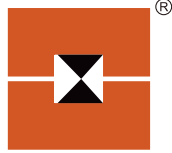


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Kaisa Health Group Holdings Limited
佳兆業健康集團控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 876)

DISCLOSEABLE TRANSACTION
DISPOSAL OF CONVERTIBLE NOTES

THE DISPOSAL

On 30 November 2021, the Seller, a wholly-owned subsidiary of the Company, and the Purchasers entered into the Agreement pursuant to which the Seller agreed to dispose of, and the Purchasers agreed to purchase, the Convertible Notes.

LISTING RULES IMPLICATIONS

As one or more than one of the applicable percentage ratios in respect of the Disposal is 5% or more and all of the applicable percentage ratios are below 25% under the Listing Rules, the Disposal constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from Shareholders' requirement pursuant to Chapter 14 of the Listing Rules.

THE DISPOSAL

On 30 November 2021, the Seller and the Purchasers entered into the Agreement relating to the Disposal. The principal terms of the Agreement are set out below:

Subject matter : The Seller agreed to sell to the Purchasers, and the Purchasers agreed to purchase, the Convertible Notes.

Information about the Convertible Notes : The details of Convertible Notes are as follows:

- (1) **Issuer:** Quanergy
- (2) **Principal amount:** US\$3,500,000
- (3) **Issue date:** 15 March 2018
- (4) **Maturity date:** 15 March 2022
- (5) **Interest rate:** The principal amount of the Convertible Notes outstanding shall accrue interest, consisting of (i) interest payable in cash on a semi-annual basis in arrears, commencing with the first such payment on June 30, 2018 and continuing on each June 30 and December 31 thereafter (each, a “Payment Date”), at a per annum rate equal to 1.50%, and (ii) additional interest at a rate of 8% per annum (the “**Deferred Interest**”), which Deferred Interest shall be compounded and added to the principal on each Payment Date. Accrued interest on this Note shall be due and payable upon the maturity date unless earlier repaid or converted.
- (6) **Conversion:** The Convertible Notes may be converted into shares of Quanergy’s common stock at a conversion price equivalent to an agreed valuation divided by the number of outstanding shares immediately prior to the initial public offering of Quanergy or the change of control event as described under the terms of the Convertible Notes (as the case may be).
- (7) **Security:** Quanergy has granted first-priority security interest in all right, title and interest of Quanergy in and to its assets as set out the Security Agreement in favour of the collateral agent on behalf of, among others, the Seller.

Consideration and basis of consideration : The consideration is US\$3,850,000 and was determined following commercial negotiations between the parties on an arm's length basis with reference to the outstanding principal amount and the accrued interest of the Convertible Notes, the liquidity premium and the credit risks.

Payment : The consideration is payable by the Purchasers to the Seller upon Completion by way of cash. The Purchasers paid the consideration to the Seller in full upon Completion.

Completion : Completion took place on the date of the Agreement.

INFORMATION OF THE CONVERTIBLE NOTES

The Convertible Notes were interest-bearing senior secured convertible promissory notes issued by Quanergy to the Seller in the principal amount of US\$3,500,000. The Convertible Notes may be converted to common stock of Quanergy at the Seller's election after the occurrence of the initial public offering of Quanergy on the New York Stock Exchange or the Nasdaq Stock Market, or a change of control event as described under the terms of the Convertible Notes. Prior to Completion, none of the Convertible Notes had been so converted.

Quanergy is a corporation incorporated in Delaware and is principally engaged in development of solid state silicon lidar units, which pulses a low-power laser through an optical phased array to measure the distance and shape of objects. Quanergy has consented to the Disposal. Following the Disposal, the Group no longer holds any further shares or instruments convertible into shares of Quanergy.

Based on the audited consolidated accounts of the Company for the two years ended 31 December 2020, the financial information relating to the Convertible Notes was as follows:

	For the year ended 31 December 2019 <i>HK\$'000</i>	For the year ended 31 December 2020 <i>HK\$'000</i>
Interest income	421	479
Gain/(loss) from change in fair value	(1,181)	5,044

FINANCIAL EFFECT OF THE DISPOSAL

Based on the unaudited accounts of the Company for the six months ended 30 June 2021, the book value of the Convertible Notes as at 30 June 2021 was HK\$35,341,000. Based on the consideration of US\$3,850,000 (approximately HK\$29,949,000), the Company is expected to recognise a loss of approximately HK\$3,056,000 from the Disposal after netting the fair value gain of HK\$2,275,000 and the exchange gain of HK\$61,000. The estimate of loss is for illustration purpose only and subject to adjustments that may be made during audit in the future.

USE OF PROCEEDS FROM THE DISPOSAL

The proceeds from the Disposal shall be applied towards the Group's working capital, and the Group focus more on development of dental prosthetics business.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Group is principally engaged in the dental prosthetics business and the health care service business.

Through the Disposal, the Group could realise its financial investment and increase its capital base for development of the core business of the Group. The Disposal can further optimise the asset structure of the Group.

Taking into account of the above factors, the Directors consider that the terms of the Disposal including the consideration, are fair and reasonable, on normal commercial terms, and the Disposal is in the interests of the Shareholders and the Company as a whole.

INFORMATION OF THE PARTIES

The Seller is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in investing holding.

Each of the Purchasers is an investment fund formed in (in respect of Beach Point Securitized Credit Fund LP and Beach Point TX SCF LP) Delaware or (in respect of Beach Point SC Offshore Fund Ltd.) the Cayman Islands as a limited partnership. Each of the Purchasers is advised by Beach Point Capital Management LP as investment advisor. Beach Point Capital Management LP is an investment adviser registered with the U.S. Securities and Exchange Commission.

To the best knowledge, information and belief of the Directors, each of the Purchasers and their respective ultimate beneficial owners are independent of the Company and connected persons of the Company.

LISTING RULES IMPLICATIONS

As one or more than one of the applicable percentage ratios in respect of the Disposal is 5% or more and all of the applicable percentage ratios are below 25% under the Listing Rules, the Disposal constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from Shareholders' requirement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Agreement”	the transfer agreement dated 30 November 2021 entered into among the Seller and the Purchasers relating to the sale and purchase of the Convertible Notes
“Board”	the board of Directors of the Company
“Company”	Kaisa Health Group Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“Convertible Notes”	senior secured convertible promissory notes of a principal amount of US\$3,500,000 issued by Quanergy
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Convertible Notes as contemplated under the Agreement
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“Purchasers”	Beach Point Securitized Credit Fund LP, Beach Point SC Offshore Fund Ltd. and Beach Point TX SCF LP
“Quanergy”	Quanergy Systems, Inc., a Delaware corporation
“Seller”	Huge Profit Group Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company as at the date of this announcement
“Shares”	ordinary shares of HK\$0.00125 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“HK\$”	the lawful currency of Hong Kong
“US\$”	the lawful currency of the United States of America
“%”	per cent

By Order of the Board
Kaisa Health Group Holdings Limited
Zhang Huagang
Chairman

Hong Kong, 30 November 2021

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Zhang Huagang (Chairman), Mr. Luo Jun (Co-Vice Chairman), Mr. Wu Tianyu (Co-Vice Chairman), Mr. Kwok Ying Shing, Ms. Kwok Ho Lai and Ms. Kwok Hiu Yan, and three independent non-executive Directors, namely Dr. Liu Yanwen, Dr. Lyu Aiping and Ms. Li Yonglan.