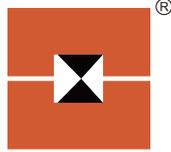


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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



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)

INSIDE INFORMATION
AND
DISCLOSEABLE TRANSACTION
IN RELATION TO SETTLEMENT AGREEMENT
RELATING TO THE CONVERTIBLE BONDS
ISSUED BY CONDOR

Reference is made to the announcements of the Company dated 19 October 2016, 29 November 2016, 3 December 2019 and 30 November 2020 in relation to the Convertible Bonds issued by CondorTech.

THE SETTLEMENT AGREEMENT

On 8 May 2020, United Noble informed CondorTech and requested CondorTech to redeem 100% of the principal amount of the outstanding Convertible Bonds upon the Maturity Date. Despite various attempts made by United Noble to follow up with CondorTech on the repayment, CondorTech has not make any repayment for the redemption of the outstanding Convertible Bonds or the accrued and unpaid interest thereon up till the date of this announcement.

On 25 March 2021, the Settlement Agreement was entered into by and among, CondorTech, United Noble, Scan4all and FW, in order to, among others, settle the outstanding payment payable by CondorTech to United Noble.

LISTING RULES IMPLICATIONS

In relation to the transfer of the outstanding Convertible Bonds as contemplated thereunder the Settlement Agreement, as one of the applicable percentage ratios (as set out in the Listing Rules) is more than 5% but less than 25%, the transfer of the outstanding Convertible Bonds as contemplated thereunder the Settlement Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In relation to the settlement arrangement of the outstanding payment due from CondorTech to United Noble, this announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND

Reference is made to the announcements of the Company dated 19 October 2016, 29 November 2016, 3 December 2019 and 30 November 2020 in relation to the Convertible Bonds issued by CondorTech.

Pursuant to the terms of the Convertible Bonds, United Noble, being holder of the Convertible Bonds, has the right at its option, to convert any Convertible Bonds at any time during the conversion period, or CondorTech may redeem each Convertible Bond on the maturity date of the Convertible Bonds at 100% of the principal amount of the outstanding Convertible Bonds together with all accrued and unpaid interest on the principal amount of such Convertible Bond.

On 8 May 2020, United Noble informed CondorTech and requested CondorTech to redeem 100% of the principal amount of the outstanding Convertible Bonds upon the Maturity Date. Despite various attempts made by United Noble to follow up with CondorTech on the repayment, CondorTech has not make any repayment for the redemption of the outstanding Convertible Bonds or the accrued and unpaid interest thereon up till the date of this announcement. As at the date of this announcement, the outstanding Convertible Bonds and interests accrued and unpaid amounted to EUR5,000,000 (which is equivalent to approximately HK\$47,050,000) and EUR250,000 (which is equivalent to approximately HK\$2,352,500), respectively. The carrying amounts of Convertible Bonds' receivable measured at fair value amounted to HK\$18,842,000 as at 31 December 2020.

THE SETTLEMENT AGREEMENT

In order to settle the outstanding payment payable by CondorTech to United Noble, the Settlement Agreement was entered into. Principal terms of the Settlement Agreement are set forth below:

- Date: 25 March 2021
- Parties:
- (i) CondorTech;
 - (ii) United Noble;
 - (iii) Scan4all; and
 - (iv) FW.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiry, each of the CondorTech, Scan4all and FW and their respective ultimate beneficial owners is an Independent Third Party.

As at the date of the Settlement Agreement, Scan4all is indebted to CondorTech in an amount in principal of EUR 4,155,656.68 (which is equivalent to approximately HK\$39,401,729) and related accrued interests of EUR 1,213,476.26 (which is equivalent to approximately HK\$11,418,812) (the “**Scan4all Debts**”).

Pursuant to the terms of the Settlement Agreement, United Noble agreed to sell to FW, and FW agreed to purchase from United Noble, all the Convertible Bonds free from any encumbrance and together with all rights attached thereto with effect on the date of the Settlement Agreement at a purchase price of EUR 5,225,000 (which is equivalent to approximately HK\$49,167,250). Immediately upon completion of the transfer of the Convertible Bonds from United Noble to FW, both CondorTech and United Noble shall be released from: (i) all and any of their liabilities under the subscription agreement for the Convertible Bonds, and (ii) all and any of their liabilities they may have towards each other under the Exclusive Distribution Agreement.

The purchase price of EUR5,225,000 (which is equivalent to approximately HK\$49,167,250) for the transfer of the Convertible Bonds from United Noble to FW was determined taking into consideration of the principal amount of the Convertible Bonds of EUR 5,000,000 (which is equivalent to approximately HK\$47,050,000) together with interest received in advance at 3% per annum based on deferred payment, and shall be payable in cash as follows:

- (i) a payment in cash in an amount of EUR2,225,000 (which is equivalent to approximately HK\$20,937,250) to be made within five (5) business days after the date of the entering of the Settlement Agreement (the “**First Instalment**”); and
- (ii) a deferred payment in cash in an amount of EUR3,000,000 (which is equivalent to approximately HK\$28,230,000) (the “**Second Instalment**”) to be made upon the expiry of a period of thirty (30) months from the date of the entering of the Settlement Agreement, i.e. by 25 September 2023 at the latest.

In addition, subject to the terms of the Settlement Agreement, CondorTech agreed to pay in cash to United Noble by way of final settlement for the accrued interests of the outstanding Convertible Bonds in an amount of EUR250,000 (which is equivalent to approximately HK\$2,352,500) within five (5) business days after the date of the entering of the Settlement Agreement.

Release of Share Pledge by CondorTech

To guarantee the due performance on the part of CondorTech under the terms of the Convertible Bonds, CondorTech provided in favour of United Noble a share pledge over its 30% interests in Scan4all as security. Pursuant to the Settlement Agreement and upon payment of the First Instalment by FW to United Noble, United Noble agreed to release such share pledge granted by CondorTech.

