securities Account which are charged in favour of the Investor in accordance with the terms and conditions of the Transaction Documents
“Closing”	with respect to the respective Investor, the consummation of the issue of the Senior Notes to the respective Investor in accordance with the terms and conditions of the respective Note Purchase Agreement
“Closing Conditions”	the conditions precedents to Closing under the respective Note Purchase Agreement
“Closing Date”	the date of Closing
“Closing Price”	the closing price of the Shares on the Stock Exchange
“Company”	China Saite Group Company Limited (中國賽特集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 153)

“Control”	with respect to any person, the power or authority, whether exercised or not, to direct the business, management, policies or activities of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to appoint or remove or control the composition of a majority of the board of directors of such person. The terms “Controlled” and “Controlling” have meanings correlative to the foregoing
“Conversion Period”	the period commencing from the date of Resumption and up to and inclusive of the date falling on the first anniversary of the date of Resumption
“Conversion Price A”	HK\$0.08 per Ordinary Share at which the Outstanding Principal is to be converted into Ordinary Shares
“Conversion Price B”	HK\$0.1 per Ordinary Share at which the Outstanding Principal is to be converted into Ordinary Shares
“Conversion Shares”	the Ordinary Shares to be converted pursuant to the Note Purchase Agreements
“Director(s)”	the director(s) of the Company
“EGM”	the general meeting of the Company to be convened for the purpose of considering and if thought fit, approving the Note Purchase Agreements and the transactions contemplated thereunder, including the grant of Specific Mandate to allot and issue the Conversion Shares
“Event(s) of Default”	the event(s) of defaults as stated in the respective Note Purchase Agreement
“First Share Charge”	a first share charge in respect of the Charged Shares to be entered into between Keen Luck and Investor III in a form as agreed between them after negotiation in good faith
“Group”	the Company and its subsidiaries
“Guarantee (JJQ)”	the deed of guarantee to be entered into between Mr. Jiang JQ and the respective Investor in a form as agreed between Mr. Jiang JQ and the respective Investor after negotiation between them in good faith

“Guarantee (JYX)”	the deed of guarantee to be entered into between Mr. Jiang YX and the respective Investor in a form as agreed between Mr. Jiang YX and the respective Investor after negotiation between them in good faith
“Guarantees”	Guarantee (JJQ) and Guarantee (JYX)
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Indemnifiable Loss”	with respect to any person, any action, cost, damage, disbursement, expense, liability, loss, deficiency, diminution in value, obligation, penalty or settlement of any kind or nature. Indemnifiable Loss shall include, but shall not be limited to, (i) interest or other carrying costs, penalties, legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement, that may be imposed on or otherwise incurred or suffered by such person and (ii) any taxes that may be payable by such person by reason of the indemnification of any Indemnifiable Loss hereunder
“Investor I”	安徽洪林鋼結構制造有限公司 (Anhui Honglin Steel Structure Manufacturing Co., Ltd.*), a company incorporated in the PRC with limited liability
“Investor II”	安徽大禹實業集團有限公司 (Anhui Dayu Shiye Group Co. Ltd.*), a company incorporated in the PRC with limited liability
“Investor III”	Equity First Capital LC, a sole proprietorship registered under the Business Registration Ordinance (Cap. 310 of the Laws of Hong Kong)
“Investors”	collectively, Investor I, Investor II and Investor III, and each an “Investor”
“Keen Luck”	Keen Luck Group Limited (建瑞集團有限公司), a wholly-owned subsidiary of Champ Origin Limited which in turn is owned as to 51% by Mr. Jiang JQ and 49% by Mr. Jiang YX
“Last Trading Date”	19 June 2020, being the last Trading Day for the Ordinary Shares immediately prior to the publication of this announcement
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Effect”	a material adverse effect on (i) the validity or enforceability of any of the Transaction Documents (other than the Guarantees); (ii) the business, operations, assets, liabilities, property, condition (financial or otherwise) or prospects of the Company, any other Obligor, any subsidiary or the Group taken as a whole; (iii) the ability of an Obligor to perform its obligations under any of the Transaction Documents; or (iv) the rights and remedies of the Investor under any of the Transaction Documents
“Mr. Jiang JQ”	Mr. Jiang Jianqiang (蔣建強), the executive Director and a controlling Shareholder
“Mr. Jiang YX”	Mr. Jiang Yixuan (蔣毅軒), the son of Mr. Jiang JQ and a controlling Shareholder
“Noteholder(s)”	holder(s) of any amount of the Senior Notes from time to time
“Note Purchase Agreement I”	the Note Purchase Agreement dated 13 September 2021 entered into between the Company and Investor I for the issue and purchase of Senior Notes in the aggregate principal amount up to HK\$55,000,000, which is supplemented by the Supplemental Agreement I
“Note Purchase Agreement II”	the Note Purchase Agreement dated 13 September 2021 entered into between the Company and Investor II for the issue and purchase of Senior Notes in the aggregate principal amount up to HK\$70,000,000, which is supplemented by the Supplemental Agreement II
“Note Purchase Agreement III”	the Note Purchase Agreement dated 13 September 2021 entered into between the Company and Investor III for the issue and purchase of Senior Notes in the aggregate principal amount up to HK\$35,000,000, which is supplemented by the Supplemental Agreement III
“Note Purchase Agreements”	collectively, the Note Purchase Agreement I (as supplemented by the Supplemental Agreement I), the Note Purchase Agreement II (as supplemented by the Supplemental Agreement II) and the Note Purchase Agreement III (as supplemented by the Supplemental Agreement III) and each a “Note Purchase Agreement”

