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SATU
SATU HOLDINGS LIMITED

舍圖控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8392)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF INVESTMENT FUND

The board of directors of Satu Holdings Limited hereby announces the Subscription whereby B&C, a wholly-owned subsidiary of the Company, subscribed for certain Participating Shares in the Short Term Fund at the principal amounts of USD330,000 and USD1 million on 1 April 2020 and 28 December 2020 respectively. The Short Term Fund is managed by BOCHK Asset Management Limited.

Prior to the Second Subscription, as all of the applicable percentage ratios in relation to the First Subscription calculated, pursuant to Rule 19.07 of the GEM Listing Rules, are below 5%, the First Subscription does not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules. However, as all the applicable percentage ratios in relation to the Subscription calculated, pursuant to Rule 19.07 of the GEM Listing Rules, exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under the GEM Listing Rules.

SUBSCRIPTION OF INVESTMENT FUND

Pursuant to the Subscription, B&C subscribed for certain Participating Shares in the Short Term Fund at the principal amounts of USD330,000 and USD1 million on 1 April 2020 and 28 December 2020 respectively, the principal terms of which are set out as follows:

| | First subscription | Second subscription |
|---------------------------------------|--|--------------------------------------|
| Date of the subscription: | 1 April 2020 | 28 December 2020 |
| Class of Participating Share | Class 12-month (Apr) USD Share | Class 6-month (Jan/Jul) USD Share |
| Principal amount subscribed (in USD): | 330,000 | 1,000,000 |
| Hurdle Rate: | 3.6% | 3.3% |
| Investment terms: | 12 months | 6 months |
| Party of the Subscription: | B&C | |
| Fund Manager: | BOCHK Asset Management Limited | |
| Fund Administrator: | Bank of Communications Trustee Limited | |
| Fund Custodian: | Bank of China (Hong Kong) Limited | |
| Name of the Fund: | BOCHK Short Term Cash Management Fund | |
| Investment Objective and Strategy: | <p>In order to achieve stable return on a periodic basis, the Fund mainly invests in a diversified portfolio primarily consisting of products with relatively longer duration, bank deposits, debt securities, collective investment schemes (including private funds), money market instruments, short-term debt obligations, commercial papers and other alternative investment products.</p> <p>It may also invest in RMB denominated securities through available means and/or such other means as may be permitted by the relevant regulatory authorities from time to time and as the directors of the Fund may determine in consultation with the Fund Manager. The Fund may hold 100% of its assets in cash or cash equivalents should the Fund Manager deem such strategy to be prudent over any time period.</p> | |

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| Characteristics of risk and return: | According to the Fund, there is no guarantee that in any time period, particularly in the short term, the Fund's portfolio will achieve appreciation in terms of capital growth. Prior to the Subscription, the Fund Manager informed the Company of the Hurdle Rate which is subject to the discretion of the directors of the Fund. In that case, the Fund Manager shall issue a written notice to all shareholders of the affected classes prior to the applicable deadline in respect of an adjustment of the Hurdle Rate to take effect on the next following redemption day. |
| Redemption: | Shareholders may redeem their Participating Shares of a class (other than designated investment shares) on any relevant redemption day on giving written notice (a "Redemption Notice") to the Fund Administrator no later than the redemption dealing deadline. Any Redemption Notice received after the redemption dealing deadline will be held over until the redemption day next following the relevant redemption day and the Participating Shares will then be redeemed at the redemption price of such class applicable on that day. The Fund Manager has the discretion to accept Redemption Notices received after the redemption dealing deadline provided they are received before the valuation point relating to the relevant redemption day. |
| Subscription and Redemption Price: | In calculating the subscription price or redemption price of a Participating Share of a class, the net asset value of such class as at the valuation point relating to relevant valuation day will be divided by the number of Participating Shares of the relevant class then in issue, the resulting amount being rounded to the nearest cent (0.5 of a cent being rounded up). |

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

In light of the recent low interest rate for the Group's bank deposits, the Directors considered various options that may work to maximize the return from the Group's surplus cash reserves. After serious deliberation, the Directors considered that investing in the Short Term Fund can improve both efficacy and efficiency on capital utilisation. After taking into account the investment risks vis-a-vis the potential returns of the Subscription with due regard to the economic needs of the Company, the Board considers that the terms of the Subscription are normal commercial terms, and are fair and reasonable and in the best interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

Prior to the Second Subscription, as all of the applicable percentage ratios in relation to the First Subscription calculated, pursuant to Rule 19.07 of the GEM Listing Rules, are below 5%, the First Subscription does not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules.