Security provided by FW

To guarantee the due payment of the Second Instalment, FW undertakes to:

- (a) grant on the date of the Settlement Agreement a share pledge over its 30% interests in Scan4all as security in favour of United Noble with effect as from the date of payment of the First Instalment; and
- (b) cause each of Biotech and TriAnchor to grant on the date of the Settlement Agreement a joint guarantee in a maximum total amount of EUR3,000,000 (which is equivalent to approximately HK\$28,230,000) as security in favour of United Noble with effect as from the date of payment of the First Instalment.

REASONS FOR AND BENEFITS OF THE SETTLEMENT AGREEMENT

As stated in the announcement of the Company dated 30 November 2020, despite various attempts made by United Noble to follow up with CondorTech on the repayment, CondorTech has not made any repayment for the redemption of the outstanding Convertible Bonds or the accrued and unpaid interest thereon. Upon negotiation with CondorTech and taking into consideration of the financial status of CondorTech, the Company is of the view that the entering of the Settlement Agreement and the transfer of the outstanding Convertible Bonds as contemplated thereunder provides an opportunity for the Company to recover the outstanding payment due from CondorTech in an amicable and efficient manner without incurring additional and unnecessary time, costs and effort to initiate legal proceedings against CondorTech which may also bring negative impact on the Company.

The Directors, including the independent non-executive Directors, consider that the terms of the Settlement Agreement and the transfer of the outstanding Convertible Bonds as contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE TRANSFER OF THE CONVERTIBLE BONDS

As at the date of this announcement, the outstanding Convertible Bonds and interests accrued and unpaid amounted to EUR5,000,000 (which is equivalent to approximately HK\$47,050,000) and EUR250,000 (which is equivalent to approximately HK\$2,352,500), respectively. The carrying amounts of Convertible Bonds' receivable measured at fair value amounted to HK\$18,842,000 as at 31 December 2020.

Taking into account for the carrying amount of the Convertible Bonds' receivable, the Group is expected to record a gain of approximately HK\$2.3 million.

GENERAL

The Group is principally engaged in the dental prosthetics business, including the sale (both overseas and domestic) and production of dental prosthetics, and the health care service business.

CondorTech is a company incorporated in Belgium and principally engaged in dental CAD/CAM equipment business. As at the date of this announcement, CondorTech is a company whose shares are listed on the Euronext Stock Exchange.

FW is a company incorporated in France and principally engaged in dental implant business. As at the date of this announcement, FW is mainly owned by Biotech, TriAnchor and Veronique & Olivier Querbes.

Scan4all is a company incorporated in France and principally engaged in dental CAD/CAM equipment business. As at the date of this announcement, Scan4all is owned as to 30% by CondorTech and 70% by FW. Pursuant to the Settlement Agreement, it is contemplated that CondorTech will transfer its 30% interests in Scan4all to FW, upon which, FW will hold 100% interests in Scan4all.

Biotech is a company incorporated in France and principally engaged in dental implant business. As at the date of this announcement, Biotech is mainly owned by Mr. Philippe Veran, Mr. Bruno Thevenet, Sofina SA, a company whose shares are listed on the Euronext Stock Exchange and Ceres Industries Capital, which is a private equity fund.

TriAnchor is a company incorporated in the Cayman Islands and principally engaged in private equity fund business. As at the date of this announcement, TriAnchor is mainly owned by Mr. Po Chuen Chen.

LISTING RULES IMPLICATIONS

In relation to the transfer of the outstanding Convertible Bonds as contemplated thereunder the Settlement Agreement, as one of the applicable percentage ratios (as set out in the Listing Rules) is more than 5% but less than 25%, the transfer of the outstanding Convertible Bonds as contemplated thereunder the Settlement Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In relation to the settlement arrangement of the outstanding payment due from CondorTech to United Noble, this announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DEFINITIONS

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

“Biotech”	Biotech Dental, a company incorporated under the laws of France and the holding company of FW
“Board”	the board of Directors
“Company”	Kaisa Health Group Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 876)
“CondorTech”	Condor Technologies NV, previously known as Condor International NV, a company incorporated in Belgium with limited liability and the issued Shares of which are listed on the Euronext Access Paris (International Securities Identification Number: BE6252013725)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	the 257,663 unlisted 5% coupon convertible bonds issued by CondorTech, the terms of which were amended and supplemented by an amendment deed dated 30 November 2019 entered into between United Noble and CondorTech, pursuant to which the maturity date of the Convertible Bonds has been extended from 27 November 2019 to 27 November 2020
“Director(s)”	the director(s) of the Company
“EUR”	the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty Establishing the European Community, as amended by the Treaty on the European Union and the Treaty of Amsterdam
“Exclusive Distribution Agreement”	the exclusive distribution agreement dated 19 October 2016 entered into between Condor S.A.S as manufacturer, CondorTech as supplier and United Noble as distributor

“FW”	Financière Wow, a company incorporated under the laws of France
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the maturity date of the Convertible Bonds, originally being 27 November 2019 and which was subsequently extended to 27 November 2020 pursuant to the amendment deed dated 30 November 2019 entered into between United Noble and CondorTech
“PRC”	the People’s Republic of China
“Scan4all”	Scan4all, a company incorporated under the laws of France
“Share(s)”	ordinary share(s) of 0.00125 each in the share capital of the Company
“Shareholder(s)”	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
“TriAnchor”	TriAnchor Capital Management Limited, a company incorporated in the Cayman Islands

“United Noble” United Noble Development Ltd., a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“%” per cent

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

Hong Kong, 25 March 2021

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