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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 ON SUSPENSION OF TRADING

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 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).

References are made to the announcements of the Company dated 22 June 2020, 22 July 2020, 8 September 2020, 30 September 2020, 23 October 2020, 19 November 2020 and 8 December 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;
- (v) have the winding-up petitions (or winding-up orders, if made) against the Company withdrawn or dismissed;
- (vi) demonstrate compliance with Rule 13.24 of the Listing Rules; and
- (vii) demonstrate that there is no reasonable regulatory concern about the management integrity and competence, and/or the integrity and competence of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence.

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 follows:

Outstanding Financial Results

The auditors of the Company, McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), was appointed on 19 November 2020 to fill the vacancy following the resignation of Ascenda Cachet CPA Limited.

McMillan Woods 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 announcements of the Company on 8 September 2020, 23 October 2020, 16 November 2020, 2 December 2020 and 11 December 2020, there are currently six outstanding petitions filed against the Company under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) that have yet to be withdrawn or dismissed. Among these, the Company has reached settlements with the petitioners in HCCW 192 of 2020 and HCCW 235 of 2020, respectively. The Company is in the course of discussing settlement arrangements with other petitioners.

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 other requirements under the 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 IN SHARES

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, 28 December 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.