However, upon the aggregation of the First Subscription and the Second Subscription in accordance with the requirements of Rule 19.22 of the GEM Listing Rules, the relevant applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Subscription exceed 5% but are less than 25%; hence, the Subscription constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under the GEM Listing Rules.

GENERAL INFORMATION OF THE GROUP AND THE FUND MANAGER

The Company is an investment holding company. The principal activities of the Group are trading, designing of homeware products and e-commerce business with operations in the PRC and Hong Kong. B&C is a wholly-owned subsidiary of the Company.

The Fund Manager is BOCHK Asset Management Limited and is responsible for managing the investment, sale and reinvestment of the Fund's assets. The Fund Manager is a wholly-owned subsidiary of BOCHK Asset Management (Cayman) Limited ("**BOCHK AM (Cayman)**"). BOCHK AM (Cayman) is a wholly-owned subsidiary of BOC Hong Kong (Holdings) Limited which is listed on the Stock Exchange. The Fund Manager was granted a licence by the Hong Kong Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Fund Manager and the ultimate beneficial owners of the Fund are third parties independent of and not connected with the Company and the connected persons of the Company (as defined in the GEM Listing Rules).

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

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| "B&C" | B&C Industries Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company |
| "Board" | the board of Directors |
| "Company" | Satu Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 27 March 2017 |
| "Directors" | the directors of the Company |

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| “First Subscription” | the subscription by B&C for certain Participating Shares in the Short Term Fund at the principal amount of USD330,000 on 1 April 2020 |
| “Fund Manager” | BOCHK Asset Management Limited, a company incorporated in Hong Kong with limited liability on 28 October 2010 |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM of the Stock Exchange |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hurdle Rate” | in respect of a particular performance period, shall be a percentage (as determined by the directors of the Fund) in respect of the relevant class multiplied by a fraction, the numerator being the number of days in the relevant performance period, and the denominator being 365 days (or 366 days if the relevant performance period coincides with a leap year); provided that the current applicable Hurdle Rate of a Participating Share is stated in the application forms of such Participating Share and is subject to the discretion of the directors of the Fund to adjust the Hurdle Rate from time to time. In that case, the Fund Manager shall issue a written notice to all shareholders of the affected classes prior to the applicable deadline in respect of an adjustment of the Hurdle Rate to take effect on the next following redemption day |
| “Participating Share” | a non-voting, participating redeemable Share in the share capital of the Short Term Fund. Participating Shares may be divided into classes in the discretion of the directors of the Short Term Fund in accordance with the provisions of the Memorandum and Articles of Association of the Short Term Fund |
| “PRC” | the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Second Subscription” | the subscription by B&C for certain Participating Shares in the Short Term Fund at the principal amount of USD1 million on 28 December 2020 |

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| “Short Term Fund” or “the Fund” | BOCHK Short Term Cash Management Fund, which was incorporated as an exempted open-ended investment company with limited liability in the Cayman Islands. |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription” | comprising the First Subscription and the Second Subscription, with respect to a private placing in relation to the placing of up to 49,900,000 Participating Shares |

By order of the Board
Satu Holdings Limited
She Leung Choi
Chairman

Hong Kong, 28 December 2020

As at the date of this announcement, the executive Directors are Mr. She Leung Choi, Ms. Chan Lai Yin, Mr. She Leung Ngai Alex; and the independent non-executive Directors are Mr. Ho Kim Ching, Mr. Chan Ching Sum Sam and Ms. Fan Pui Shan.

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.satuhome.com.