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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)

QUARTERLY UPDATE ANNOUNCEMENT

This announcement is made by China Saite Group Company Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 22 June 2020, 22 July 2020, 8 September 2020 and 30 September 2020 (the “**Announcements**”) in relation to, among others, the suspension of trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pending the publication of the annual results of the Group for the year ended 31 December 2019, the resumption guidance and additional resumption guidance issued by the Stock Exchange (the “**Resumption Guidance**”), and the winding up petitions against the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

BUSINESS UPDATE

In respect of the Group’s business operations, Group has continued its operations notwithstanding the suspension of trading in the shares of the Company. As at the date of this announcement, construction projects undertaken by the Group are still in normal progress despite the impact of COVID-19.

The Group will continue to proactively seek for potential opportunities, with the aim of broadening its source of income and maximizing return to the shareholders.

The Group will make announcement(s) to update its shareholders and investors of the development of the business operations of the Group as and when appropriate.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the Announcements, the Stock Exchange has set out the Resumption Guidance for the Company:

- (i) conduct an appropriate independent investigation into the issues identified in the resignation letter of the former auditor of the Company dated 19 June 2020, announce the findings and take appropriate remedial actions;
- (ii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules;
- (iii) publish all outstanding financial results and address any audit modifications;
- (iv) announce all material information for the Company's shareholders and other investors to appraise the Company's position; and
- (v) have the winding-up petitions (or winding-up orders, if made) against the Company withdrawn or dismissed.

The Company is taking appropriate steps to fulfill the Resumption Guidance, the status of resumption since the suspension of trading in the shares of the Company are summarised as follow:

Outstanding Financial Results

The auditors of the Company, Ascenda Cachet CPA Limited, was appointed on 29 June 2020 and is in the process of carrying out the audit work of the Group for the year ended 31 December 2019. The Company will publish further announcement to inform the shareholders of the Company on the date of the release of the 2019 Annual Results and the 2020 Interim Results.

Winding-Up Petitions

As disclosed in the announcement of the Company dated 8 September 2020, five winding-up petitions were filed against the Company under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) at the Court of First Instance of High Court of Hong Kong. As at the date of this announcement, three out of the five winding-up petitions have been withdrawn or dismissed.

As to the remaining two winding-up petitions, the Company has reached a settlement with one of the petitioners regarding the repayment plan and is in further negotiations with the other petitioner. The Company will keep its shareholders and the public informed of any material development in connection with the winding-up petitions and will make further announcement(s) as and when appropriate.

As at the date of this announcement, no winding-up order has been made against the Company and the winding-up petitions have no material adverse impact on the daily operations of the Company.

For the requirements of the other resumption guidance, the Company is taking necessary steps to fulfil such requirements and will keep its shareholders and the public informed of the latest developments by making further announcement(s) as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 22 June 2020 and will remain suspended until further notice.

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

Hong Kong, 14 October 2020

As at the date of this announcement, the executive directors of the Company 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.