“Notes Conversion”	the right to convert the Outstanding Principal (which shall be in the minimum amount of HK\$1,000,000) under the Senior Notes into such number of Conversion Shares at Conversion Price A (in the case of Investor I) or Conversion Price B (in the case of Investor II and Investor III)
“Obligors”	the Company, Mr. Jiang JQ, Mr. Jiang YX and Keen Luck, and “Obligor” shall be construed accordingly
“Ordinary Shares”	the ordinary shares in the capital of the Company
“Outstanding Principal”	the aggregate amount of the outstanding sum under each and every Senior Note(s) held by the Investor
“PRC”	the People’s Republic of China, which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Resumption”	the resumption of trading in the Ordinary Shares on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Second Share Charge”	a second share charge in respect of the Charged Shares to be entered into between Keen Luck and Investor II in a form as agreed between them after negotiation in good faith
“Securities Account”	the securities account in the name of Keen Luck with ABCI Securities Company Limited and includes (i) any securities account into which all or any part of the Ordinary Shares and all the rights attached herewith are transferred if there is a change of custodian with which the Securities Account is held and (ii) any securities account which is a successor to the Securities Account on any re-numbering or re-designation of accounts
“Security Documents”	the Guarantees and Share Charge, and “Security Document” shall be construed accordingly
“Senior Notes”	a series of senior notes of an aggregate principal amount up to HK\$160,000,000 to be issued by the Company and purchased by the Investors pursuant to the Note Purchase Agreements and “Senior Note” shall be construed accordingly
“SFC”	the Securities and Futures Commission of Hong Kong

“Share Charges”	collectively, the First Share Charge, the Second Share Charge and the Third Share Charge, and each a “Share Charge”
“Share Charge Event(s) of Default”	the event(s) of defaults as stated in the Share Charge
“Shareholder(s)”	holder(s) of Ordinary Shares
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM to grant the authority to the Board for the allotment and issue of the Conversion Shares as a result of the exercise of the conversion right under the Note Purchase Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement I”	the supplemental agreement to the Note Purchase Agreement I dated 5 October 2021 entered into between the Company and Investor I
“Supplemental Agreement II”	the supplemental agreement to the Note Purchase Agreement II dated 5 October 2021 entered into between the Company and Investor II
“Supplemental Agreement III”	the supplemental agreement to the Note Purchase Agreement III dated 5 October 2021 entered into between the Company and Investor III
“Supplemental Agreements”	collectively, the Supplemental Agreement I, the Supplemental Agreement II and the Supplemental Agreement III
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Third Share Charge”	a third share charge in respect of the Charged Shares to be entered into between Keen Luck and Investor I in a form as agreed between them after negotiation in good faith
“Trading Day”	a day on which trading is conducted on the Main Board of the Stock Exchange in accordance with the Trading Rules of the Stock Exchange other than a day on which both the morning and the afternoon trading sessions or either of them is cancelled owing to a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal being in force in Hong Kong

“Transaction Documents” (i) the Note Purchase Agreement, (ii) the Senior Notes, (iii) the Security Documents and (iv) any letters to vary the maturity date of the Senior Notes, deeds of adherence, other agreements, instruments, certificates executed or entered into pursuant to or in connection with any of the foregoing

“%” per cent.

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

Hong Kong, 5 October 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 purposes only*